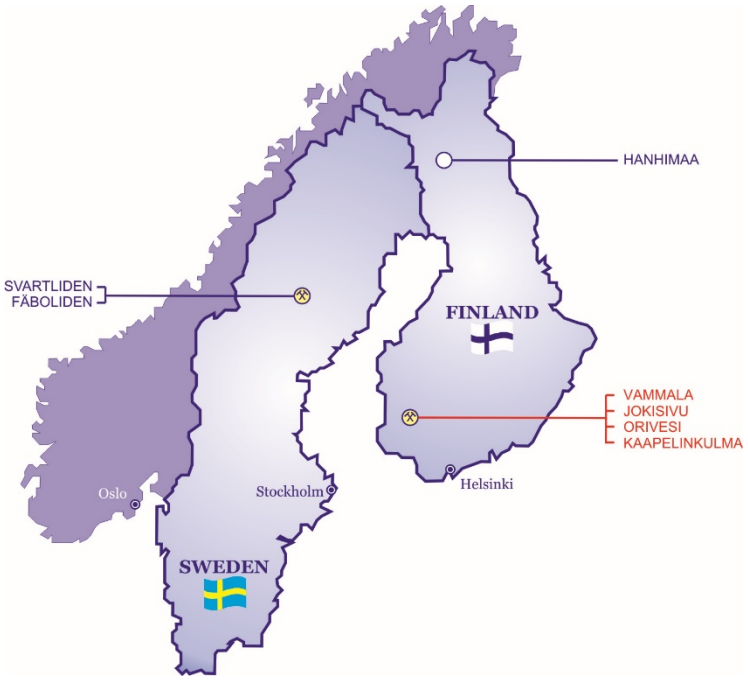
ASX ANNOUNCEMENT **27 MARCH 2017**

KAAPELINKULMA DRILLING CONFIRMS HISTORICAL RESULTS

- **Reverse Circulation drilling program completed over planned open-pit area.**
- **Series of significant intercepts returned including:**
  - **7.00 metres @ 18.49 g/t gold from 6.00 metres;**
  - **5.00 metres @ 11.31 g/t gold from 38.00 metres;**
  - **9.00 metres @ 9.97 g/t gold from 53.00 metres;**
  - **7.00 metres @ 30.47 g/t gold from 16.00 metres;**
  - **8.00 metres @ 7.48 g/t gold from 25.00 metres; and**
  - **5.00 metres @ 12.59 g/t gold from 18.00 metres**.
- **Preparation for mining at Kaapelinkulma continues to progress.**

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") is pleased to announce that a program of Reverse Circulation ('RC") drilling at the Kaapelinkulma Gold Project ("Kaapelinkulma") in southern Finland has been completed. The program has yielded a number of significant intercepts including **7.00 metres @ 18.49 g/t gold**, **5.00 metres @ 11.31 g/t gold**, **9.00 metres @ 9.97 g/t gold**, **7.00 metres @ 30.47 g/t gold**, **8.00 metres @ 7.48 g/t gold** and **5.00 metres @ 12.59 g/t gold** (Table 1).



The eighty hole, 2,548 metre RC program was undertaken across the planned open-pit area, where mining is scheduled to commence later in 2017. The drilling has improved the drill spacing in this area, confirming results from historical diamond core drilling and providing confidence in the interpretation of the extent and geometry of the deposit. Work has now commenced on updating the Kaapelinkulma Mineral Resource in readiness for further open-pit optimisation studies and mine design activities.

Preparation for mining at Kaapelinkulma continues to progress. The National Land Survey of Finland has assisted with finalising negotiations with affected landowners to widen the mine road for ore transport. Building of the road will commence after a 30-day appeal period. The Kaapelinkulma Master Plan, an operation and internal emergency plan and risk assessment is currently being finalised. When completed, a copy pf the Master Plan will be provided to the Finnish Safety and Chemicals Agency ("Tukes") who will assess the required bond level.

The Company continues to develop a good working relationship with the local community. A group of key people from around the Kaapelinkulma area recently visited the Company's Jokisivu Gold Mine to gain an appreciation of how the Kaapelinkulma area will look during mining activities. It also gave the key people opportunity to see how the water treatment process has been organized at Jokisivu, allowing them to compare this with the water treatment plans for Kaapelinkulma.

A positive outcome was received from the recently updated and ongoing Pre-Feasibility level study into the development of Kaapelinkulma. The study was based on the establishment of an open pit mining operation and the haulage of ore to the Vammala Plant, to produce a high-grade gold concentrate and the processing of this concentrate at Dragon Mining's Svartliden Production Centre in northern Sweden. With the Company's experience in commencing and undertaking small scale open pit mining in the Nordic Region and its existing infrastructure in southern Finland, the updated study continued to confirm that Kaapelinkulma would incur minimal initial capital investment.

The estimated Kaapelinkulma Ore Reserves demonstrated a sound base case operation. The Proved and Probable Ore Reserves total 79 kt grading 3.5 g/t gold for 8.9 kozs as at 31 December 2016 (Appendix 1). The Ore Reserves are based on Indicated and Inferred Mineral Resources for Kaapelinkulma totalling 157,000 tonnes grading 4.1 g/t gold for 21,000 ounces as at 31 December 2016 (Appendix 2). Details of the Kaapelinkulma Mineral Resources and Ore Reserves were previously released to the ASX on the 28 February 2017 – Mineral Resources Updated for the Nordic Production Centres and 21 March 2017 – Ore Reserves Updated for Dragon Mining's Nordic Projects. These releases can be found at www.asx.com.au (Code: DRA).

Kaapelinkulma is located 65 kilometres east of the Vammala Plant in the municipality of Valkeakoski, approximately 165 kilometres northwest of the Finnish capital Helsinki. It will be the Company's third gold mine in southern Finland with the Environment Permit to undertake mining at Kaapelinkulma and the Mining Concession that encompasses the known deposit, both granted. Processing of the Kaapelinkulma ore at the Vammala Plant can proceed while the new Environment Permit for the Vammala Plant is still under appeal, following the receipt of permission from the Centre for Economic Development, Transport and the Environment ("ELY Centre") in 2016.

For and on behalf of
Dragon Mining Limited

Table 1 – Results from Kaapelinkulma Reverse Circulation drilling. Reported at a 1 g/t gold cut-off.

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Down Hole Interval (m)	Gold (g/t)
VK/KKU-RC1	6791229.32	2506680.33	115.62	299.25	-60	25	13.00	2.00	3.03
VK/KKU-RC2	6791222.47	2506691.97	116.35	293.55	-52.5	35	20.00	5.00	2.01
VK/KKU-RC3	6791236.38	2506688.33	114.96	302.21	-52.5	25	No significant results		
VK/KKU-RC4	6791231.29	2506697.31	115.33	297.28	-52.5	35	10.00	1.00	1.23
							23.00	2.00	3.26
VK/KKU-RC5	6791245.04	2506693.53	114.30	298.44	-55	25	No significant results		
VK/KKU-RC6	6791240.05	2506702.44	114.80	298.06	-60	30	No significant results		
VK/KKU-RC7	6791254.16	2506698.29	113.81	301.14	-51	22	15.00	4.00	1.57
VK/KKU-RC8	6791249.02	2506707.17	114.06	300.38	-51	28	22.00	2.00	2.53
VK/KKU-RC9	6791244.33	2506715.61	114.55	296.50	-51	35	5.00	1.00	1.17
VK/KKU-RC10	6791262.91	2506703.13	113.76	300.34	-63	22	No significant results		
VK/KKU-RC11	6791257.76	2506712.24	113.90	295.28	-63	28	16.00	1.00	1.24
							20.00	1.00	1.82
VK/KKU-RC12	6791271.38	2506708.53	113.49	298.45	-48	30	No significant results		
VK/KKU-RC13	6791266.20	2506717.50	113.76	300.45	-48	30	No significant results		
VK/KKU-RC14	6791261.43	2506726.16	113.93	300.28	-56	32	No significant results		
VK/KKU-RC15	6791255.67	2506734.27	113.64	297.21	-56	40	33.00	2.00	3.25
VK/KKU-RC16	6791280.26	2506713.52	114.01	298.22	-58	22	No significant results		
VK/KKU-RC17	6791272.62	2506726.72	113.94	298.56	-58	30	No significant results		
VK/KKU-RC18	6791300.35	2506718.84	115.36	298.36	-48.5	10	No significant results		
VK/KKU-RC19	6791293.12	2506731.88	115.54	301.37	-48.5	15	10.00	1.00	2.71
VK/KKU-RC20	6791309.28	2506723.63	116.28	305.38	-74	10	2.00	3.00	1.46
VK/KKU-RC21	6791303.96	2506732.67	116.34	309.47	-74	15	8.00	1.00	1.59
VK/KKU-RC22	6791315.53	2506732.98	117.08	302.24	-45	15	8.00	2.00	2.94
VK/KKU-RC23	6791326.39	2506733.42	117.42	295.20	-50	10	6.00	3.00	1.33
VK/KKU-RC24	6791321.34	2506742.81	117.89	305.19	-50	17	7.00	1.00	2.74
VK/KKU-RC25	6791315.93	2506751.86	118.03	304.14	-48	23	13.00	1.00	4.64
VK/KKU-RC26	6791335.71	2506739.23	118.21	301.39	-56	10	No significant results		
VK/KKU-RC27	6791329.40	2506747.36	118.41	300.24	-56	17	No significant results		
VK/KKU-RC28	6791324.86	2506756.44	118.60	306.24	-56	24	No significant results		
VK/KKU-RC29	6791347.03	2506735.24	118.07	304.04	-50	12	No significant results		
VK/KKU-RC30	6791343.86	2506744.25	117.94	297.55	-50	20	4.00	1.00	3.80
VK/KKU-RC31	6791338.97	2506752.21	118.62	306.46	-50	27	12.00	4.00	1.22
							25.00	2.00	1.21
VK/KKU-RC32	6791328.79	2506770.34	119.23	305.45	-50	43	33.00	1.00	23.40
VK/KKU-RC33	6791321.88	2506780.82	119.01	303.23	-50	40	37.00	2.00	1.36
VK/KKU-RC34	6791315.96	2506792.50	118.84	301.35	-50	45	12.00	1.00	1.18
VK/KKU-RC35	6791352.44	2506749.45	119.55	294.20	-42	22	6.00	4.00	2.36
VK/KKU-RC36	6791351.99	2506750.36	119.71	295.58	-70	23	10.00	1.00	5.71
							17.00	1.00	2.16
VK/KKU-RC37	6791339.16	2506770.97	119.53	306.20	-61	37	No significant results		
VK/KKU-RC38	6791335.01	2506780.32	119.98	298.29	-57	35	No significant results		
VK/KKU-RC39	6791327.47	2506793.44	119.86	302.21	-55.5	40	No significant results		
VK/KKU-RC40	6791366.63	2506745.00	119.72	306.41	-50	17	0.30	2.70	3.62
							6.00	7.00	18.49
					including 3.00 metres @ 39.73 g/t gold from 7.00 metres				
VK/KKU-RC41	6791361.64	2506754.01	120.11	300.34	-50	23	0.30	1.70	5.33
							13.00	2.00	3.42
VK/KKU-RC42	6791356.59	2506762.48	120.18	302.24	-50	27	12.00	1.00	1.66
							24.00	1.00	4.79
VK/KKU-RC43	6791353.65	2506767.73	121.20	300.28	-57	28	No significant results		
VK/KKU-RC44	6791345.40	2506781.25	120.43	298.14	-50	30	25.00	1.00	2.06
VK/KKU-RC45	6791339.31	2506788.63	120.41	304.26	-50	37	24.00	1.00	2.28
VK/KKU-RC46	6791335.92	2506798.16	120.42	301.08	-50	40	36.00	3.00	1.19
VK/KKU-RC48	6791367.55	2506763.25	121.35	299.45	-50	27	4.00	4.00	4.06
							11.00	1.00	1.74
							16.00	1.00	14.85
							23.00	1.00	8.18

VK/KKU-RC49	6791361.78	2506772.09	121.81	301.51	-50	28	16.00	1.00	1.64
							25.00	2.00	8.07
VK/KKU-RC50	6791357.12	2506781.41	121.23	301.08	-50	32	17.00	2.00	4.43
VK/KKU-RC51	6791348.98	2506794.48	121.14	304.15	-52	35	27.00	3.00	3.93
							32.00	1.00	3.29
VK/KKU-RC52	6791340.95	2506809.24	120.89	302.53	-53	45	39.00	1.00	4.36
							42.00	2.00	21.25
VK/KKU-RC53	6791333.44	2506822.03	120.68	308.25	-53	61	16.00	1.00	1.35
							54.00	5.00	2.61
VK/KKU-RC56	6791371.31	2506776.80	122.16	304.11	-52	30	11.00	3.00	5.63
VK/KKU-RC57	6791366.73	2506785.16	122.30	301.57	-53	33	23.00	1.00	4.26
VK/KKU-RC58	6791358.38	2506799.28	121.91	302.29	-53	40	28.00	3.00	4.01
VK/KKU-RC59	6791345.75	2506821.15	121.42	302.50	-53	70	51.00	2.00	3.00
							58.00	1.00	2.21
							61.00	3.00	2.71
VK/KKU-RC60	6791394.96	2506755.75	119.82	301.01	-50	13	9.00	1.00	1.41
VK/KKU-RC61	6791387.24	2506769.26	121.16	301.47	-50	23	2.00	1.00	1.65
							20.00	2.00	1.90
VK/KKU-RC62	6791384.42	2506775.52	121.87	308.42	-54	30	9.00	1.00	3.40
VK/KKU-RC63	6791375.41	2506790.20	123.02	302.21	-58	40	9.00	2.00	29.66
					including 1.00 metre @ 58.00 g/t gold from 9.00 metres				
VK/KKU-RC64	6791367.04	2506804.16	121.60	299.09	-52	45	31.00	1.00	1.51
							38.00	5.00	11.31
					including 1.00 metre @ 38.40 g/t gold from 41.00 metres				
VK/KKU-RC65	6791362.02	2506813.36	121.66	298.15	-52	60	45.00	2.00	34.18
					including 1.00 metre @ 64.00 g/t gold from 45.00 metres				
VK/KKU-RC66	6791356.74	2506822.40	121.69	301.19	-52	68	47.00	2.00	2.98
							53.00	9.00	9.97
					including 2.00 metres @ 17.28 g/t gold from 57.00 metres and 1.00 metre @ 22.60 g/t gold from 60.00 metres				
VK/KKU-RC67	6791399.70	2506767.31	120.49	299.46	-50	20	No significant results		
VK/KKU-RC68	6791391.27	2506781.52	121.59	301.47	-50	27	12.00	4.00	11.19
					including 1.00 metre @ 34.00 g/t gold from 14.00 metres				
VK/KKU-RC69	6791385.67	2506790.71	122.24	298.44	-52	30	4.00	3.00	17.50
					including 2.00 metres @ 25.00 g/t gold from 4.00 metres				
							16.00	7.00	30.47
					including 2.00 metres @ 100.45 g/t gold from 20.00 metres				
VK/KKU-RC70	6791377.13	2506806.52	121.83	297.11	-54	40	26.00	3.00	2.06
							32.00	1.00	1.08
							36.00	4.00	6.67
VK/KKU-RC71	6791370.69	2506817.70	121.67	301.32	-54	50	39.00	1.00	1.23
							46.00	1.00	1.39
VK/KKU-RC72	6791402.85	2506783.55	120.40	300.41	-45	15	2.00	3.00	13.13
					including 1.00 metre @ 24.90 g/t gold from 3.00 metres				
							8.00	2.00	3.59
VK/KKU-RC73	6791389.64	2506805.75	121.61	298.25	-50.5	35	25.00	8.00	7.48
VK/KKU-RC74	6791598.61	2506610.57	114.60	301.41	-45	50	No significant results		
VK/KKU-RC75	6791581.77	2506639.91	116.00	299.41	-45	50	No significant results		
VK/KKU-RC76	6791563.91	2506671.14	115.94	300.33	-45	50	No significant results		
VK/KKU-RC77	6791548.32	2506698.72	116.38	301.46	-45	50	No significant results		
VK/KKU-RC78	6791723.34	2506651.76	117.00	301.14	-45	50	6.00	1.00	1.90
VK/KKU-RC79	6791706.34	2506681.25	117.09	298.37	-45	50	No significant results		
VK/KKU-RC80	6791688.19	2506712.88	117.39	301.16	-45	50	No significant results		
VK/KKU-RC81	6791396.72	2506794.05	121.11	298.31	-45.1	25	18.00	5.00	12.59
					including 1.00 metre @ 41.60 g/t gold from 18.00 metres				
VK/KKU-RC82	6791351.14	2506787.82	121.11	303.36	-48.5	40	24.00	1.00	1.76
VK/KKU-RC83	6791233.23	2506693.70	115.35	297.54	-52.8	30	8.00	1.00	1.97
							20.00	2.00	2.10

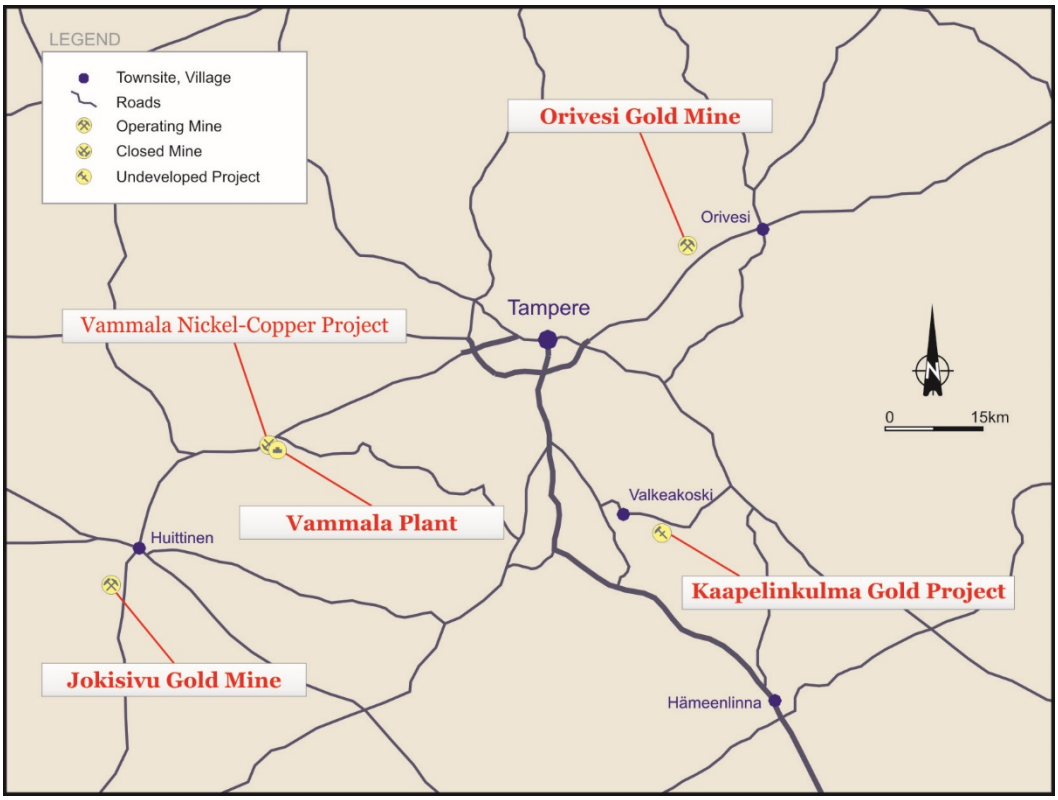


Figure 1 – Location of the Kaapelinkulma Gold Project.

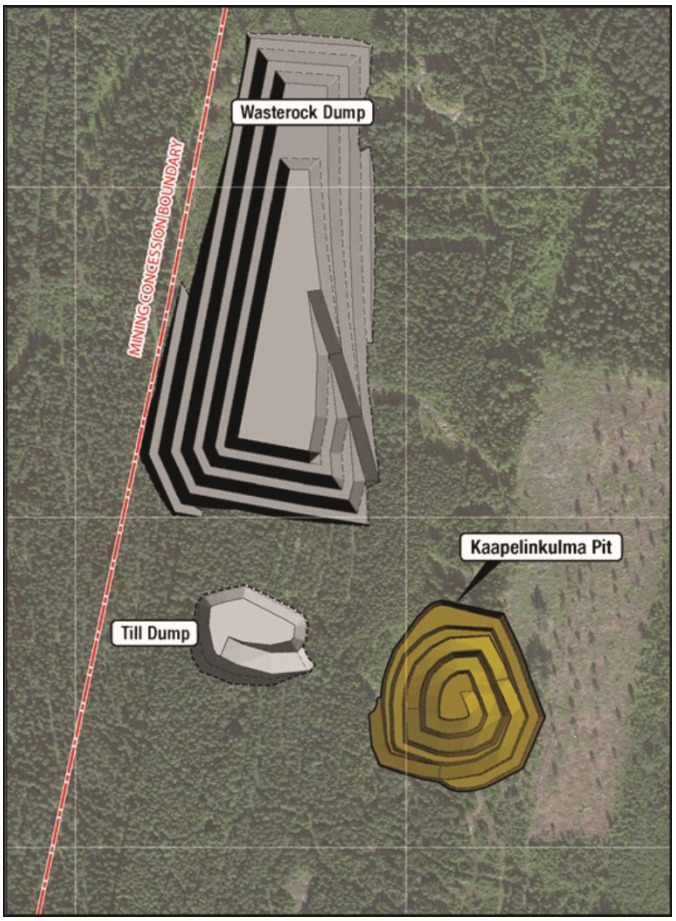


Figure 2 – Kaapelinkulma Open Pit Displaying the Planned Waste and Till Dump Locations.

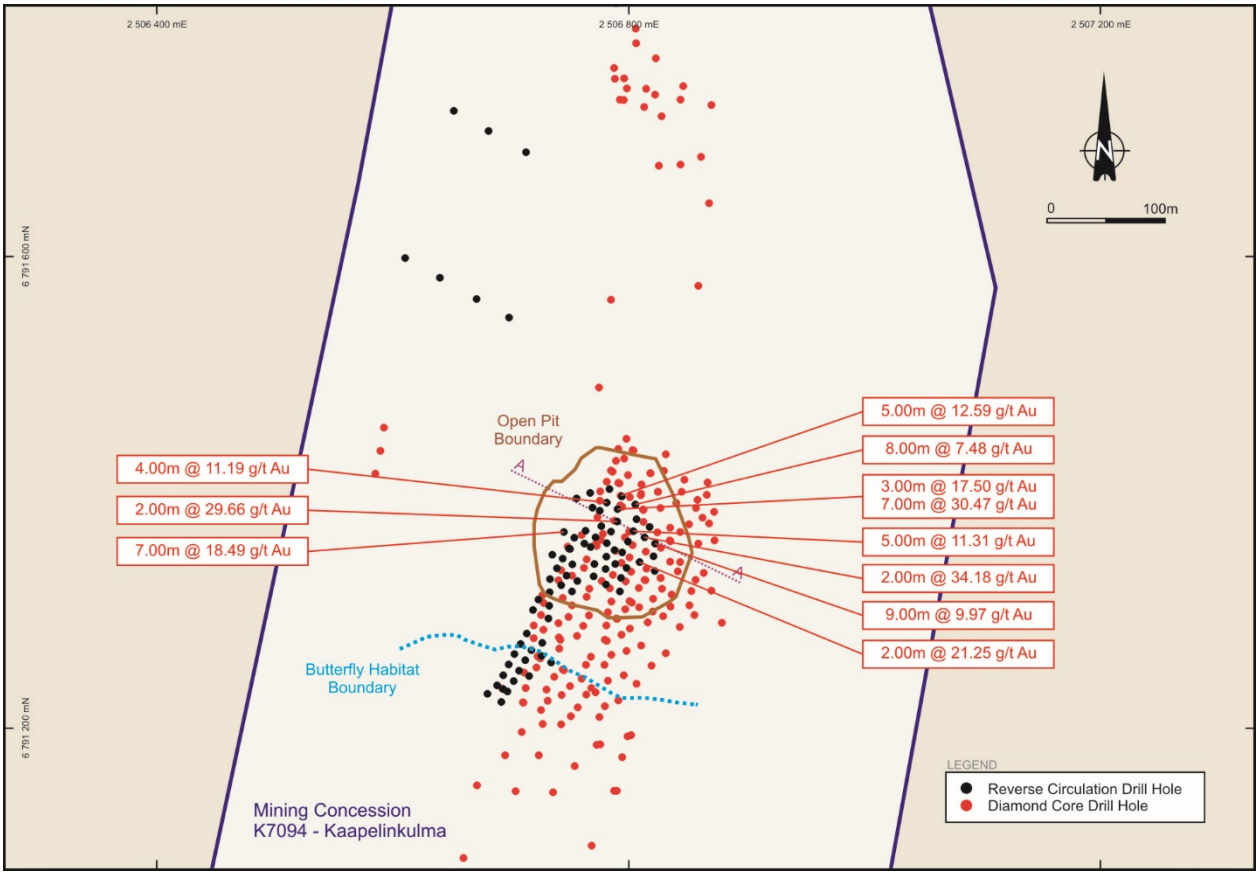


Figure 3 – Kaapelinkulma Drill Hole Layout with RC Intercept Highlights.

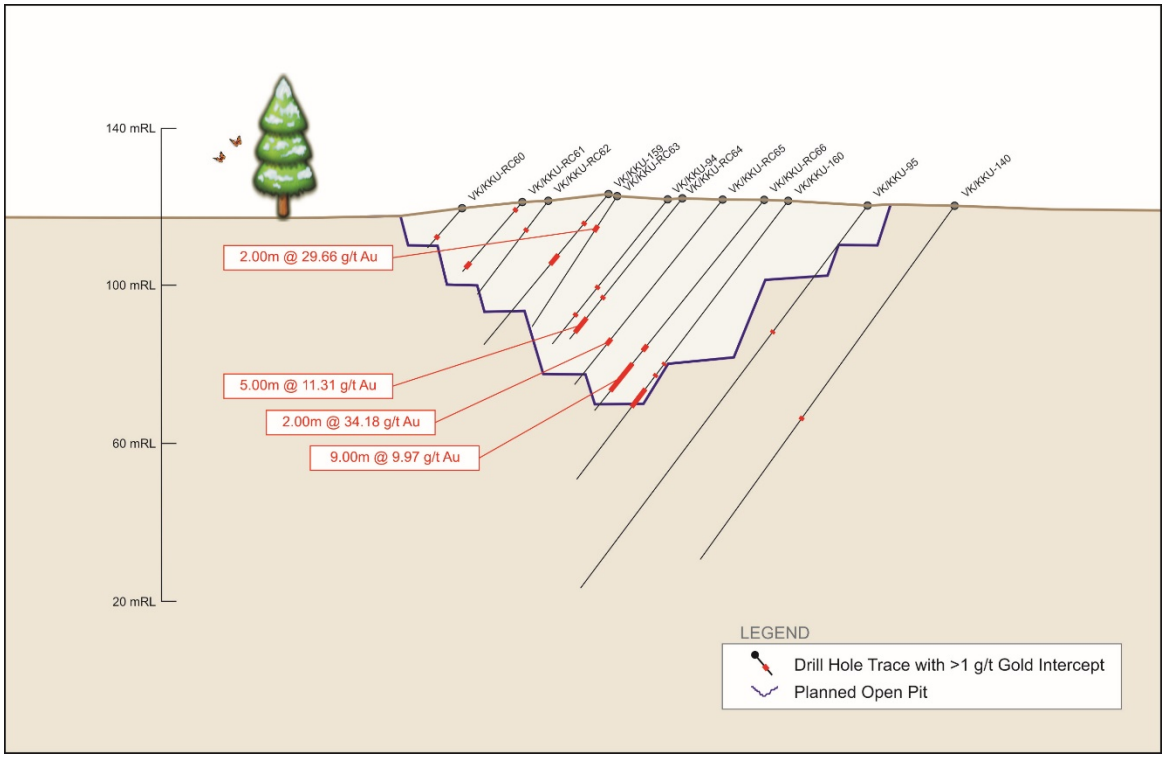


Figure 4 – Kaapelinkulma Drill Hole Cross Section A-A.

Competent Person 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 release that relates to Mineral Resources for the Kaapelinkulma Gold Project was previously released to the ASX on the 28 February 2017 – Mineral Resources Updated for the Nordic Production Centres. The 28 February 2017 release can be found at www.asx.com.au (Code:DRA). It fairly represents information and supporting documentation that was compiled or supervised by Mr. Jeremy Clark who is a full-time employee of RungePincockMinarco Limited and a Registered Member of the Australasian Institute of Mining and Metallurgy. Mr. Clark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Written consent was previously provided by Mr Clark for the 28 February 2016 release.

The information in this release that relates to Ore Reserves were previously released to the ASX on the 21 March 2017 – Ore Reserves Updated for Dragon Mining's Nordic Projects. The 21 March 2017 release can be found at www.asx.com.au (Code:DRA). It fairly represents information and supporting documentation compiled or supervised by Mr. Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and is an employee of RungePincockMinarco Limited. Mr. Joe McDiarmid 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. Written consent was previously provided by Mr. Joe McDiarmid for the 21 March 2017 release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources for the Kaapelinkulma Gold Project as reported on the 28 February 2017 or the Ore Reserves for the Kaapelinkulma Gold Project as reported on the 21 March 2017, and the assumptions and technical parameters underpinning the estimates in the 28 February 2017 and 21 March 2017 releases continue to apply and have not materially changed.

Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining 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 confirms that the form and context in which the Mineral Resources and Ore Reserves are presented in this release have not been materially modified and are consistent with the 28 February 2017 and 21 March 2017 releases. Mr. Neale Edwards has provided written consent approving the statement of Mineral Resources and Ore Reserves in this release in the form and context in which it appears.

Appendix 1 – Ore Reserves for the Kaapelinkulma Gold Mine in Finland as at 31 December 2016. Reported at an in-situ ore cut-off grade of 1.14 g/t gold, which is based on the gold price of US$1,260 per ounce, mining factors, metallurgical factors and costs.

	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)
Kaapelinkulma Gold Project	-	-	-	79	3.5	8.9	**79**	**3.5**	**8.9**

Note: Ore Reserve estimates have been rounded to reflect accuracy. All the estimates are on dry tonne basis.

Appendix 2 – Mineral Resources for the Kaapelinkulma Gold Mine in Finland as at 1 September 2015. Reported at a cut-off grade 1 g/t gold. Mineral Resource are reported inclusive of Ore Reserves.

Measured			Indicated			Inferred			Total		
Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces
Kaapelinkulma Gold Mine											
-	-	-	123,000	4.4	18,000	34,000	3.0	3,000	**157,000**	**4.1**	**21,000**

Note: Mineral Resources may not sum to equal totals due to rounding. Mineral Resources reported on a dry in-situ basis.

Appendix 3 – Kaapelinkulma Gold Project JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	The mineralised lodes at the Kaapelinkulma deposit were sampled using surface diamond drill holes, percussion holes, and surface trench sampling. Earlier drilling was conducted primarily on 10m or 20m line spacing increasing to 40m at depth, and drilled on the Finnish National Grid system (FIN KKJ2, 2003). The recent 80 hole Reverse Circulation program was completed over the planned open pit area, reducing drill spacing to 10m by 10m. Sawed channel profiles at the surface trenches were spaced at 10m or 20m along strike over the southern lodes. Drill holes were generally angled at -50° towards the north-west to optimally intersect the mineralised zones. Diamond core was sampled at geological intervals prior to being cut, with half core sent for analysis (in some cases quarter core was submitted for analysis). Drill hole collars and starting azimuths have been accurately surveyed by Dragon Mining mine and exploration surveyors. Dip values were measured at 3m to 10m intervals down hole by drillers using conventional equipment. Azimuth deviations of the deepest holes were surveyed with Maxibor equipment. In the recent drilling campaigns (2010 and 2014-2015), all drill holes were down-hole surveyed using Maxibor, Gyro or DeviFlex equipment. Drilling was conducted by Geological Survey of Finland (GTK), Outokumpu Mining Oy, and by Dragon Mining. Diamond drilling by GTK used 45mm core diameter (T56) with sampling at varying intervals based on geological boundaries. Half-split core was sampled and sent for preparation (crushing and pulverising) and assaying at GTK's laboratory

Criteria	JORC Code Explanation	Commentary
		where samples were analysed using a Fire-Assay method with AAS or ICP finish. Diamond drilling by Outokumpu used 62mm and 50mm diameter core (T76 or NQ2) with sampling and preparation as described above. Sample analysis was undertaken at the local independent laboratory in the town of Outokumpu using Fire-Assay with AAS or ICP finish. Diamond drilling by Dragon Mining used 50 to 57.5mm core diameter (T66WL, NQ2 and T76WL) 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 laboratories. Samples during the RC program were collected at the rig and a sub-sample collected via a riffle splitter. The sample was then dispatched to ALS Minerals for analysis as outlined above.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) 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).*	Diamond, percussion and RC drilling were the primary techniques used at Kaapelinkulma. Diamond holes make up over 90% of the total metres drilled with core diameters varying from 45mm to 62mm. Hole depths range from 14m to 181m. Percussion drill hole depths range from <2m to 21m. The length of sawed channels varies from 0.4m to 15m. RC holes range in depth from 10 metres to 70 metres. A total of 2,548 metres were completed in the recent program.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	RQD values for diamond core were recorded in the supplied database. Core was orientated with an average RQD of 89%. Lost core was also routinely recorded. Diamond core was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. All percussion samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered. 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. During RC drilling sample volume was monitored by Company geologists. No relationship was noted between sample recovery and grade. The mineralised zones have predominantly been intersected by RC drilling with generally uniform recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	All holes were field logged by Dragon Mining geologists to a high level of detail. Diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information on quartz vein shearing and vein percent with observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and

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	• *The total length and percentage of the relevant intersections logged.*	ore minerals were also recorded within a separate table. Drill samples and chips were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. It has been standard practice by Outokumpu and Dragon Mining (since 2001), that all diamond core be routinely photographed. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Diamond core is cut in half using a core saw with half core submitted for assay. In some cases, quarter core is sent for analysis. Percussion drill samples were collected at either 1m or 2m intervals. Samples were collected at the rig and split on a plastic covered table at the drill site. The sample cone was first split in half using hard and thin sheets, and then quarter split to obtain a sample to be sent for analysis. Samples were predominantly dry. Percussion drilling was halted immediately if groundwater was encountered. Drilling was through bedrock from surface. Sampling of percussion drill holes uses industry standard techniques. After drying, the sample was subject to a primary crush, then pulverised so that more than 85% passes a -75um sieve at ALS Minerals. RC drill samples were collected at 1m intervals. Samples were collected at the rig, with a sub-sample for analysis collected through a riffle splitter (12.5%). Samples were dry. Drilling was through bedrock from surface. Sampling of RC drill holes uses industry standard techniques. After drying, the sample was subject to a primary crush, then pulverised so that more than 85% passes a -75um sieve at ALS Minerals. Dragon Mining has used systematic standard and pulp duplicate sampling since 2004. Every 20th sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20th 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). Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Gold.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of 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.*	The predominant assay method for drill samples was by Fire Assay with AAS or ICP finish (30g or 50g pulps). Values exceeding 1ppm gold (prior to 2009) and 5ppm gold (from 2009) were checked using Fire-Assay with gravimetric finish. Trench samples were also analysed using Aqua-Regia digestion with ICP-MS analysis for multi-element assays. The main element assayed was gold, but major and trace elements were analysed on selected drill holes. No geophysical tools were used to determine any element concentrations used in this resource estimate. Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to

Criteria	JORC Code Explanation	Commentary
		ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. The various programs of QAQC carried out by various companies over the years have produced results which support the sampling and assaying procedures used at the various deposits. A total of 5 different certified reference materials representing a variety of grades from 1.34g/t gold to 18.12g/t gold were inserted systematically since 2004 for a total of 577 samples. Results highlighted that the sample assays are accurate, showing no obvious bias. A total of 293 blank samples were submitted during the drill programs. Results show that no contamination has occurred. Field duplicate analyses (876) honour the original assay and demonstrate best practice sampling procedures have been adopted.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	RPM has independently verified significant intersections of mineralisation by inspecting drill core from the recent drilling at the Dragon Mining core yard during the 2015 site visit. There has been no specific drill program at Kaapelinkulma designed to twin existing drill holes, although infill drilling has largely confirm continuity and tenor. Three recent RC holes twinned historical diamond core holes. Primary data was documented on paper logs prior to being digitised using Drill Logger software. During recent years, drill logging observation data has been recorded in customised Excel sheets and imported into an Access database. Dragon Mining adjusted zero gold grades to half the detection limit.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill hole collars and starting azimuths have been accurately surveyed by Dragon Mining mine and exploration surveyors. For diamond core holes down hole dip values were recorded at 3m to 10m intervals by the drillers using conventional equipment. The azimuth deviations of the deepest holes have been surveyed with Maxibor equipment. All drilling from 2010 has been surveyed using Maxibor, Gyro or DeviFlex equipment. Drill hole locations were positioned using the Finnish National Grid System (FIN KKJ2, 2003). The topographic surface over the Kaapelinkulma deposit was prepared by Dragon Mining using topographic contours from digi-form maps. Surveyed data points from drill hole collars and trench samples were used to create a more accurate surface immediately above the mineralised lodes. Aerial photography was conducted at Kaapelinkulma over the immediate mine area at the end of November 2016. Topographic measurements to a 0.5 metre grid are available in this area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and*	Drill holes have been located at 10m by 10m through the southern zone. In the north, the nominal drill spacing is at 20m on 40m spaced drill lines.

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	grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. Samples have been composited to 1m lengths using 'best fit' techniques.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill holes are orientated predominantly to an average azimuth of 292° and drilled at an angle of between 30° and 80° to the northeast, which is approximately perpendicular to the orientation of the mineralised trends. No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	Chain of custody of samples is managed by Dragon Mining and the process was closely reviewed by Jeremy Clark (RPM) during the May 2015 site visit. Dragon Mining personnel or drill contractors transport diamond core to the core logging facilities where Dragon Mining geologists log the core. Core samples are cut either by Dragon Mining personnel or by ALS laboratory personnel. RC samples were collected at site and freighted in sizeable batches. All 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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	A review of sampling techniques and data was carried out by Jeremy Clark (RPM) during the May 2015 site visit. The conclusion made was that sampling and data capture was to industry standards. No independent review of the RC sampling techniques has been undertaken.

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	Mining Concession 'KAAPELINKULMA' (K7094, 66.54 ha) is valid. It covers both the northern and southern zones of mineralization that comprise the Kaapelinkulma deposit. The Mining Concession is surrounded by a valid Reservation area 'Kaapeli' (VA2016:0026, 1,589 ha). A small NATURA conservation area 'PITKÄKORPI' (FI0349001, 70 ha) is located 400 metres east of Kaapelinkulma gold deposit. A population of a butterfly Woodland Brown (Lopinga Achine) has been discovered south of the Kaapelinkulma open pit area. The butterfly is protected under a European Union Directive the Habitats Directive 92/43/EEC. The butterfly is listed in Directive's Annex IV that covers species in need of strict protection. The legislation, which is adopted into the Finnish Nature Conservation Act (1096/1996)

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		states that those places that the butterfly uses for breeding and resting, are not to be destroyed. The open pit or any other mining related activity cannot extend into this area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The Kaapelinkulma deposit was discovered by the Geological Survey of Finland (GTK) after a gold bearing boulder was sent by an amateur prospector in 1986. Subsequent exploration by GTK, Outokumpu Oy (Outokumpu), and then by Dragon Mining, outlined a small, medium to high-grade deposit.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Kaapelinkulma is a Palaeoproterozoic orogenic gold deposit located in the Vammala Migmatite Belt. The deposit comprises a set of sub-parallel lodes in a tight array hosted within a sheared quartz diorite unit inside a tonalitic intrusive. A mica gneiss surrounds the tonalite.

Drill hole information	• *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:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		All material drill results obtained by Dragon Mining have been adequately reported by the Company to the market as required under the reporting requirements of the ASX Listing Rules, since acquiring the project in 2003.
		
		Recent results are provide in Table 1 – Results from Kaapelinkulma Reverse Circulation drilling. Reported at a 1 g/t gold cut-off.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	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. High-grade intervals internal to broader zones of mineralisation are reported at a 15 g/t gold cut-off as included intervals. Refer to: Table 1 – Results from Kaapelinkulma Reverse Circulation drilling. Reported at a 1 g/t gold cut-off.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Drill holes were orientated predominantly to an average azimuth of 292° and angled to a dip of -50°, which is approximately perpendicular to the orientation of the mineralised trends. The narrow mineralised zones strike at approximately 020° in the south to 000° in the north and are variably dipping between 25° and 45° to the east.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Relevant diagrams have been included within this release.
Balanced Reporting	• *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.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of*	Drill hole collars and starting azimuths have been accurately surveyed by Dragon Mining mine and exploration surveyors. Down hole surveys were undertaken on all exploration and resource development diamond drill holes. Recent drill holes, drilled by SMOY, KaTi Oy and Northdrill Oy, have been surveyed using Maxibor II, Gyro or DeviFlex equipment at 3 or 10m intervals.

Criteria	JORC Code Explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *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.*	In addition to drilling, trench samples were taken at Kaapelinkulma. A field diamond saw was used to cut 6cm channels within the exposed bedrock. Channel profiles were spaced at either 10m or 20m. Sampling occurred at intervals ranging from 0.15m to 0.90m. Logging and sampling was carried out by Dragon Mining geologists.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Pit optimisation and design studies were completed in 2015 and again in 2017, in order to report an Ore Reserve for Kaapelinkulma. Relevant diagrams have been included within this release.