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Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

SVARTLIDEN HEDGING COMPLETE

The Company is pleased to announce hedging for the Svartliden Mine required under the US\$ 12.25 million Macquarie Bank project loan facility.

Gold price risk has been addressed via a fixed flat forward of 150,000 oz (59% of current reserve of 256,000 oz) at a price of US\$400 deliverable into contracts over the next five years until December 2008.

The risk of a rise in the Swedish Krona (SEK) operating cost currency against US\$ income for the Svartliden project has been addressed through the forward sale of US\$ 38.6 million into SEK over the same period at a rate of 7.9002 buying SEK 305 million.

The balance of Dragon's total gold resource inventory of 1.1 million oz in Sweden and Finland remains unhedged.

DRAGON MINING NL

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