



Harpsund Joint Venture (Earning 80% interest): Encouraging geology in Harpsund that will require follow-up activities

The following is an update taken from the Dragon Mining quarterly report published on October 29, 2012

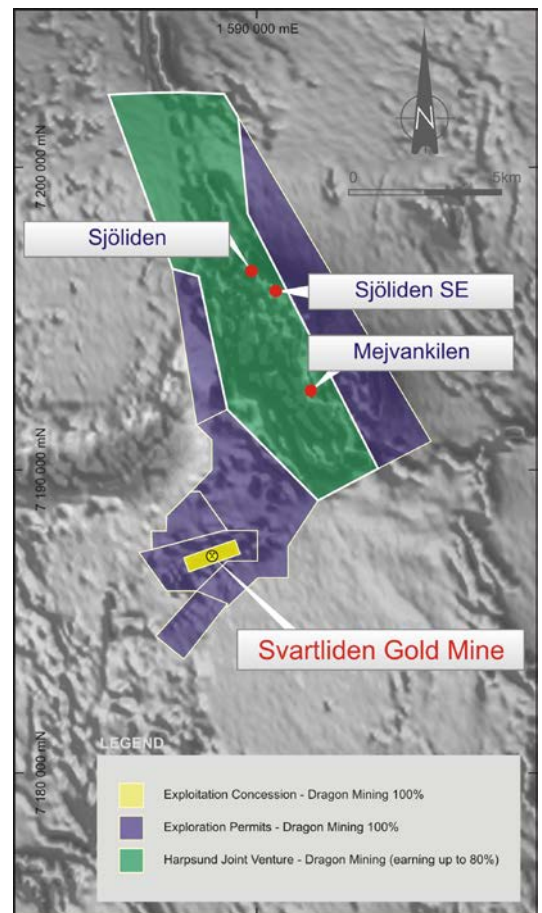
Final results have been received for the 18 hole, 1,128.65 metre program of drilling that was completed at the Sjöleden and Sjöleden SE target areas on the Harpsund Joint Venture area. Assays returned a series of narrow intercepts including highlights 2.00m @ 8.90 g/t gold and 1.00m @ 12.05 g/t gold (Appendix 10).

Programs of C-horizon till sampling and top of bedrock drilling were undertaken in the Mejvankilen area following the receipt of encouraging gold (maximum – 3.11 g/t gold) and zinc (maximum – 2.29% zinc) results from reconnaissance sampling.

A total of 208 C-horizon till samples were collected on a nominal 100m by 100m grid base, the initial results from low level analysis displaying a cluster of anomalous gold values that warrant in-fill sampling.

Top of bedrock drilling in the Mejvankilen area returned encouraging geology with quartz veining in strongly altered host rocks with arsenopyrite. Analysis of the drill samples identified a number of anomalous gold zones that will require follow-up activities.

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 a Joint Venture Agreement with listed Swedish exploration company Botnia Exploration AB (Botnia) to earn up to 80% in Botnia's Exploration Permits in this area in late 2010.





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Stockholm, 29 oktober 2012

Appendix 10 – Results from diamond core drilling in the Sjöleden and Sjöleden SE areas.

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
SJ11600	7196690.5	1589947.9	327.7	254.0	-45.0	54.30	31.00	1.00	6.02
							46.00	1.00	1.53
SJ11601	7196678.8	1589999.9	326.0	254.0	-45.0	69.90	29.00	1.00	1.38
SJ11603	7196648.9	1589994.9	322.8	254.0	-50.0	61.20	22.00	1.00	12.05
							38.00	1.00	1.04
SJ11604	7196656.9	1590026.6	321.7	254.0	-50.0	82.35	22.00	2.00	8.90
							30.00	1.00	1.21
SJ11605	7196617.3	1589993.2	321.2	254.0	-50.0	61.25	No significant intercepts		
SJ11606	7196624.3	1590019.3	317.2	254.0	-50.0	67.40	55.00	1.00	1.41
SJ11608	7196593.1	1590065.8	327.0	254.0	-70.0	100.10	No significant intercepts		
SJ11609	7196595.4	1590063.5	325.2	254.0	-45.0	91.00	78.00	2.00	2.33
SJ11611	7196550.0	1590110.1	316.2	254.0	-60.0	132.80	115.00	1.00	1.60
SJ11612	7196606.9	1589958.3	322.6	74.0	-58.0	70.25	61.00	1.00	3.54
SJ11613	7195975.5	1590538.6	330.2	300.0	-50.0	50.00	No significant intercepts		
SJ11614	7195976.7	1590567.8	329.8	300.0	-50.0	52.50	No significant intercepts		
SJ11615	7195925.0	1590556.3	333.2	300.0	-50.0	55.30	5.00	1.00	1.01
SJ11616	7195895.3	1590534.6	340.9	300.0	-50.0	50.20	No significant intercepts		
SJ11617	7195882.8	1590520.8	343.2	300.0	-45.0	49.70	No significant intercepts		
SJ11618	7195881.9	1590523.3	343.3	300.0	-60.0	56.10	No significant intercepts		

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

For more information please go to dragon-mining.com.au or contact

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