

ASX ANNOUNCEMENT

12 OCTOBER 2011

KUUSAMO NORTH YIELDS ANOTHER HIGH GRADE INTERCEPT

Dragon Mining advises the receipt of a preliminary drill result from the Kuusamo Gold Project that has yielded a high grade intercept of **17.75m @ 16.59 g/t gold** in drill hole KS/JS-141 (Table 1).

KS/JS-141 is a reverse angled hole that is part of a 17 hole campaign planned to test the near surface strike extensions of the southern portion of the Juomasuo deposit and further evaluate the extent and geometry of mineralisation in the eastern and north eastern areas.

The results obtained from this drill hole are very encouraging, confirming the depth and strike continuation of the lode system in the northern portion of the deposit.

Table 1 – Preliminary gold results for KS/JS-141.

Hole ID	Northing	Easting	Dip	Azimuth	Length	From	Interval	Au	Co	Cu	U	TREO
			(°)	(°)	(m)	(m)	(m)	(g/t)	(ppm)	(ppm)	(ppm)	(ppm)
KS/JS-141	4464231.1	7355576.6	-45	213	262.00	118.00	17.75	16.59	-	-	-	-
						<i>Includes 4.9 metres @ 39.73 g/t gold from 120.95 metres</i>						
						163.30	5.60	3.54	-	-	-	-
						210.05	2.00	2.92	-	-	-	-
						217.60	3.65	7.46	-	-	-	-

Preparation of half core samples was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25. Gold values exceeding 3 g/t were re-assayed by AU-GRA22 method. Intercepts reported at a 1 g/t gold cut-off. Multi-element results pending.

For and on behalf of
Dragon Mining Limited

Peter G Cordin
Executive Chairman

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Fellow 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 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 announcement of the matters based on his information in the form and context in which it appears.

Figure 1 - Juomasuo drill hole plan, highlighting results from KS/JS-141.

