

ASX ANNOUNCEMENT

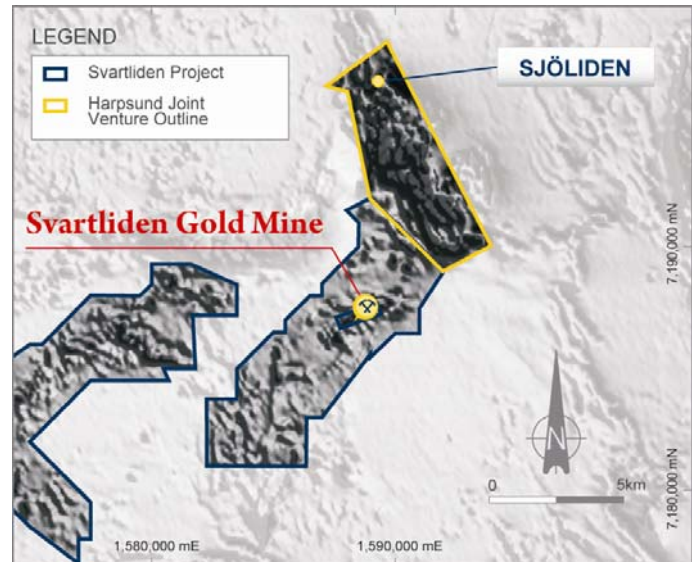
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UPDATE ON HARPSUND JOINT VENTURE, SWEDEN

Dragon Mining will advance to the first earn-in phase of the Harpsund Joint Venture with Swedish explorer Botnia Exploration AB, further to expending SEK 1.5 million during the “Exclusivity Period”.

Results from a detailed airborne magnetic survey over the northern Exploration Permit holding and the Harpsund Joint Venture area, coupled with geological mapping has assisted in identifying a number of areas of interest.

Programs are now being planned to follow-up the encouraging results, including 2.0 metres @ 14.03 g/t gold from a shallow reconnaissance drilling program undertaken over the Sjöleden target.



Sjöleden location, Harpsund Joint Venture

The Harpsund Joint Venture area is located immediately adjacent to Dragon Mining’s Exploration Permit holding at Svartliden, and is situated 4 kilometres northeast of the Svartliden Gold Mine. The Company entered into an agreement with listed Swedish exploration company Botnia Exploration AB to earn up to 80% in the Harpsund Joint Venture area.

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.