

ASX ANNOUNCEMENT

1 MARCH 2017

## DRILLING RETURNS FURTHER INTERCEPTS FROM THE ORIVESI GOLD MINE

❖ **Significant intercepts from final seven holes at Orivesi drilling program, including:**

- **2.00 metres @ 37.40 g/t gold from 126.50 metres in KU-1562;**
- **5.00 metres @ 17.07 g/t gold from 51.00 metres in KU-1564; and**
- **3.50 metres @ 39.02 g/t gold from 134.00 metres in KU-1564.**

Dragon Mining Limited (ASX:DRA) (“Dragon Mining” or “the Company”) is pleased to announce the results from the final seven holes of an eleven hole diamond core drilling program at the Orivesi Gold Mine (“Orivesi”) in southern Finland. This program has yielded a number of significant intercepts including 2.00 metres @ 37.40 g/t gold, 5.00 metres @ 17.07 g/t gold and 3.50 metres @ 39.02 g/t gold and the previously released 4.80 metres @ 23.89 g/t gold and 18.00 metres @ 18.05 g/t gold (Table 1). Results for the initial four holes from the program were released to the ASX on the 19 January 2017 – Drilling Returns Robust Intercepts from Orivesi Gold Mine, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA).

The eleven hole program was completed from surface and was designed to evaluate the Sarvisuo area between the 120m and 160m levels, above the area of underground development, between the 240m and 620m levels, previously undertaken in the Sarvisuo area. The results from the program were not available at the time, for inclusion in the recent update of the Orivesi Mineral Resource that was announced to the ASX on the 28 February 2017 – Mineral Resources Updated for the Nordic Production Centres.

Executive Director Mr Brett Smith stated, “The results from the program are encouraging. It has highlighted extensions to known zones of gold mineralisation at promising grades, as well as identifying a previously unknown zone of gold mineralisation in the area. Given the tenor of the results and the lower costs of mining at these shallow depths, the Company will now look at undertaking an internal feasibility study to develop this new area.”

A second program of diamond core drilling from the surface has now commenced to further evaluate Sarvisuo Pipe 2 between the 80m and 120m levels, and other near surface targets between the 80m and 200m levels in the Sarvisuo area. The nine hole, 1,410 metre program is expected to be completed by the end of March.

## Background

The Vammala Production Centre is located in southern Finland, near the city of Tampere, 160km northwest of the Finnish capital Helsinki.

The Vammala Production Centre comprises the Vammala Plant, a conventional 300,000 tonnes per annum flotation and gravity circuit that processes ore from the Orivesi Gold Mine, Jokisivu Gold Mine, and the Company's soon to be third gold mining operation in the area the Kaapelinkulma Gold Project.

Since recommencing mining and processing operations in 2007, Dragon Mining has produced 283,082 ounces of gold from the Vammala Production Centre to 31 December 2016.

The Orivesi Gold Mine is located 80 kilometres to the northeast of the Vammala Plant. The mine was initially in operation between 1992 and 2003 and produced 422,000 ounces of gold from a series of near vertical pipe-like lodes at Kutema. Two of the five principal lodes at Kutema continued below the historical extent of the decline at the 720m level and this area is now the subject of a program of staged development and production stopping down to the 1205m level. Mining from the Sarvisuo lodes, 300 metres east of Kutema commenced in April 2008 and has been conducted from the 240m to the 620m level.

The Kutema and Sarvisuo lode systems occur within the Proterozoic Tampere Schist Belt, representing a metamorphosed palaeo-epithermal system. Gold mineralisation is associated with strongly deformed andalusite rich, silicified zones found in vertical pipe-like lode systems that exhibit depth extensions ranging from tens to hundreds of metres. These lode systems are located in a broad zone of hydrothermally altered rocks that cover an area of 40 hectares. Both Kutema and Sarvisuo remain partially open and potential remains for the identification of additional gold bearing pipes or pipe clusters within the surrounding hydrothermal alteration system.

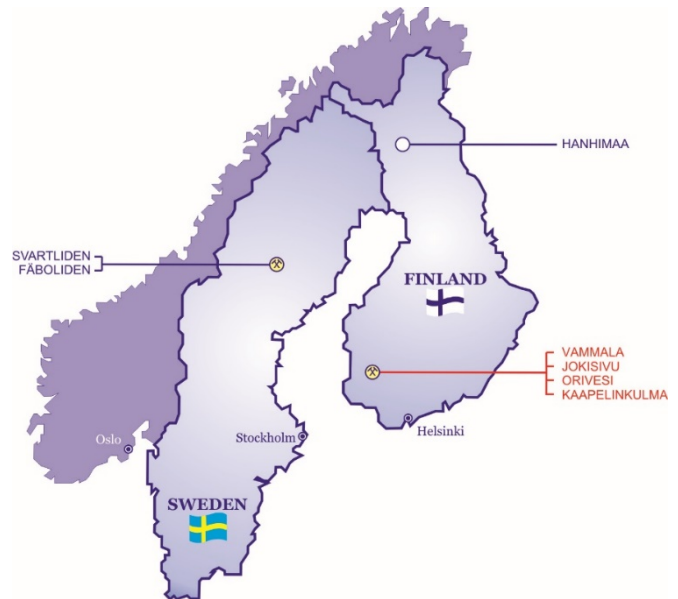
For and on behalf of  
**Dragon Mining Limited**

### Competent Persons Statement

*The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation 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 mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr. Neale Edwards has provided written consent for the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results previously released to the ASX on the 19 January 2017 – Drilling Returns Robust Intercepts from Orivesi Gold Mine. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). They fairly represent information and supporting documentation that was 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 mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Written consent was previously provided by Mr. Neale Edwards for the release dated the 19 January 2017.*

*Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, confirms that the form and context in which the Exploration Results are presented in this report have not been materially modified from the release dated 19 January 2017. Mr. Neale Edwards has provided written consent approving the inclusion of the Exploration Results in the report in the form and context in which they appear.*



**Table 1 - Results from the surface diamond core drilling program that is targeting a panel between the 120m and 160m levels in the Sarvisuo area at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (Appendix 1 – JORC Table 1)**

| Hole    | North      | East       | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m)   | Down Hole Interval (m) | Gold (g/t) |
|---------|------------|------------|-----------|-------------|---------|------------|--|------------------------|------------|
| KU-1558 | 6838498.79 | 2508837.68 | 145.74    | 341.53      | -65.15  | 149.10     | No significant results                                     |                        |            |
| KU-1559 | 6838498.86 | 2508837.98 | 145.76    | 345.74      | -70.55  | 179.50     | 92.50  | 1.50                   | 2.55       |
|         |            |            |           |             |         |            | 113.50   | 1.50                   | 1.82       |
| KU-1560 | 6838499.34 | 2508837.73 | 145.78    | 348.58      | -62.65  | 112.10     | No significant results                                     |                        |            |
| KU-1561 | 6838499.58 | 2508837.89 | 145.76    | 350.68      | -68.29  | 130.85     | 99.00  | 1.50                   | 3.05       |
| KU-1562 | 6838510.87 | 2508888.78 | 145.86    | 344.31      | -71.10  | 173.00     | 126.50   | 2.00                   | 37.40      |
|         |            |            |           |             |         |            | Including 0.85 metres @ 76.40 g/t gold from 126.50 metres  |                        |            |
|         |            |            |           |             |         |            | 136.65   | 0.70                   | 37.60      |
| KU-1563 | 6838510.91 | 2508889.13 | 145.89    | 351.77      | -65.58  | 129.50     | 15.50  | 1.50                   | 4.03       |
|         |            |            |           |             |         |            | 46.00  | 3.00                   | 1.10       |
|         |            |            |           |             |         |            | 119.00   | 4.80                   | 23.89      |
|         |            |            |           |             |         |            | Including 0.80 metres @ 138.00 g/t gold from 123.00 metres |                        |            |
|         |            |            |           |             |         |            | 128.00   | 1.00                   | 2.69       |
| KU-1564 | 6838510.50 | 2508889.30 | 145.75    | 351.74      | -69.57  | 150.95     | 51.00  | 5.00                   | 17.07      |
|         |            |            |           |             |         |            | Including 3.00 metres @ 27.80 g/t gold from 53.00 metres   |                        |            |
|         |            |            |           |             |         |            | 111.00   | 3.00                   | 2.30       |
|         |            |            |           |             |         |            | 126.00   | 1.50                   | 2.30       |
|         |            |            |           |             |         |            | 130.30   | 0.70                   | 1.01       |
|         |            |            |           |             |         |            | 134.00   | 3.50                   | 39.02      |
|         |            |            |           |             |         |            | Including 1.00 metre @ 129.00 g/t gold from 135.00 metres  |                        |            |
| KU-1565 | 6838517.80 | 2508938.50 | 144.98    | 317.59      | -75.93  | 173.15     | 103.50   | 1.00                   | 1.80       |
|         |            |            |           |             |         |            | 141.00   | 2.00                   | 3.42       |
|         |            |            |           |             |         |            | 147.00   | 1.00                   | 3.21       |
|         |            |            |           |             |         |            | 158.00   | 1.00                   | 1.82       |
| KU-1566 | 6838517.37 | 2508938.87 | 144.87    | 321.60      | -79.40  | 178.35     | 109.85   | 1.50                   | 6.05       |
|         |            |            |           |             |         |            | 120.00   | 18.00                  | 18.05      |
|         |            |            |           |             |         |            | Including 4.00 metres @ 66.35 g/t gold from 120.00 metres  |                        |            |
|         |            |            |           |             |         |            | 143.75   | 1.05                   | 1.25       |
| KU-1567 | 6838516.96 | 2508938.92 | 144.80    | 337.02      | -77.24  | 146.30     | No significant results                                     |                        |            |
| KU-1572 | 6838502.30 | 2508853.22 | 145.47    | 3.32        | -72.12  | 214.60     | No significant results                                     |                        |            |

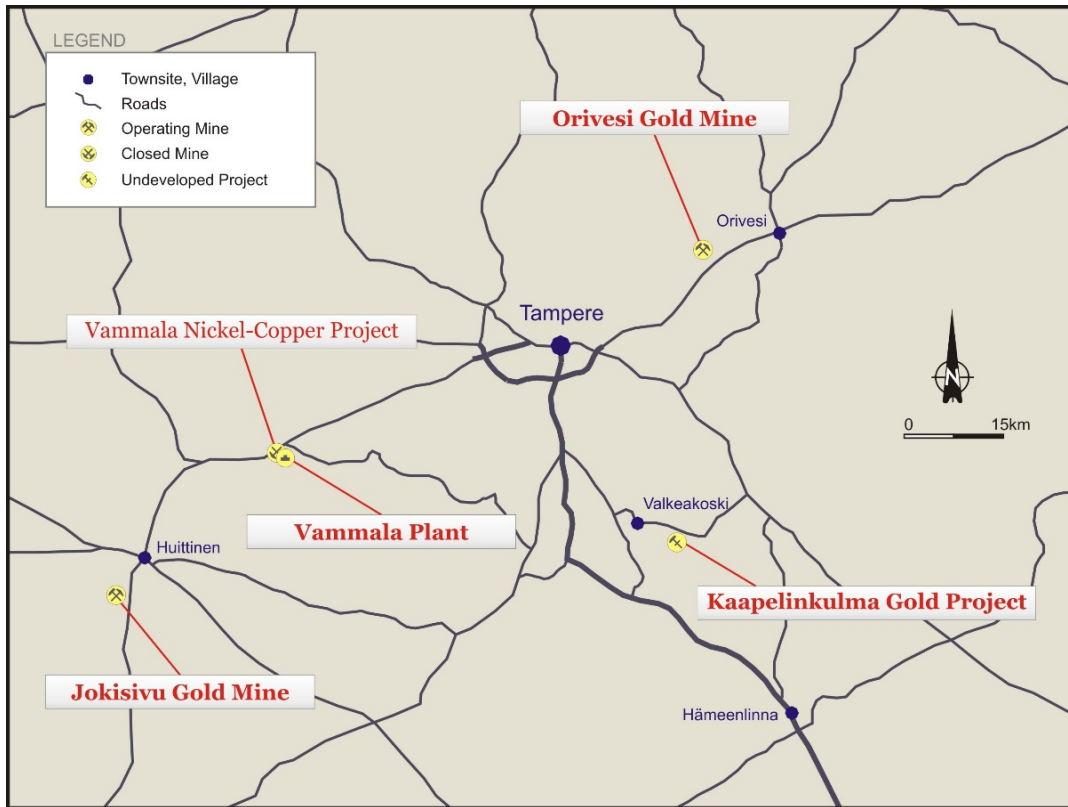


Figure 1 – Vammala Production Centre.

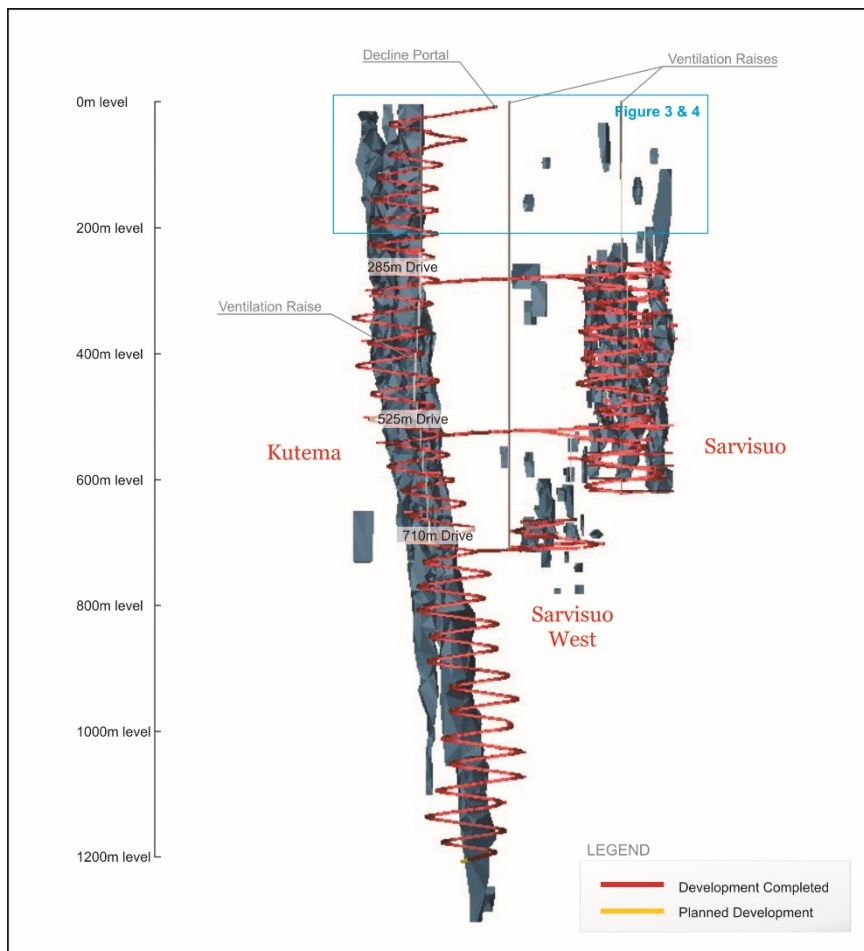


Figure 2 – Orivesi Gold Mine (View looking north).

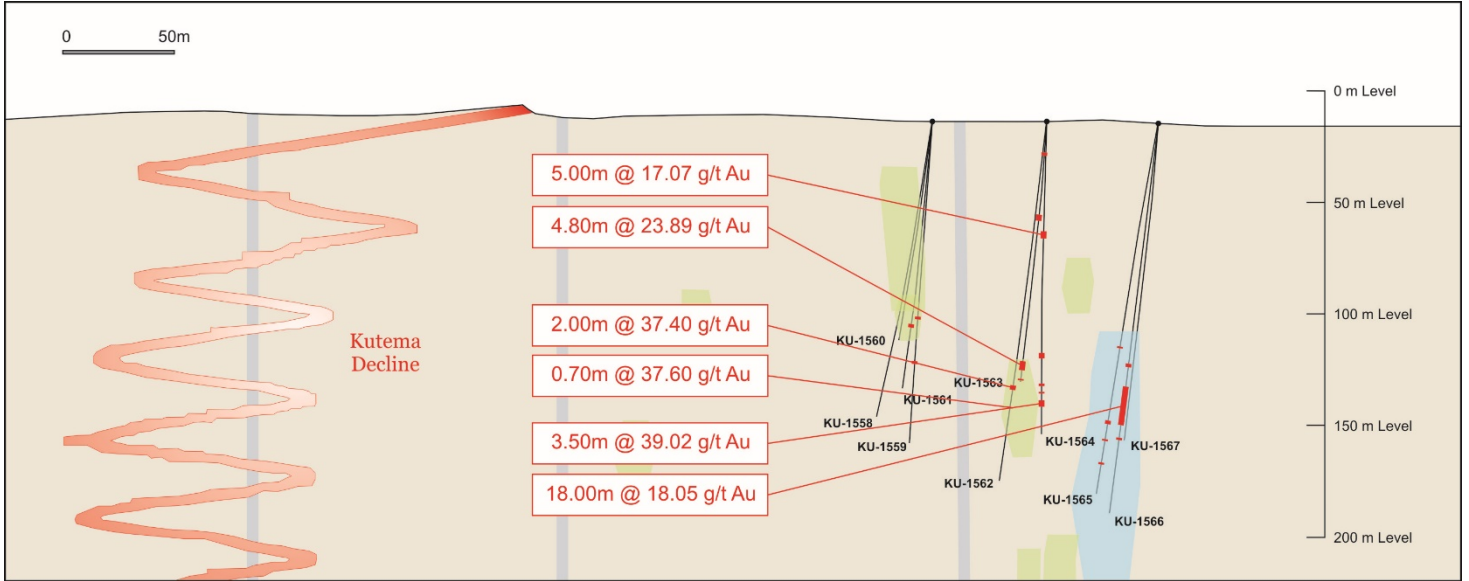


Figure 3 – Surface drilling at Sarvisuo (View looking north).

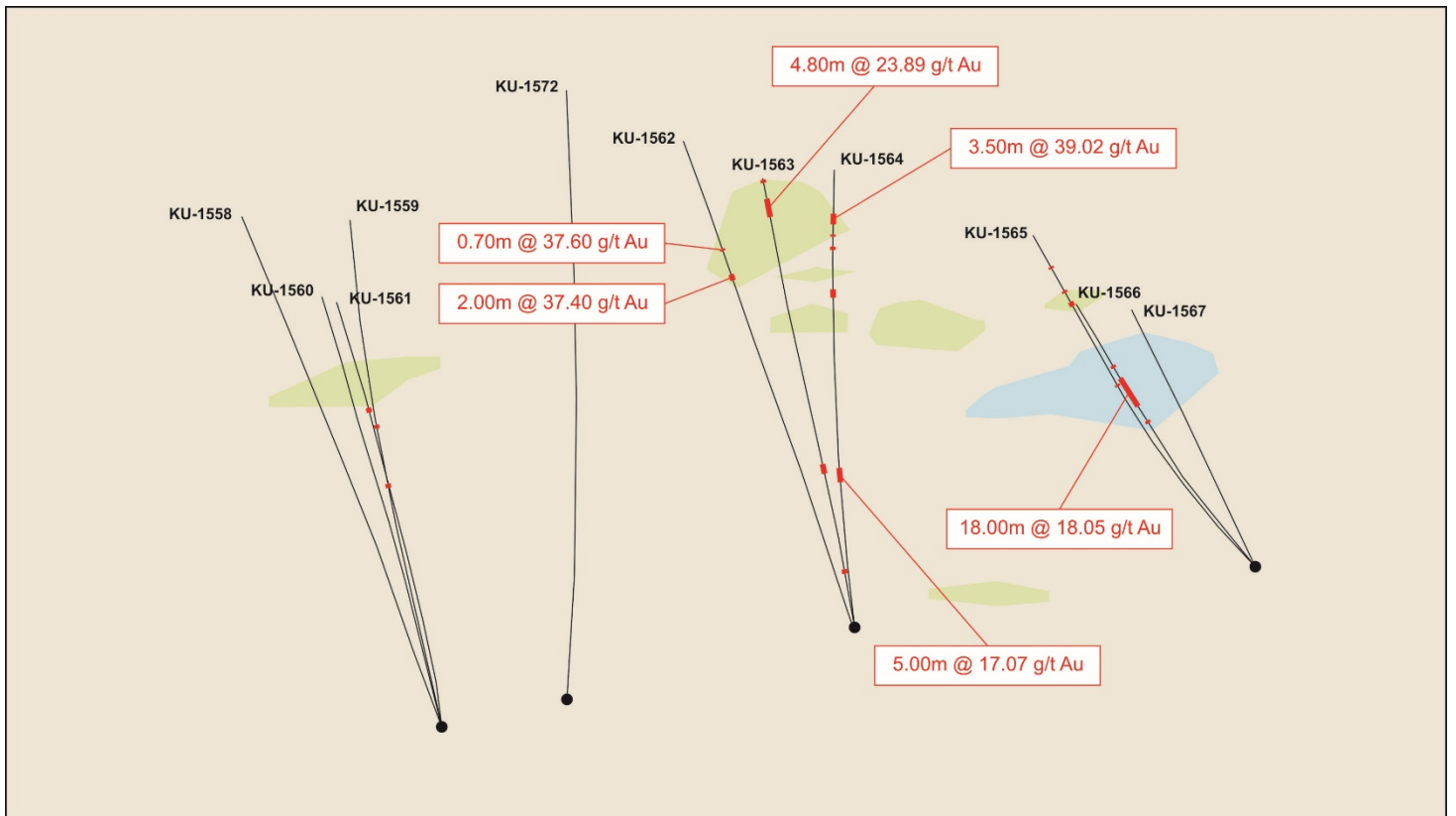


Figure 4 – Surface drilling at Sarvisuo (Plan View).

## Appendix 1

### JORC Code Table 1 - Orivesi Drilling Program

| Section 1 - Sampling Techniques and Data<br>(Criteria in this Section apply to all succeeding sections) |  |   |
|---|--|---|
| Criteria  | Explanation  | Commentary  |
| Sampling Techniques   | <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>  | <p>The Kutema and Sarvisuo lode systems have been sampled by a series of underground and surface diamond core drill holes and underground production holes (sludge).</p> <p>In the reported programs, Dragon Mining has completed 11 diamond core drill holes for 1,737.40 metres. These holes are part of an 11 hole program from surface that targeted a panel between the 120m and 160m levels in the Sarvisuo area.</p> <p>Diamond drill holes were drilled at variable spacing's. Drill holes were surveyed on the local mine grid.</p>  |
|   | <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or system used.</i>  | <p>Recent drilling has been completed from surface and orientated predominantly to an azimuth of grid north and drilled at various angles in a 'fan' array to optimally intersect the sub-vertical orientation of the mineralised trends.</p> <p>Drill hole collar co-ordinates are accurately surveyed by qualified mine surveyors and tied into the local mine grid using a Leica TCRP 1205 R300 Total Station.</p> <p>Deviation surveys are completed on all drill holes using a Maxibor II device.</p> <p>All drill core is geologically and geotechnically logged, photographed and mineralised zones sampled with lithological control. Sampling and QAQC protocols are as per industry best applicable practice.</p>   |
|   | <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> | <p>Drilling at Orivesi has been conducted by Lohja Oy, Outokumpu and Dragon Mining. Diamond core drilling by Lohja and Outokumpu used 45mm diameter core (T56) with sampling at varying intervals based on geological boundaries. Lohja used mainly VTT Laboratory in Finland for assaying. In 1992-2003 (Outokumpu), sample preparation and analysis were undertaken at the local independent laboratory (GAL and later VTT) in the town of Outokumpu using Fire-Assay with AAS or ICP finish. Diamond core drilling by Dragon Mining used 39mm, 40.7mm and 50mm core diameter (WL-56, BQTK and NQ2) with sampling and analysis as described above for Outokumpu drilling. In June 2008, the independent sample preparation laboratory in the town of Outokumpu became part of ALS Minerals.</p> |
| Drilling Techniques   | <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc)</i>  | All holes in the recent campaign were drilled by diamond core methods.  |

| <b>Section 1 - Sampling Techniques and Data</b><br><i>(Criteria in this Section apply to all succeeding sections)</i> |  |  |
|---|--|--|
| <b>Criteria</b>   | <b>Explanation</b>   | <b>Commentary</b>  |
|   | <i>and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>                        | Core is collected with a standard tube. Core is not orientated and hole deviation surveys are completed on all drill holes using a Maxibor II device.  |
| <b>Drill Sample Recovery</b>  | <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>   | Diamond core was reconstructed into continuous runs with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. All information is recorded in the database.  |
|   | <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>   | Recoveries from diamond core were recorded in the supplied database, with an average core recovery of >99%. Lost core was also routinely recorded.<br><br>Drilling is undertaken in primary rock material.<br><br>All drilling is planned to avoid existing underground development.<br><br>An experienced drilling contract group is engaged to undertake the program of works. Drilling contractors are supervised and routinely monitored by company personnel. |
|   | <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>                                  | No relationship was noted between sample recovery and grade. The mineralised zones have predominantly been intersected by diamond core with generally good core recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.  |
| <b>Logging</b>  | <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> | All holes were logged by company geologists to a high level of detail that will support Mineral Resource estimation and mining studies. Diamond holes were logged for recovery, RQD, number and type of defects. The database contains tables with information recorded for alpha/beta angles, dips, azimuths, and true dips. Specific indicator minerals and the amount and type of ore textures and ore minerals were also recorded within separate tables.      |
|   | <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>  | Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations.<br><br>It has been standard practice that all diamond core be routinely photographed.  |
|   | <i>The total length and percentage of the relevant intersections logged.</i>   | All holes were logged in full.   |
| <b>Sub-sampling Techniques and Sample Preparation</b>   | <i>If cut, whether cut or sawn and whether quarter, half or all core taken.</i>  | Primarily full core samples of select zones are collected for analysis.  |
|   | <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>   | Not applicable. All drilling is completed by diamond core methods.   |

**Section 1 - Sampling Techniques and Data**  
**(Criteria in this Section apply to all succeeding sections)**

| Criteria | Explanation   | Commentary  |
|----------|---|---|
|          | <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p>  | <p>Full core samples of select zones are primarily collected for analysis by company personnel. In some cases, core is cut in half or quarter using a core saw with half or quarter core is sent for analysis.</p> <p>Sampling of diamond core uses industry standard techniques. Core sampling was undertaken at intervals from 0.3m to 2.5m based on geological boundaries with the average sample length being around 1.5m. Whole core was generally sent for analysis, although some half core sampling has been carried out at various times.</p> <p>With respect to the nature of the mineralised system and the core diameter, the use of full core is considered appropriate.</p> <p>Sample preparation is completed by ALS Minerals and follows industry best applicable practice. ALS Minerals procedures and facilities are organised to assure proper preparation of the sample for analysis, to prevent sample mixing, and to minimise dust contamination or sample to sample contamination.</p> <p>Core samples are submitted to the ALS Minerals facility in Outokumpu, Finland for sample preparation by method PREP-31BY. Samples were weighed, assigned a unique bar code and logged into the ALS system. The sample was dried, fine crushed to &gt;70% passing 2mm screen. A split off weighing 1kg is collected and pulverised to better than 85% passing 75 microns. A sub-sample is collected for analysis at the ALS Minerals facility at Rosia Montana, Romania.</p> <p>The method selected for sample preparation is considered appropriate.</p> |
|          | <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p>   | <p>Certified reference material and blanks are routinely inserted with the sample submission. Dragon Mining has used systematic standard and pulp duplicate sampling since 2004. Every 20<sup>th</sup> sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20<sup>th</sup> sample (sample id ending in -10, -30, -50, -70, -90) is inserted as a pulp duplicate (with the original sample id ending in -09, -29, -49, -69, -89).</p> <p>A review of the results of the certified reference material and blanks indicates that they are within acceptable limits.</p>   |
|          | <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected including for instance results for field duplicate/second-half sampling.</i></p> | <p>Coarse crush duplicates are included in the sample stream every 20 samples.</p> <p>A review of the results of the duplicate samples indicates that they are within acceptable limits.</p>  |
|          | <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>   | <p>Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on the style of mineralisation, the thickness and</p>   |



| <b>Section 1 - Sampling Techniques and Data</b><br><i>(Criteria in this Section apply to all succeeding sections)</i> |   |  |
|---|---|--|
| <b>Criteria</b>   | <b>Explanation</b>  | <b>Commentary</b>  |
|   |   | consistency of the intersections, the sampling methodology and assay value ranges for gold.  |
| <b>Quality of Data and Laboratory Tests</b>   | <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>   | Recent analysis is completed at ALS Minerals in Rosia Montana, Romania using procedures Au-AA26 (Detection Limit – 0.01 g/t gold; Upper Limit – 100.00 g/t gold) – 50g fire assay with AAS finish. Gold values exceeding 5 g/t gold are re-assayed by Au-GRA22 (Detection Limit – 0.05 g/t gold; Upper Limit – 1,000.00 g/t gold) – 50g fire assay with gravimetric finish.<br><br>ALS Minerals are a certified global laboratory group. They are monitored by an internal QAQC program and a QAQC program implemented by Dragon Mining, both of which include the inclusion of blank material, duplicates and certified reference material.<br><br>The analytical techniques used are considered total.   |
|   | <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> | No such device was used for analytical purposes on sample material.  |
|   | <i>Nature and quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>                    | QAQC protocols are stringently adhered to throughout the duration of all drilling programs undertaken by Dragon Mining.<br><br>The protocols of the QAQC program implemented by Dragon Mining includes the insertion of certified reference material (three ranges used – high, medium and low) and blank material on a 1 sample every 20 sample basis and the insertion duplicate samples on a 1 sample every 20 sample basis.<br><br>ALS Minerals implement an internal QAQC program that includes the insertion of blanks, certified reference material and duplicates with each analytical run.<br><br>A review of both the Dragon Mining and ALS Minerals QAQC results indicates that the blank material, certified reference material and duplicates are within acceptable limits. |
|   | <b>Verification of Sampling and Assaying</b>  | <i>The verification of significant intersections by either independent or alternative company personnel.</i>   |
|   | <i>The use of twinned holes.</i>  | No twinned holes have been drilled.  |
|   | <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>   | Primary data is collected by Dragon Mining personnel at site using Drill Logger software.<br><br>All measurements and observations are digitally recorded and transferred into an Access database. Primary assay and QAQC data is entered into an Oracle master database.  |

| <b>Section 1 - Sampling Techniques and Data</b><br><i>(Criteria in this Section apply to all succeeding sections)</i> |   |  |
|---|---|--|
| <b>Criteria</b>   | <b>Explanation</b>  | <b>Commentary</b>  |
|   |   | Verification and validation of the databases is handled internally.  |
|   | <i>Discuss any adjustment to assay data.</i>  | No adjustment has been made to the assay data.   |
| <b>Location of Data Points</b>  | <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>  | Drill hole collars and starting azimuths have been accurately surveyed by Dragon Mining surveyors. Down hole surveys were undertaken on all exploration and resource development holes.<br><br>Collar and underground mine surveys are performed using a Leica TCRP 1205 R300 Total Station to a level of accuracy of 0.05 metres.<br><br>Deviation surveys are carried out on all drill holes using a Maxibor II device. Surveys were generally taken at 3m or 10m intervals down hole using Maxibor or EMS multishot equipment. The majority of surveys were conducted by Suomen Malmi Oy (SMOY). Recent drill holes were surveyed by Nivalan Timanttikairaus Oy using Maxibor II or Gyro equipment. |
|   | <i>Specification of the grid system used.</i>   | The grid system used for the reporting of results is the Finnish Grid System – KKJ2. A local mine grid is used at the Orivesi mine.  |
|   | <i>Quality and adequacy of topographic control.</i>   | A series of fixed points are located at the surface form the basis of all topographic control at the Orivesi Gold Mine. Additional fixed points have been established at the 525m level via the air raise and function as the elevation control underground. These points are regularly checked with the surface fixed points.   |
| <b>Data Spacing and Distribution</b>  | <i>Data spacing for reporting of Exploration Results.</i>   | Drilling has been undertaken from underground. Diamond drill holes were drilled at variable spacing's but averaged 10-30m spacing in the central portions of the deposit around the underground development, increasing to 30-60m above and below the current working levels.  |
|   | <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> | The geology and mineralisation displays good continuity and will be sufficient to support the definition of a Mineral Resource or Ore Reserve and the classifications contained in the JORC Code (2012 Edition).   |
|   | <i>Whether sample compositing has been applied.</i>   | No sampling compositing has been applied.  |
| <b>Orientation of Data in Relation to Geological Structure</b>  | <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>   | The majority of drill holes are underground drill holes and orientated predominantly to an azimuth of grid north and drilled at various angles in a 'fan' array to optimally intersect the sub-vertical orientation of the mineralised trends.   |
|   | <i>If the relationship between the drilling orientation and orientation of key mineralised structures is</i>  | No orientation based sampling bias has been identified in the data.  |

| <b>Section 1 - Sampling Techniques and Data</b><br><i>(Criteria in this Section apply to all succeeding sections)</i> |   |   |
|---|---|---|
| <b>Criteria</b>   | <b>Explanation</b>  | <b>Commentary</b>   |
|   | <i>considered to have introduced a sampling bias, thus should be assessed and reported if material.</i> |   |
| <b>Sample Security</b>  | <i>The measures taken to ensure sample security.</i>  | Chain of custody of samples is managed by Dragon Mining. Dragon Mining personnel or drill contractors transport diamond core to the core logging facilities where Dragon Mining geologists log the core. Core samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon Mining employees have no further involvement in the preparation or analysis of samples. |
| <b>Audits or Reviews</b>  | <i>The results of any audits or reviews of sampling techniques and data.</i>                            | Dragon Mining carries out its own reviews and audits of sampling techniques and data.<br><br>Dragon Mining has completed audits of the ALS Minerals facilities at Outokumpu, Finland; Rosia Montana, Romania and Vancouver, Canada.<br><br>The completed reviews and audits raised no issues.   |

| <b>Section 2 - Reporting of Exploration Results</b> |   |  |
|---|---|--|
| <b>Criteria</b>                                     | <b>Explanation</b>  | <b>Commentary</b>  |
| <b>Mineral Tenement and Land Tenure Status</b>      | <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> | The Orivesi Gold Mine is located within a granted Mining Concession (Concession ID – 2676; Concession Name – Seri; Area – 39.82 ha).   |
|   | <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>   | The Mining Concession is in good standing. Mining has been undertaken on the concession area since 1994.   |
| <b>Exploration Completed by Other Parties</b>       | <i>Acknowledgement and appraisal of exploration by other parties.</i>   | As early as the 1940's mining activities were carried out on the present-day mine site. In these earlier days, sericite was quarried for use in ceramic insulators, among other things.<br><br>The Orivesi gold deposit was discovered in 1982 as a result of a research project by Lohja Oy and the Department of Geology from the University of Helsinki.<br><br>Outokumpu Oy purchased the rights to the gold deposit in 1990 and conducted technical and feasibility studies over the next four years, including test mining in 1990, and in 1993. The Orivesi Gold Mine was officially opened in 1994.<br><br>During 1994-2003 the Orivesi Gold Mine was operated by Outokumpu Mining Oy and produced |

| Section 2 - Reporting of Exploration Results |   |   |
|--|---|---|
| Criteria                                     | Explanation   | Commentary  |
|  |   | <p>422,000 ounces of gold at a grade of 9.4 g/t gold. The mine was placed on care and maintenance at the end of 2003 following the acquisition of the asset by Dragon Mining.</p> <p>Mining resumed in 2007, with Dragon Mining focusing efforts on the Sarvisuo lode system that was discovered in 2002. Sarvisuo is located 300 meters from the Kutema lode system, which had previously been mined to the 720m level.</p> <p>The Kutema and Sarvisuo lode systems are narrow, vertical pipes or pipe clusters, which have been shown to possess depth continuations from tens of metres to hundreds of meters. The deepest part of the mine is currently at the 1205m level at Kutema, and the gold-bearing zones are known to continue to and beyond the 1300m level.</p> <p>Ore from the Orivesi Gold Mine is trucked 80 kilometres to the Vammala Plant for processing.</p> |
| <b>Geology</b>                               | <i>Deposit type, geological setting and style of mineralisation.</i>  | <p>The Orivesi Gold Mine is located in the Paleoproterozoic Tampere Schist Belt, which is dominated by turbiditic metasedimentary rocks, metavolcanic rocks of island-arc type and syn-orogenic granitoids.</p> <p>The known gold lode systems occur in a broader zone of hydrothermally altered rocks that extend over an area of approximately 0.5 km<sup>2</sup>, at the contact of metavolcanic rocks and a sub-volcanic intrusion. They have been interpreted to represent a metamorphosed and deformed high-sulphidation epithermal gold system.</p> <p>The gold mineralization is found in vertical pipe-like lode systems, which occur in strongly deformed, andalusite rich, silicified zones. The depth continuation of these lode systems ranges from tens of metres to hundreds of metres.</p>  |
| <b>Drill Hole Information</b>                | <p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar;</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar;</i></li> <li>• <i>dip and azimuth of the hole;</i></li> <li>• <i>down hole length and interception depth;</i></li> </ul> | <p>Recent drilling at the deposit was surface and underground diamond core drilling. Refer to:</p> <p>Table 1 - Results from the surface diamond core drilling program that is targeting a panel between the 120m and 160m levels in the Sarvisuo area at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off.</p>   |

| <b>Section 2 - Reporting of Exploration Results</b>                     |   |  |
|---|---|--|
| <b>Criteria</b>   | <b>Explanation</b>  | <b>Commentary</b>  |
|   | <ul style="list-style-type: none"> <li>• <i>hole length.</i></li> </ul>   |  |
| <b>Data Aggregation Methods</b>   | <i>In reporting Exploration Results weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>  | Weighted average gold intercepts are reported at a 1 g/t gold cut-off with up to 3 metres of internal dilution allowed. No high grade cuts were applied.   |
|   | <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>   | High grade intervals internal to broader zones of mineralisation are reported at a 15 g/t gold cut-off as included intervals. Refer to:<br><br>Table 1 - Results from the surface diamond core drilling program that is targeting a panel between the 120m and 160m levels in the Sarvisuo area at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. |
|   | <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>  | No metal equivalent values have been used or reported.   |
| <b>Relationship between Mineralisation Widths and Intercept Lengths</b> | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p> | <p>All intercepts reported are down hole lengths. True widths have not been calculated.</p> <p>The majority of drill holes are underground drill holes and orientated predominantly to an azimuth of grid north and drilled at various angles in a 'fan' array to optimally intersect the sub-vertical orientation of the mineralised trends.</p>                          |
| <b>Diagrams</b>   | <i>Appropriate maps and sections (with scales) and tabulation of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views.</i>   | Refer to the provided diagrams.  |
| <b>Balanced Reporting</b>   | <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.</i>  | Comprehensive reporting of drill details has been provided in this announcement. All meaningful and material exploration data has been reported.   |

| <b>Section 2 - Reporting of Exploration Results</b> |  |   |
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| <b>Criteria</b>                                     | <b>Explanation</b>   | <b>Commentary</b>   |
| <b>Other Substantive Exploration Data</b>           | <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | Investigative geological work completed at the Orivesi Gold Mine is dominated by diamond core drilling. The results for completed drilling campaigns have been regularly reported to the ASX as results become available. |
| <b>Further Work</b>                                 | <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>  | Drilling will continue with the aim to better define portions of the lode systems, providing information to support mine planning and mine development.   |
|   | <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>   | Refer to the provided diagrams.   |