



ASX ANNOUNCEMENT

19 FEBRUARY 2013

HANHIMAA EARN-IN AGREEMENT WITH AGNICO-EAGLE EXECUTED

Dragon Mining is pleased to announce that it has executed the Hanhima Gold Project Earn-In Agreement with Agnico-Eagle Mines Limited (NYSE:AEM)(TSX:AEM) (Agnico-Eagle), whereby Agnico-Eagle could earn up to 70% interest in the Hanhima Gold Project in northern Finland, with the staged expenditure of €9 million over 6 years.

The terms of this Earn-In Agreement are in accordance with a Letter of Intent signed by both companies on the 23 May 2012, details of which were released to the ASX on the 25 May 2012 – *“Agreement with Agnico-Eagle to Joint Venture into the Hanhima Gold Project in Northern Finland”*.

The Hanhima Gold Project covers portion of the highly prospective Central Lapland Greenstone Belt. The near contiguous tenement holding principally encompasses the 20 kilometre long north-south trending Hanhima Shear Zone, 10 kilometres west of Agnico-Eagle’s Kittila Gold Mine.

The potential of this area was first identified in 2002 when indications of gold mineralisation were found through geochemical sampling and trenching. Since then, three prospects, Kiimalaki, Kellolaki and Kiimakuusikko have been identified within the 100 to 200 metre wide domain of strongly sheared and hydrothermally altered rocks in the northern portion of the Hanhima Shear Zone.

Dragon Mining has completed 6,684 metres of diamond core drilling on the project area, which returned a number of promising intercepts including 11.70 metres @ 4.48 g/t gold, 7.50 metres @ 5.88 g/t gold and 5.00 metres @ 5.96 g/t gold from Kiimalaki, 8.00 metres @ 1.95 g/t gold and 8.55 metres @ 1.51 g/t gold from Kellolaki and identified gold bearing zones at Kiimakuusikko. A series of other targets have also been identified by till and bedrock geochemical sampling throughout the project area.

Under the terms of the Agreement, Agnico-Eagle can expend €5 million within 3 years of the commencement date to earn a 51% interest in the Hanhima Gold Project. Upon earning the 51% interest Agnico-Eagle can then elect to earn an additional 19% by expending a further €4 million within 3 years of completion of the initial earn-in phase. Agnico-Eagle will be the manager during the earn-in and can withdraw at any time following expenditure of €1.5 million.

Agnico-Eagle have advised Dragon Mining that diamond core drilling has now commenced on the Hanhima project area, the first drilling campaign targeting the depth extensions of the previously identified gold mineralisation at the Kiimalaki prospect.

For and on behalf of
Dragon Mining Limited

Kjell E Larsson
Managing Director

Background to Agnico-Eagle

For more details on Agnico-Eagle and the Kittila Gold Mine in Finland please refer to the Agnico-Eagle website at <http://www.agnico-eagle.com>.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists and Mr Matti Talikka MSc (Geology), a Member of the Australasian Institute of Mining and Metallurgy, who are full time employees of the company and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Matti Talikka consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.