

ASX ANNOUNCEMENT

8 DECEMBER 2016

KUUSAMO MUNICIPALITY RELEASES LAND USE PLAN

Dragon Mining Limited (ASX:DRA) (“Dragon Mining” or “the Company”) wish to advise that on the 22 November 2016 the Municipality of Kuusamo (“Municipality”) formally released the Local Master Plan (“Plan”), which attempts to exclude mining in the area defined by the Municipality as the Core Area for Tourism. Following its release, a 30-day period to lodge appeals to the regional Administrative Court is permitted.

The Company’s legal advice is that the Municipality does not have the legal right to exclude mining, as valid Mining Concessions granted by a federal agency occur in the area. The legal advice also indicates that, in preparing the plan, the Municipality failed to follow due process.

The Company, will work closely with the acquirer of Kuusamo Gold Oy, Nero Projects Australia Pty Ltd who will lead the appeal.