

ASX ANNOUNCEMENT

16 FEBRUARY 2017

LOAN FACILITY

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") wishes to advise that the Company has entered into a revolving loan facility ("Loan Facility") with AP Finance Limited ("APFL"), a company associated with Allied Properties Resources Limited ("Allied"). As at the date of this announcement, Allied holds approximately 23.68% of the issued share capital of Dragon Mining.

Pursuant to the Loan Facility, APFL will provide up to A\$6 million equivalent in HK dollars in unsecured standby funding, which Dragon Mining can draw down as required, to fund general working capital, including the development of the Company's two new mines Fäboliden and Kaapelinkulma.

Interest will accrue daily at a rate of 4% per annum payable quarterly in arrears. Repayment of the Loan Facility is due 24 months after the execution of the Loan Facility agreement, or earlier at Dragon Mining's election.

For and on behalf of
Dragon Mining Limited