

ASX ANNOUNCEMENT

30 MARCH 2017

DRAGON MINING TRANSFERS INTEREST IN THE HANHIMAA GOLD PROJECT FOR ROYALTY

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") wish to advise the Company has reached agreement with Agnico Eagle Mines Limited (NYSE/TSX:AEM) ("Agnico Eagle") with respect to the Hanhimaa Gold Project ("Project") in northern Finland, to transfer 100% interest in the tenements that comprise the Project to Agnico Eagle in exchange for a 2% Net Smelter Return ("NSR") on future mineral production from the Project. Agnico Eagle will have the right to buy back 1 percentage point of the 2% NSR at any time for €2 million cash.

Upon the signing of a definitive Agreement related to the transfer, the existing Earn-In Agreement between Dragon Mining and Agnico Eagle pertaining to the Hanhimaa Gold Project shall immediately terminate and Agnico Eagle will take over all liabilities for the Project. This simplifies Dragon Mining's future obligations while retaining an interest if the project is developed.