

News Release

Flow-through And Non-flow-through Private Placement December 8, 2006

The Company announces that it intends to complete a private placement for gross proceeds of up to \$1,200,000, subject to acceptance by the TSX Venture Exchange. These funds will be raised by the Company issuing:

- up to 4,000,000 *Flow-Through Share* (the "FT Shares") at a price of \$0.15 per FT Share for gross proceeds of up to \$600,000; and
- up to 5,454,545 *Non Flow Through Units* (the "NFT Units") at a price of \$0.11 per NFT Unit for gross proceeds of up to \$600,000, each NFT Unit consisting of one non flow-through common share and one-half non-transferable share purchase warrant, each whole warrant entitling the holder thereof to purchase one additional non flow-through common share, exercisable for a period of two years from the date of issuance at a price of \$0.15 per share (provided that in the event that the weighted average closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") equals or exceeds Cdn\$0.20 during any 20 consecutive trading days commencing four (4) months after the date of issuance of the Warrants, then the Company may within 30 days of such an occurrence give notice in writing to the holders of the Warrants that the Warrants shall expire at 5:00 p.m. (Vancouver time) on the 20th business day following delivery of such notice unless exercised by the holders of the Warrants prior to such time).

Proceeds of up to \$600,000 raised from the FT Share private placement will be used for exploration of the Company's Gold, Nickel, Platinum, Copper and Zinc properties located in Ontario, such that the exploration work will qualify as Canadian Exploration Expense for the purposes of the *Income Tax Act* (Canada), which will then be renounced by the Company to the placees. For more information on the companies properties please refer to the website at www.goldendragon.ca.

The balance of up to \$600,000 will be used for general working capital purposes.

Although the placement is proposed to be non-brokered, the Company welcomes solicitations from licensed brokers to participate in the placement. Upon acceptance of any such solicitations, the Company will pay the subject broker a cash commission to be negotiated on a case by case basis but not to exceed 7% of the purchase price of the FT Shares and Units placed by such broker and will issue twenty-four month Broker Share Purchase Warrants equal in number to 7% of the number of FT Shares and Units issued in the placement. The Broker Share Purchase Warrants will be exercisable at a price of \$0.15 per share for a period of twenty-four months from the date of completion of the placement, under the same terms and conditions as the warrants described above.

The placement is expected to close on or before December 29, 2006.

On behalf of the board of directors

"Elliot Strashin"

Dr. Elliot Strashin, President