



**ASX ANNOUNCEMENT**

**2 MARCH 2012**

## **FURTHER GOLD INTERCEPTS FROM KUUSAMO NORTH, FINLAND**

Dragon Mining is pleased to announce the receipt of further drill results from the Kuusamo Gold Project in northern Finland.

Analysis has returned a number of promising results, including a high grade intercept of **2.55m @ 156.90 g/t gold** in drill hole KS/HL-109 from the Hangaslampi deposit.

A total of 50 holes (6,231.3 metres) have been drilled at the Hangaslampi deposit, since the recommencement of exploration at the Kuusamo Gold Project in November 2010. This drilling was planned to evaluate the strike and depth extensions and provide in-fill information to better define the extent and geometry of identified mineralisation.

A number of promising intercepts have been received, including **6.85m @ 9.04 g/t gold, 5.90m @ 3.47 g/t gold** and the previously released **7.20m @ 3.23 g/t gold, 5.00m @ 3.40 g/t gold, 12.45m @ 7.15 g/t gold, 6.00m @ 7.51 g/t gold** and **9.00m @ 30.17 g/t gold**. All results are provided in Table 1.

The Hangaslampi deposit is located 1,000 metres south of the Juomasuo deposit. It represents a moderately dipping, medium to high grade zone of gold mineralisation that is defined over a strike length of 270 metres to a maximum vertical extent of 90 metres from surface. A total of 105 holes were historically drilled into this deposit, returning a series of very encouraging intercepts including 23.50m @ 13.25 g/t gold, 26.95m @ 5.78 g/t gold, 19.20m @ 7.00 g/t gold, 21.05m @ 13.70 g/t gold and 13.00m @ 20.41 g/t gold.

Results have also been received from the Phase 7 drilling campaign, a 13 hole, 1,588.7 metre program that was designed to test a prominent geophysical anomaly and follow-up historical gold intercepts to the east of the Juomasuo deposit.

Analysis has returned an intercept of **4.10m @ 6.64 g/t gold** in drill hole KS/JS-169 (Table 2). This intercept occurs approximately 40 metres below the intercept of 3.40m @ 3.20 g/t gold in the historic drill hole R-340 and highlights the possibility of a further steeply dipping gold bearing zone occurring, 100 metres east of the main lode set at Juomasuo.

Multi-element analysis has also highlighted the presence of elevated levels of rare earth elements and copper in this area. Better intercepts obtained include 78.00m @ 768 ppm TREO in drill hole KS/JS-172, 5.55m @ 2,211 ppm TREO in KS/JS-169 and 3.35m @ 4,533 ppm copper in KS/JS-175. Sporadic elevated levels of cobalt and uranium also occur.

Both diamond core rigs are now active on the Phase 8 (15 holes–5,280 metres) and Phase 9 (14 holes–2,490 metres) programs, which have been planned to test the strike and depth extensions of identified lodes of the Juomasuo deposit to a maximum depth of 250 metres below surface (Elevation 20 mRL).

For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Executive Chairman

*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.*

**Table 1 – Results from diamond core drilling at the Hangaslampi deposit, Kuusamo North area. Results previously not released highlighted in red.**

Hole ID	Northing	Easting	Elevation	Dip (°)	Azimuth (°)	Length (m)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
<b>Hangaslampi - Phase 1</b>													
KS/HL-65	7354575.0	4464396.4	275.2	-45	91.6	67.5	31.20	1.90	1.67	571	2	694	399
							35.70	0.25	2.86	3,180	4	14	255
							46.60	6.55	2.49	1,275	4	225	358
KS/HL-66	7354475.5	4464392.8	282.0	-45	90.9	55.6	15.20	2.50	9.33	79	4	2	195
KS/HL-67	7354425.3	4464377.1	285.3	-64	88.9	74.3	10.15	0.75	2.74	3,590	2	167	6,323
							15.10	5.00	3.40	716	4	9	888
							26.20	1.15	1.22	521	22	57	1,305
							29.95	1.45	1.52	315	9	12	157
KS/HL-68	7354424.9	4464266.7	282.5	-60	86.1	125.0	No significant intercepts						
KS/HL-69	7354413.4	4464368.1	285.4	-65	88.0	73.2	11.00	4.15	1.80	406	2	100	1,312
							43.00	12.45	7.15	499	4	78	372
KS/HL-70	7354412.8	4464329.8	282.6	-65	90.1	100.7	66.60	1.40	1.09	8	0	3	131
KS/HL-71	7354412.2	4464296.9	281.6	-65	90.8	121.9	60.55	1.30	1.01	989	2	13	420
							66.10	1.65	1.24	38	2	2	91
							70.85	4.80	1.80	33	2	4	104
							82.55	1.60	2.48	669	5	16	288
KS/HL-72	7354400.9	4464365.3	286.2	-58	88.8	65.1	7.00	2.10	2.33	26	1	1	66
							45.30	6.00	7.51	418	5	24	614
KS/HL-73	7354399.6	4464266.5	282.7	-59	86.6	143.1	95.35	9.00	30.17	214	2	3,158	593
KS/HL-74	7354375.0	4464368.3	287.8	-57	89.1	73.0	48.75	1.10	8.22	16	2	2	508
KS/HL-75	7354375.2	4464331.9	285.8	-55	89.5	95.1	No significant intercepts						
KS/HL-76	7354350.1	4464352.0	288.9	-68	90.0	90.4	63.00	2.25	1.21	322	336	13	385
KS/HL-77	7354350.4	4464276.0	285.3	-60	88.9	109.2	79.90	0.95	1.52	213	1	9	199
KS/HL-78	7354299.9	4464298.9	292.7	-45	90.0	120.2	No significant intercepts						
KS/HL-79	7354201.0	4464284.4	291.5	-45	89.6	127.6	No significant intercepts						
KS/HL-80	7354199.9	4464198.1	284.5	-45	89.2	160.1	No significant intercepts						
KS/HL-81	7354080.5	4464268.9	284.8	-45	87.0	127.6	No significant intercepts						
KS/HL-82	7354081.3	4464181.5	280.8	-45	92.6	133.3	No significant intercepts						
KS/HL-83	7354399.8	4464184.7	278.0	-54	93.9	181.6	No significant intercepts						
KS/HL-84	7354120.2	4464195.7	282.3	-54	87.9	100.6	No significant intercepts						
<b>Hangaslampi - Phase 2</b>													
KS/HL-85	7354901.8	4463980.8	267.7	-45	92.6	73.3	No significant intercepts						
KS/HL-86	7354839.9	4464100.6	268.8	-45	96.6	73.1	No significant intercepts						
KS/HL-87	7354739.6	4464272.6	273.8	-45	90.3	88.6	Not sampled						
KS/HL-88	7354550.0	4464149.8	273.4	-45	89.4	100.8	No significant intercepts						
KS/HL-89	7354199.9	4464120.1	279.7	-45	89.6	79.6	No significant intercepts						
KS/HL-90	7354020.1	4464530.3	285.4	-45	89.3	85.4	No significant intercepts						
KS/HL-91	7354349.9	4464099.8	279.0	-45	89.6	286.2	No significant intercepts						
KS/HL-92	7354350.1	4463980.2	275.7	-45	88.4	348.2	No significant intercepts						
<b>Hangaslampi - Phase 3</b>													
KS/HL-93	7354660.9	4464339.9	273.2	-45	88.6	100.6	No significant intercepts						
KS/HL-94	7354659.2	4464279.5	273.9	-45	88.0	93.4	No significant intercepts						
KS/HL-95	7354659.4	4464219.7	272.4	-45	88.5	79.4	No significant intercepts						
KS/HL-96	7354519.3	4464459.4	281.7	-45	88.5	79.7	No significant intercepts						
KS/HL-97	7354387.7	4464356.5	286.0	-54	89.2	79.8	45.85	0.75	3.98	448	3	9	119
							48.35	1.00	2.02	573	2	9	214

							51.25	7.20	3.23	529	6	63	343
KS/HL-98	7354387.6	4464328.9	284.2	-54	90.5	106.8	No significant intercepts						
KS/HL-99	7354387.5	4464303.5	282.9	-54	88.6	130.4	No significant intercepts						
KS/HL-100	7354387.5	4464278.3	282.1	-54	88.6	139.3	No significant intercepts						
KS/HL-101	7354387.0	4464248.8	280.9	-54	91.1	178.9	107.70	5.55	1.82	197	0	48	506
							115.20	2.95	1.94	302	1	8	268
KS/HL-102	7354399.8	4464126.4	278.6	-50	91.2	238.7	No significant intercepts						
<b>Hangaslampi - Phase 4</b>													
KS/HL-103	7354437.1	4464290.1	280.8	-55	90.6	163.8	74.45	2.80	1.56	328	185	4	153
KS/HL-104	7354411.9	4464266.4	281.2	-65	89.7	161.0	No significant intercepts						
KS/HL-105	7354399.8	4464225.0	280.9	-56	92.7	165.9	120.25	4.10	1.19	159	0	13	247
							128.90	1.40	1.00	60	0	5	66
							132.45	0.90	4.59	13	0	3	115
KS/HL-106	7354374.9	4464187.2	280.3	-45	91.3	100.6	No significant intercepts						
KS/HL-107	7354375.0	4464224.8	281.6	-45	90.4	180.2	No significant intercepts						
KS/HL-108	7354349.6	4464184.0	282.6	-45	90.1	100.1	No significant intercepts						
KS/HL-109	7354350.1	4464224.3	283.1	-60	90.1	168.9	143.15	2.55	156.90	760	723	1,563	423
KS/HL-110	7354350.8	4464250.2	283.9	-60	90.7	150.4	114.45	6.85	9.04	1,452	460	1,350	799
KS/HL-111	7354363.2	4464277.4	284.5	-45	91.9	181.2	No significant intercepts						
KS/HL-112	7354362.4	4464302.9	285.7	-45	90.7	151.2	62.80	5.90	3.47	367	3	15	236
KS/HL-113	7354363.1	4464351.7	288.0	-45	90.3	100.5	No significant intercepts						
KS/HL-114	7354363.1	4464376.9	289.6	-45	91.4	100.2	No significant intercepts						

Preparation of half core samples was completed at the ALS Minerals facility in Outokumpu, Finland, and analysis completed at ALS Minerals in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. The Total REO values have been calculated as the sum of all REE as REE<sub>2</sub>O<sub>3</sub>, with the exception of Ce (CeO<sub>2</sub>), Pr (Pr<sub>6</sub>O<sub>11</sub>) and Tb (Tb<sub>4</sub>O<sub>7</sub>). Intercepts reported at a 1 g/t gold cut-off.

**Table 2 – Results from diamond core drilling at the Juomasuo deposit, Kuusamo North area.**

Hole ID	Northing	Easting	Elevation	Dip (°)	Azimuth (°)	Length (m)	From (m)	Interval (m)	Au (g/t)	Co (ppm)	Cu (ppm)	U (ppm)	TREO (ppm)
<b>Juomasuo - Phase 7</b>													
KS/JS-167	7355495.7	4464482.4	270.1	34.7	-45	199.5	No significant intercepts						
KS/JS-168	7355466.0	4464869.5	270.6	36.7	-45	91.6	No significant intercepts						
KS/JS-169	7355544.8	4464267.7	269.4	38.9	-45	199.4	74.60	4.10	6.64	86	1443	2	162
KS/JS-171	7355105.8	4464392.7	275.5	36.6	-45	100.5	No significant intercepts						
KS/JS-172	7355312.7	4464542.1	275.2	35.9	-45	100.4	No significant intercepts						
KS/JS-173	7355360.5	4464578.4	274.4	38.1	-45	100.5	No significant intercepts						
KS/JS-174	7355408.7	4464615.3	272.4	38.0	-45	100.4	No significant intercepts						
KS/JS-175	7355456.6	4464650.4	269.7	34.4	-45	170.0	No significant intercepts						
KS/JS-176	7355541.7	4464711.5	269.0	40.5	-45	110.7	No significant intercepts						
KS/JS-177	7355271.7	4464727.4	284.3	36.8	-45	99.9	No significant intercepts						
KS/JS-178	7355320.1	4464763.2	276.9	37.2	-45	100.2	No significant intercepts						
KS/JS-179	7355369.2	4464798.8	273.6	36.7	-45	115.0	No significant intercepts						

Preparation of half core samples was completed at the ALS Minerals facility in Outokumpu, Finland, and analysis completed at ALS Minerals in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. The Total REO values have been calculated as the sum of all REE as REE<sub>2</sub>O<sub>3</sub>, with the exception of Ce (CeO<sub>2</sub>), Pr (Pr<sub>6</sub>O<sub>11</sub>) and Tb (Tb<sub>4</sub>O<sub>7</sub>). Intercepts reported at a 1 g/t gold cut-off.

Figure 1 – Kuusamo North - Juomasuo, Hangaslampi and Pohjasvaara deposits.

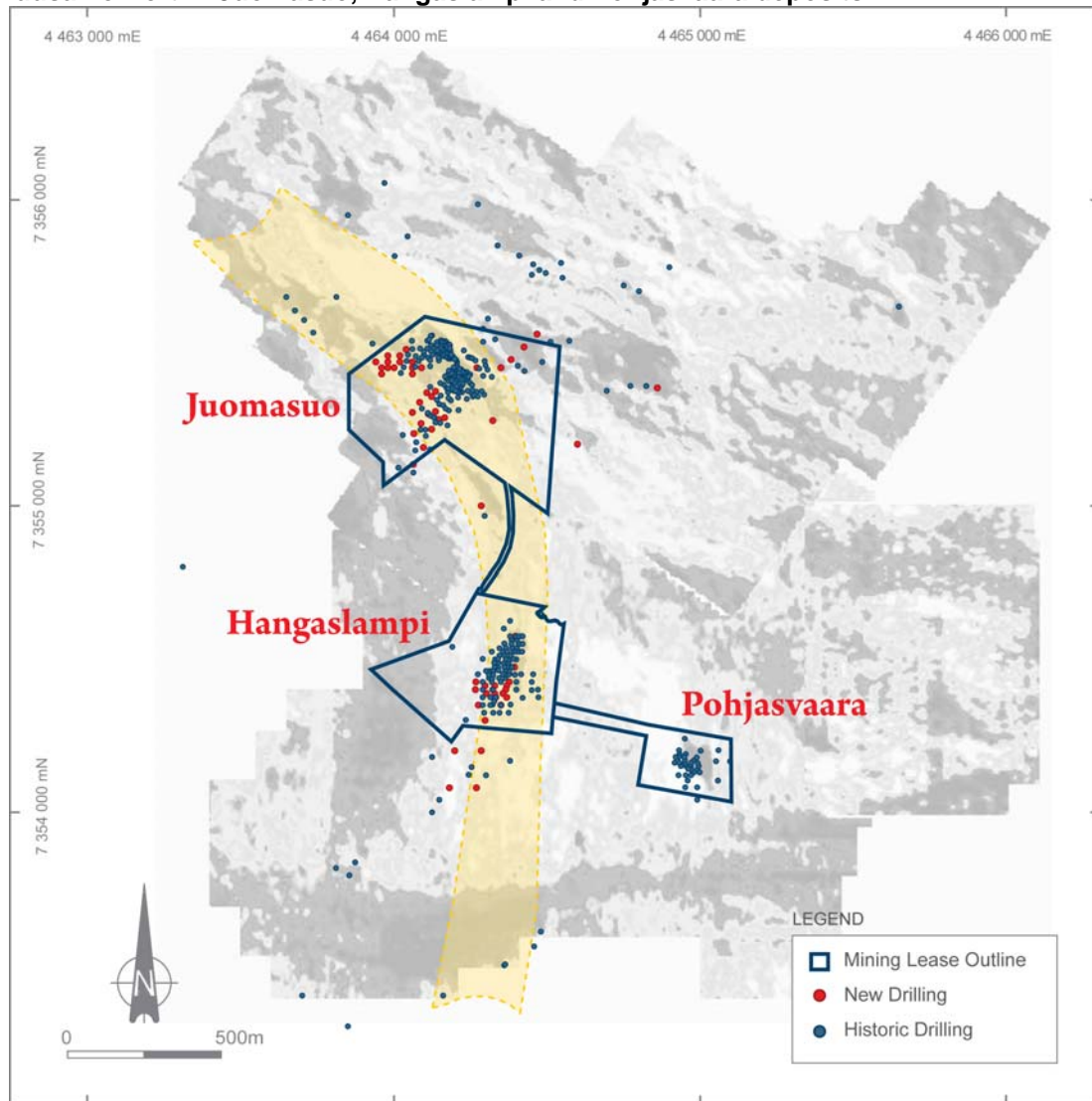


Figure 2 – Hangaslampi drill hole plan displaying highlight gold intercepts.

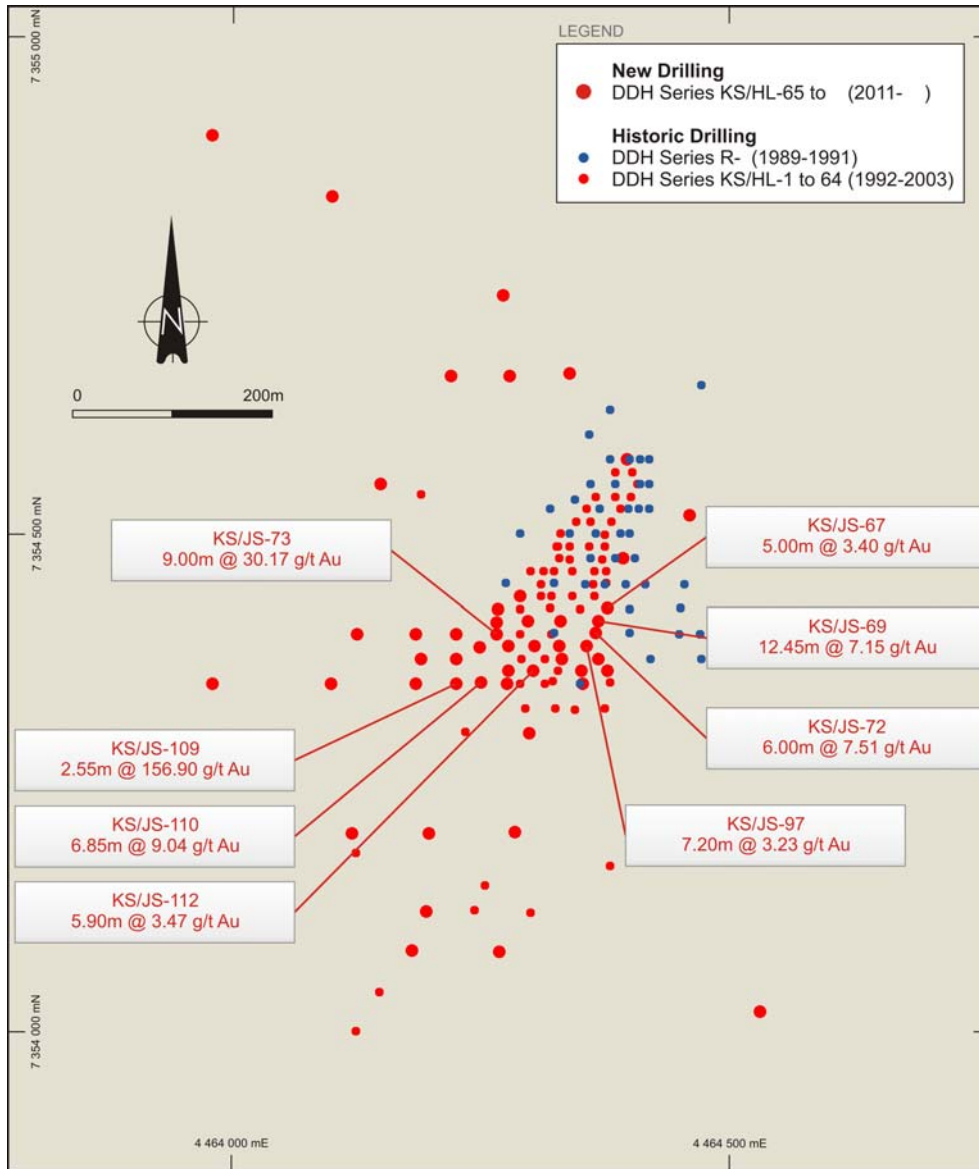
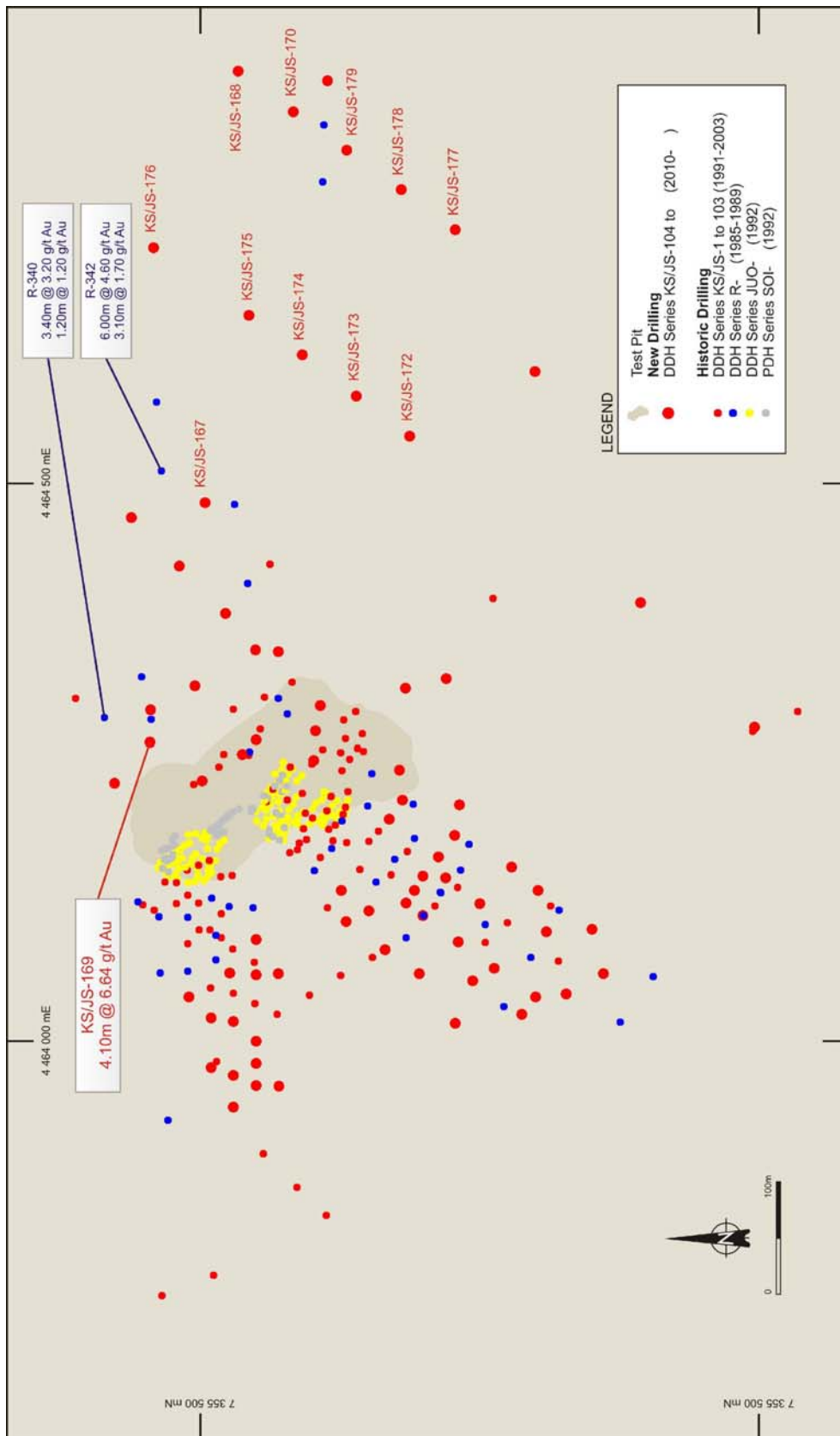


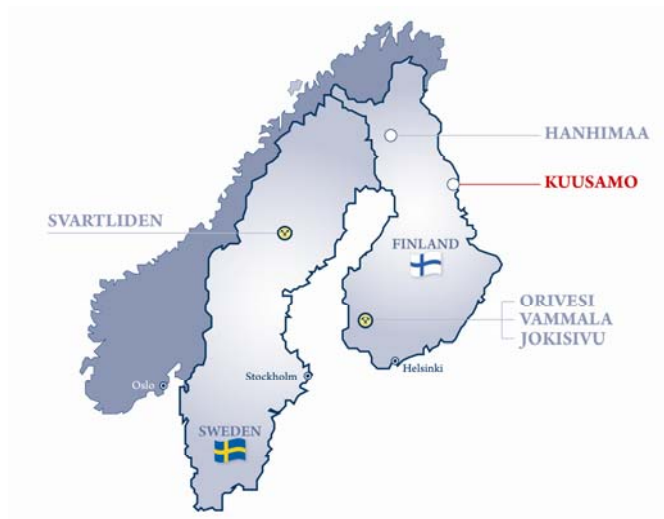
Figure 3 – Juomasuo drill hole plan displaying highlight gold intercepts from the area east of Juomasuo.



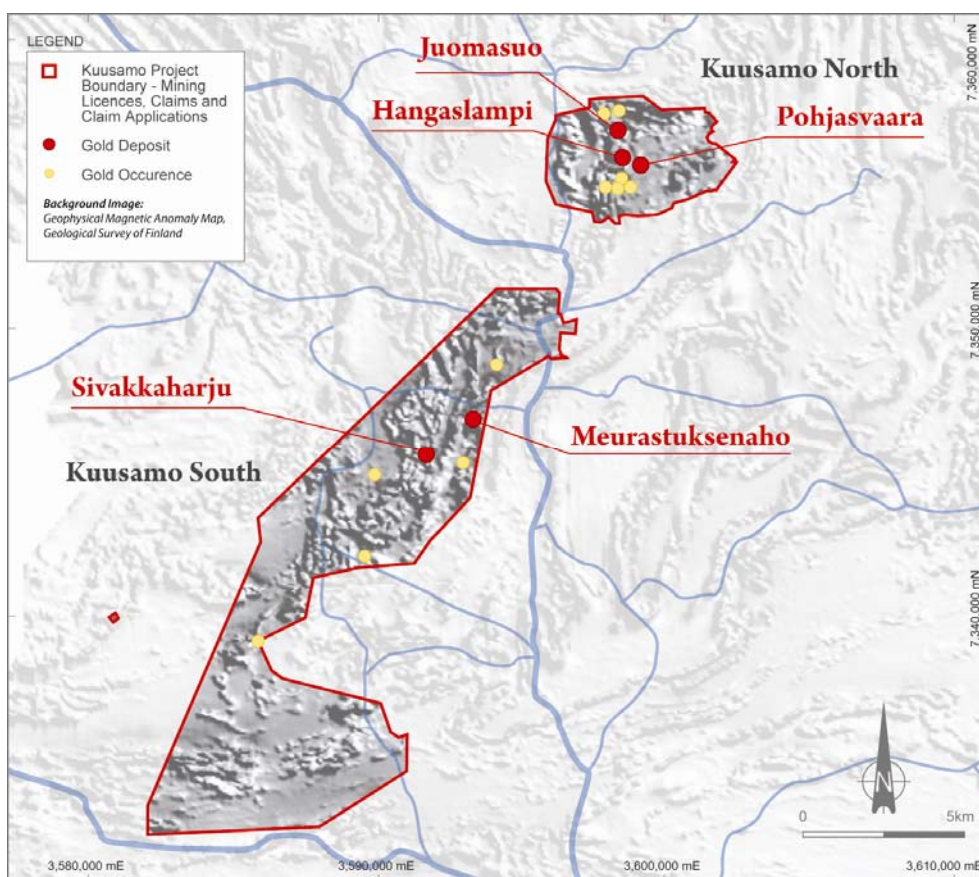
## Background

The Kuusamo Gold Project is located approximately 700 kilometres northeast of Helsinki. It comprises five known gold deposits with a combined Indicated and Inferred Resource of 460,700 ounces grading 4.2 g/t gold.

Numerous indications of gold mineralisation have also been identified within the surrounding areas. These indications provide a pipeline of prospects to advance and serve to highlight the overall potential of the Kuusamo Gold Project.



Location of Projects



Kuusamo Gold Project – Mining Licences, Claims and Claim Applications

### Kuusamo Gold Project Total Gold Resource. Reported at a 1 g/t gold cut-off.

	Tonnes	Gold (g/t)	Cobalt (%)	Gold (ozs)	Cobalt (t)
Measured	-	-	-	-	-
Indicated	1,820,000	5.3	0.13	308,500	2,320
Inferred	1,576,000	3.0	0.17	152,200	2,680
<b>Total</b>	<b>3,396,000</b>	<b>4.2</b>	<b>0.15</b>	<b>460,700</b>	<b>5,000</b>