

FURTHER SIGNIFICANT INTERCEPTS FROM THE SVARTLIDEN GOLD MINE, SWEDEN

Dragon Mining Limited is pleased to announce encouraging diamond core drill intercepts from the Svartliden Gold Mine in Sweden, with the receipt of assays from the eastern zone open cut extension drilling campaign.

A total of 30 holes (4,291.60 metres) from the 32 hole campaign have now been drilled with the remaining holes scheduled to be completed by the end of June. This campaign represents portion of the extensive drilling program at Svartliden that will result in 22,000 metres being completed over the next twelve months.

Results have been received from 7 holes to date, which have returned a number of promising intercepts including **9.0m @ 2.04 g/t gold** and **7.0m @ 2.40 g/t gold** (figure 1). These results are all located below the base of the current mine design. All results received are presented in Table 1.

The results from the final 2 holes of the 12 hole campaign of in-pit drilling, which targeted a higher grade zone of mineralisation the southern edge of the open pit have also been received. The new results have returned intercepts from each hole, including **2.0 metres @ 7.04 g/t gold** and **3.0 metres @ 4.84 g/t gold**. In-pit results are presented in Table 2.

A second diamond core drill rig will commence activities on a new 25 hole, 4,645 metre campaign, which has been designed to further examine the western portion of the deposit below and adjacent to the existing Indicated and Inferred Resource of 312,000 tonnes grading 7.1 g/t gold.

Table 1 – Results from the eastern zone open cut extension drilling campaign

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 2025							
SV10208	7187245.3	1588805.6	341	-55	No Significant Results		
SV10209	7187244.5	1588805.6	341	-45	No Significant Results		
Profile 2050							
SV10215	7187264.3	1588826.2	341	-60	No Significant Results		
SV10216	7187264.9	1588826.0	341	-50	123.0	1.0	2.88
					149.0	1.0	4.23
Profile 2100							
SV10213	7187291.8	1588840.1	359	-50	69.0	4.0	2.80
					92.0	7.0	2.40
					103.0	5.0	2.46
SV10214	7187290.8	1588840.2	359	-60	117.0	9.0	2.04
Profile 2175							
SV10223	7187318.0	1589045.5	341	-50	146.0	4.0	3.02
					155.0	2.0	5.10
					164.0	0.8	5.00

Analysis of half core was completed at ALS Chemex Laboratories in Vancouver, Canada, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reporting cut-off grade 1.8g/t gold.

Table 2 – Results from in-pit drilling in eastern zone

Hole	North	East	Azimuth (°)	Dip (°)	From (m)	Interval (m)	Gold (g/t)
Profile 1900							
SV10203	7187268.4	1588666.7	161	-50	19.0	1.0	3.72
					27.0	2.0	7.04
Profile 1950							
SV10207	7187273.4	1588711.6	161	-50	10.0	3.0	4.84

Analysis of half core was completed at ALS Chemex Laboratories in Vancouver, Canada, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reporting cut-off grade 1.8g/t gold.

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Figure 1 – Svartliden Profile 2100. (Drill holes SV10213 and SV10214 collared on Profile 2075)

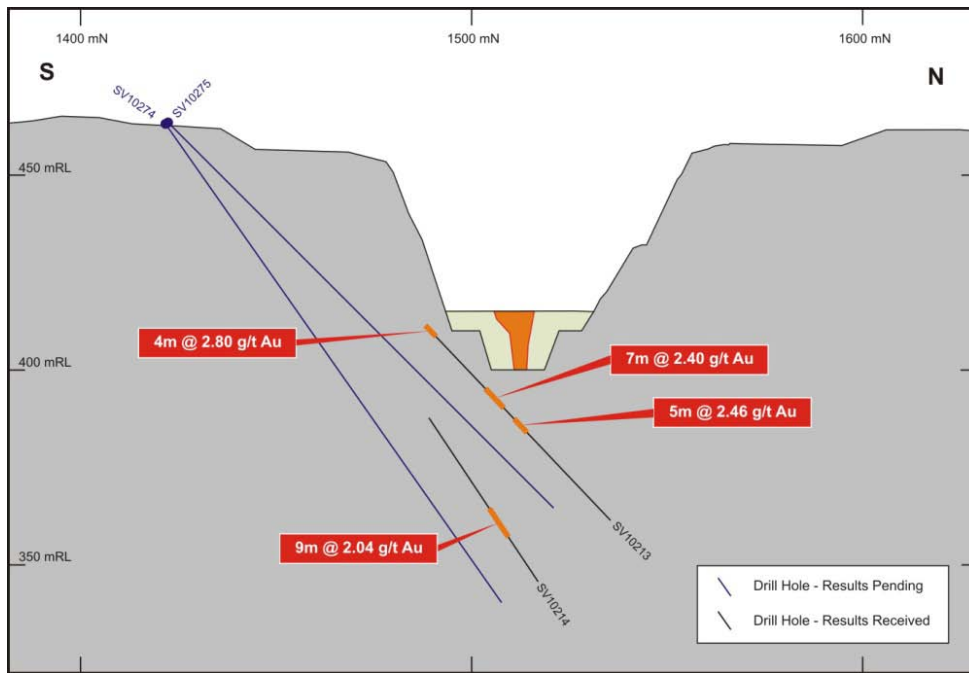
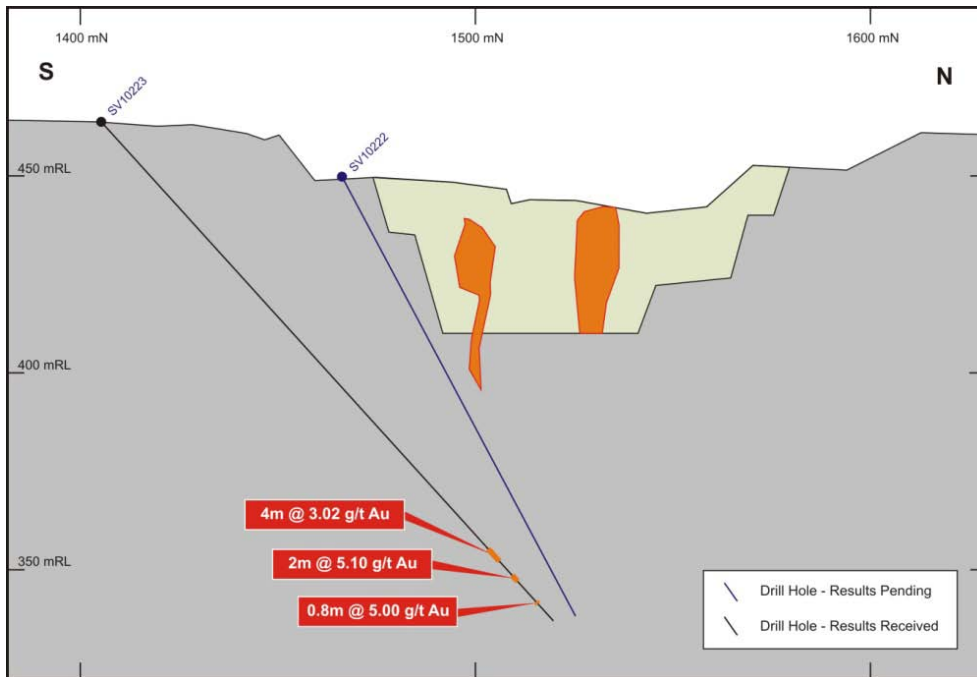


Figure 2 – Svartliden Profile 2175.



For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists, who is a full time employee of the company and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.