



**ASX ANNOUNCEMENT**

**16 FEBRUARY 2011**

**GOLD HEDGING PROGRAM**

Scandinavian focused gold producer Dragon Mining announces it has entered into a short term Swedish Krona gold hedging program that covers 16,000 ounces of gold for delivery between February and December 2011. The flat forward rate achieved is SEK 8,700 (USD 1,353) per ounce.

The Company is undertaking an extensive development and exploration program in 2011 due to increased mine life at its operations and to expand its resources. The implementation of a modest hedging program stabilizes the short term cash flow and takes advantage of today's strong gold prices. The hedged amount represents less than 25% of the 2011 budgeted production.

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

**Peter G Cordin**  
Executive Chairman