



17 February, 2004

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

**DRAGON COMPLETES A\$12 MILLION PLACEMENT TO HELP FUND MAJOR
EXPLORATION AND DEVELOPMENT PROGRAM**

Dragon Mining has completed an approximately \$12 million fundraising by placing 39 million shares with Australian and overseas investment funds and private investors. The shares were placed at a price of 30.5 cents jointly by Royal Bank of Canada and Macquarie Equity Capital Markets Ltd.

The company intends to use the funds to finance its exploration and development plans for the calendar year 2004 and to retire \$5 million in debt associated with the acquisition of the Outokumpu Oyj's precious metal assets in late 2003. This enables Dragon to fund its exploration and development budget for 2004 of \$13.6 million. The other sources of funds being cash flows derived from the Orivesi mine in Finland up until 31st December 2003 and existing treasury funds. This exploration and development budget is in addition to the development costs for the Swedish Svartliden Mine which are being met out of a US\$12.25 million project finance facility.

The \$13.6 million 2004 exploration and development budget will be directed mainly towards the following:

- Advancing the Jokisivu Gold Project located only 40 kilometres from Dragon's Vammala Plant in southern Finland towards production late in 2004 through further resource and reserve drilling and through obtaining regulatory approvals.
- Resource extension drilling at the Svartliden Mine in Sweden.
- Continuing drilling at the exciting new gold discovery at Hanhimaa in northern Finland.
- Continued drilling of the Sarvisuo lode at the Orivesi Mine also in southern Finland.
- Extending the Pampalo Gold Project resources with the aim of achieving a decision to mine in 2005.

Dragon is now well funded to carry out its programmed 2004 objectives. With the rapidly advancing projects in Finland and with the Svartliden Mine scheduled to come on stream late in the Northern summer, it will be a significant year in Dragon's progress towards becoming a major European focussed gold producer.

DRAGON MINING NL



Dr JAMES SEARLE
M AusIMM, MSMA
Chief Executive Officer and Director

***Note 1:** It is advised that in accordance with the Australian Stock Exchange Limited Listing Rules (5 10, 5 12 and 5 13) the technical information unless otherwise indicated, contained in this report is based on information compiled by Dr James Searle. He fulfils the requirements of a 'qualified person' and is a member of the Australasian Institute of Mining and Metallurgy and registered by the Svenska Gruvföreningens (Swedish Mining Association-Registration Number 24) as a 'qualified person'. He is also an employee and Director of the company.*

***Note2:** All statements in this report, other than statements of historical facts, that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Dragon Mining NL, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.*