

ASX ANNOUNCEMENT

21 JANUARY 2009

CANCELLATION OF EMPLOYEE OPTIONS

Dragon Mining Limited advises the cancellation of 750,000 unlisted Employee Options exercisable at 17.5 cents on or before 8 June 2012. The Options were issued to former employees and have been cancelled in accordance with the Company's Employee Incentive Option Plan.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Managing Director