

ASX ANNOUNCEMENT

13 OCTOBER 2017

JOKISIVU DRILLING RETURNS FURTHER ENCOURAGING INTERCEPTS

- ❖ Twenty-six diamond core holes drilled at Dragon Mining's Jokisivu Gold Mine in southern Finland.
- ❖ Analysis returns a series of significant gold intercepts including highlights:

Kujankallio Main Zone

- 2.40 metres @ 39.63 g/t gold from 168.70 metres;
- 16.85 metres @ 5.00 g/t gold from 220.35 metres;
- 2.20 metres @ 29.05 g/t gold from 170.75 metres;
- 4.85 metre @ 14.61 g/t gold from 117.40 metres;
- 0.45 metres @ 107.50 g/t gold from 122.15 metres; and
- 0.30 metres @ 139.50 g/t gold from 97.0 metres.

Basin Zones

- 2.50 metres @ 20.78 g/t gold from 159.25 metres;
- 12.70 metres @ 5.07 g/t gold from 179.85 metres; and
- 15.20 metres @ 2.97 g/t gold from 161.80 metres.

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") is pleased to provide an update on activities completed at the Company's Jokisivu Gold Mine ("Jokisivu") in southern Finland between 1 July 2017 and 4 October 2017 (the 'period').

Twenty-six underground diamond core holes, totalling 4,432.50 metres have been drilled during the period. They include the final eight holes, 1,1561.20 metres in a sixteen hole campaign targeting the Kujankallio Main Zone between the 340m and 430m levels and all holes in an eighteen hole, 2,871.30 metre campaign targeting the Kujankallio Main Zone between the 340m and 400m levels. Both campaigns of drilling were undertaken with the objective of improving the drill density of, and identifying extensions to known mineralised zones, as well as providing information to support mine planning and development.

Results have been received for all holes in the sixteen hole campaign targeting the Kujankallio Main Zone between the 340m and 430m levels, yielding a series of significant intercepts including 2.40 metres @ 39.63 g/t gold, 16.85 metres @ 5.00 g/t gold, 2.20 metres @ 29.05 g/t gold, 1.95 metres @ 10.71 g/t gold, 0.45 metres @ 107.50 g/t gold, 0.30 metres @ 139.50 g/t gold, 0.55 metres @ 41.50 g/t gold, 0.40 metres @ 48.70 g/t gold and 0.80 metres @ 21.00 g/t gold. All results from this campaign are provided in Table 1.

At the time of writing results had only been received for three holes from the eighteen hole campaign targeting the Kujankallio Main Zone between the 340m and 400m levels, returning a number of encouraging intercepts including 4.85 metres @ 14.61 g/t gold and 0.30 metres @ 70.80 g/t gold. Available results from this campaign are provided in Table 2. Results are pending for fifteen holes.

The results from these campaigns directed at the Kujankallio Main Zone are in-line with expectations, returning intercepts at widths and grades commensurate with current models and identifying extensions to known mineralisation. The drilling has also provided important information to assist with mine planning at the Jokisivu Gold Mine.

During the period results were also received for eleven holes from a fifteen hole campaign that was drilled between March and May 2017. Undertaken from the 65m level, this campaign was planned to further evaluate the Basin Zones, a satellite zone of gold mineralisation approximately 100 metres northwest of the Kujankallio Main Zone. Better intercepts received during the period include 2.50 metres @ 20.78 g/t gold, 2.00 metres @ 17.76 g/t gold, 1.45 metres @ 16.52 g/t gold, 12.70 metres @ 5.07 g/t gold, 15.20 metres @ 2.97 g/t gold, 3.65 metres @ 7.57 g/t gold and 1.85 metres @ 9.87 g/t gold. Available results from this campaign are provided in Table 3. Results are pending for four holes.

The results available to date from the Basin Zones campaign are encouraging, returning widths and grades comparable with historic drilling. Further drilling however will need to be directed to the Basin Zones to better define the extent, geometry and tenor of the identified mineralised zones prior to carrying out studies to determine the viability of undertaking mining in this area.

Background

The Vammala Production Centre is located in southern Finland, 165 kilometres northwest of the Finnish capital Helsinki.

The Centre comprises the Vammala Plant, a 300,000 tonnes per annum conventional crushing, milling and flotation facility, which sources feed from the Orivesi Gold Mine and the Jokisivu Gold Mine. In addition, the Centre also includes the advanced Kaapelinkulma Gold Project.

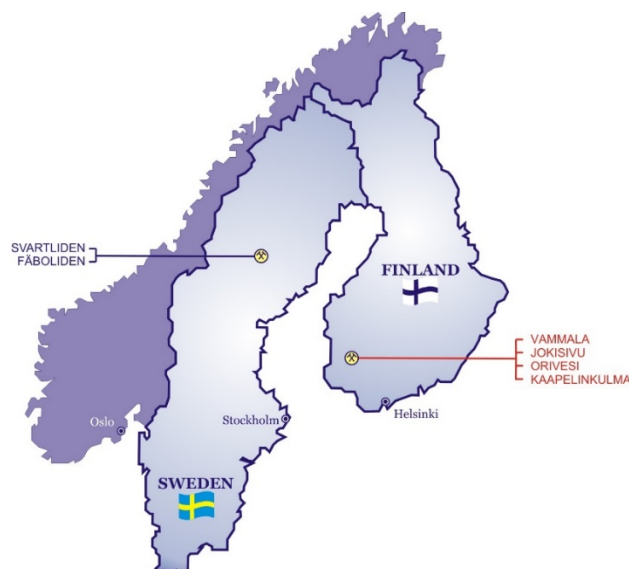
The Vammala Plant was successfully recommissioned in June 2007 and has to 30 June 2017 produced 297,402 ounces of gold in concentrate.

The Jokisivu Gold Mine is located 40 kilometres southwest of the Vammala Plant and hosts two principal gold deposits 200 metres apart, Kujankallio and Arpola.

The deposits represent structurally controlled orogenic gold systems located within the Palaeoproterozoic Vammala Migmatite Belt. Gold mineralization at both Kujankallio and Arpola is hosted within relatively undeformed and unaltered diorite, in 1 to 5 metre wide shear zones that are characterised by laminated, pinching and swelling quartz veins.

The Kujankallio deposit has been shown by drilling to extend to at least 530 metres in depth, whilst the Arpola deposit has been drilled down to 310 metres. Both deposits remain open with depth and partially along strike.

Open cut mining at Kujankallio commenced in 2009 and underground production in 2011. A small open pit was mined at Arpola in 2011 and underground production commenced from this deposit in 2014.



For and on behalf of
Dragon Mining Limited

Table 1 – Results from the underground diamond core drilling program from the 350m level that was designed to evaluate the Kujankallio Main Zone between the 340m and 430m levels at the Jokisivu 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)
HU/JS-817	6779599.93	2426277.69	-267.18	6.92	-17.30	188.60	0.10	0.45	1.09
							29.75	0.95	2.78
							40.85	0.55	3.91
							67.65	0.50	9.10
HU/JS-819	6779599.93	2426277.69	-267.18	6.30	-35.30	203.20	10.95	1.40	2.21
							34.15	0.50	7.42
							132.05	1.35	1.27
							144.65	0.60	3.34
							190.25	0.30	7.07
							194.50	1.95	1.22
HU/JS-820	6779599.93	2426277.69	-267.18	13.73	-25.26	220.00	36.15	1.30	4.96
							111.05	1.45	1.10
							122.15	0.45	107.50
							196.80	0.30	1.87
HU/JS-821	6779600.82	2426284.99	-266.40	0.27	-9.30	155.30	84.30	1.45	1.48
							92.00	0.90	1.66
							151.65	1.05	1.40
HU/JS-827	6779600.97	2426286.10	-266.58	14.79	-20.18	209.40	102.30	1.05	3.32
							110.70	0.80	9.27
							181.60	2.00	1.87
HU/JS-828	6779600.98	2426285.99	-266.81	17.98	-32.00	260.00	43.65	1.20	1.81
							82.45	0.45	2.85
							145.50	0.55	1.25
							151.30	0.55	41.50
							176.70	0.60	10.60
							179.15	0.95	1.01
							185.05	0.40	48.70
							191.70	0.80	21.00
							197.05	0.60	1.56
							248.70	1.50	1.77
							251.45	0.70	3.87
HU/JS-829	6779600.95	2426285.29	-266.95	17.22	-42.56	239.40	154.65	0.40	3.80
							168.70	2.40	39.63
							Includes 0.55 metres @ 147.50 g/t gold from 170.55 metres		
							187.00	1.40	1.41
							199.95	1.00	2.40
HU/JS-830	6779600.90	2426285.76	-266.33	19.73	-12.37	176.40	37.00	0.70	1.71
							50.85	0.35	1.59
							89.80	0.45	10.60
							141.95	0.35	1.99
HU/JS-831	6779601.08	2426287.37	-266.25	23.90	-3.22	152.50	37.05	0.50	1.75
							74.75	3.50	2.37
							81.40	1.10	15.45
HU/JS-832	6779601.29	2426287.39	-266.82	22.56	-26.11	228.60	129.40	0.75	4.05
							132.25	1.00	3.37
							167.00	0.35	5.22
HU/JS-833	6779601.34	2426287.30	-267.29	21.77	-37.13	290.20	56.90	1.20	8.79
							170.75	2.20	29.05
							Includes 0.85 metres @ 70.60 g/t gold from 170.75 metres		
							184.75	1.40	3.34
							228.15	0.60	3.70
							263.35	0.85	5.21
							277.80	2.30	2.84
							285.00	0.40	2.65
HU/JS-834	6779601.58	2426289.15	-266.55	25.18	-19.10	200.50	34.25	1.35	1.85

							100.10	3.10	1.82
							167.15	0.40	2.32
							195.20	0.55	1.45
							198.20	1.10	1.00
HU/JS-835	6779601.59	2426288.34	-266.85	30.07	-46.85	272.20	36.50	0.95	2.25
							70.65	0.75	1.00
							81.60	1.50	3.00
							97.45	1.35	3.47
							203.25	0.50	3.81
							220.35	16.85	5.00
					Includes 2.60 metres @ 16.69 g/t gold from 234.60 metres				
HU/JS-836	6779601.83	2426290.64	-266.51	35.11	-18.46	215.40	52.90	0.30	24.10
							100.90	0.45	1.87
							127.40	0.60	6.58
							134.90	0.65	1.22
							182.85	1.05	1.33
							196.50	0.50	12.90
HU/JS-837	6779601.66	2426289.91	-266.24	38.87	-7.83	167.00	82.20	0.80	11.55
							97.20	0.30	139.50
							135.70	1.50	1.62
							150.20	0.80	1.85
HU/JS-838	6779601.79	2426290.51	-265.82	48.03	6.05	131.20	14.55	1.50	1.22
							21.95	0.60	1.82
							30.50	0.65	1.94
							64.85	1.95	10.71
					Includes 0.55 metres @ 29.70 g/t gold from 66.25 metres				
							69.90	2.20	1.92

Table 2 – Results from the underground diamond core drilling program from the Exploration Drift that was designed to evaluate the Kujankallio Main Zone between the 340m and 400m levels at the Jokisivu 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)
HU/JS-840	6779537.55	2426428.60	-271.16	358.34	24.99	95.30	52.85	1.45	1.60
							58.30	0.55	15.90
							62.00	0.30	70.80
							64.75	0.30	3.56
							69.85	5.25	2.30
HU/JS-846	6779545.51	2426403.86	-273.11	345.05	-8.22	197.30	117.40	4.85	14.61
					Includes 1.85 metres @ 33.06 g/t gold from 117.40 metres				
							124.25	0.40	2.41
							190.45	0.95	4.20
HU/JS-851	6779545.47	2426403.98	-273.28	347.41	-14.39	206.30	139.90	1.85	2.87
							169.90	1.25	3.60
							188.70	0.45	2.20
							202.15	1.65	1.48

Table 3 - Results from the underground diamond core drilling program that targeted the Basin Zones from the 65m level at the Jokisivu 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)
HU/JS-798	6779524.29	2425890.34	21.40	285.37	-1.63	206.50	5.70	0.35	1.34
							97.90	1.50	1.09
							104.55	0.60	1.06
							107.20	0.90	1.21
							146.30	1.30	1.04
							152.10	0.40	1.31
							153.80	0.55	1.69

							155.40	1.35	3.15
							161.25	2.15	2.12
							170.65	1.40	11.15
							186.55	0.35	4.57
							192.65	4.35	3.84
HU/JS-801	6779524.68	2425890.78	21.41	292.39	-1.78	230.40	4.75	0.35	3.62
							9.40	0.35	1.88
							12.80	0.30	6.10
							120.95	4.20	2.16
							128.40	2.95	2.89
							157.55	0.35	4.10
							162.55	0.30	1.80
							165.75	1.00	2.91
							170.40	1.00	11.75
							174.90	4.30	3.60
							181.60	0.65	9.09
							185.95	1.95	2.19
							193.45	1.35	1.81
							198.50	0.35	1.65
HU/JS-802	6779529.48	2425897.35	20.89	298.81	-1.28	245.50	2.90	1.25	1.90
							8.90	1.05	2.33
							34.65	1.50	2.63
							39.30	2.70	5.94
							43.85	3.30	4.05
							61.60	1.35	1.31
							64.40	1.45	1.51
							104.10	0.40	1.36
							159.25	2.50	20.78
					Includes 1.45 metres @ 30.31 g/t gold from 160.30 metres				
							184.55	1.45	1.38
							198.55	1.00	2.06
							210.65	0.45	1.59
							234.85	1.35	1.38
HU/JS-805	6779531.86	2425901.37	20.78	306.19	-1.00	268.30	29.05	0.55	1.78
							49.35	1.30	1.41
							64.65	1.25	10.62
					Includes 0.30 metres @ 40.70 g/t gold from 65.60 metres				
							109.50	2.00	17.76
					Includes 1.00 metres @ 34.20 g/t gold from 109.50 metres				
							211.35	1.15	4.48
							231.15	0.65	1.44
HU/JS-806	6779532.07	2425901.68	20.77	316.63	-1.50	280.20	24.95	2.35	1.28
							45.70	0.55	3.24
							47.60	0.60	1.10
							94.65	1.60	7.77
					Includes 0.60 metres @ 15.05 g/t gold from 95.65 metres				
HU/JS-809	6779524.32	2425890.24	21.25	285.74	-9.84	196.90	84.80	1.45	1.26
							89.50	0.55	1.86
HU/JS-811	6779529.48	2425897.37	20.70	298.67	-9.66	245.40	4.00	0.30	8.06
							17.25	4.25	2.97
							25.15	0.55	1.48
							27.70	1.00	2.25
							30.50	0.45	1.75
							38.05	1.45	1.72
							43.95	0.50	3.31
							131.00	5.90	2.54
					Includes 0.35 metres @ 25.40 g/t gold from 131.00 metres				
							147.55	1.45	2.34
							161.25	0.55	3.86
							174.20	2.20	4.27
							183.10	1.40	4.42

HU/JS-812	6779531.88	2425901.33	20.60	305.83	-9.60	272.00	41.50	3.85	3.69
							58.30	1.30	1.07
							60.90	1.30	2.55
							99.95	2.40	3.62
							149.60	1.45	16.52
							179.85	12.70	5.07
					Includes 0.90 metres @ 29.60 g/t gold from 183.50 metres				
HU/JS-813	6779532.04	2425901.72	20.50	316.49	-14.80	275.40	17.15	1.05	2.07
							27.65	2.35	2.01
							59.60	0.90	1.21
							64.85	0.30	27.90
							68.20	0.30	3.96
							106.70	1.30	1.32
							116.85	1.35	2.07
							161.80	15.20	2.97
							187.50	1.10	4.26
							191.15	1.00	1.58
HU/JS-815	6779535.97	2425916.37	19.78	340.39	-29.60	310.20	0.00	0.55	1.22
							9.75	0.50	8.41
							23.05	0.70	1.29
							26.15	0.45	1.53
							56.10	0.60	1.70
							73.25	1.15	1.31
							95.75	3.10	1.36
							102.70	1.25	1.38
							131.30	2.50	2.78
							135.75	2.70	1.51
							206.75	0.40	1.52
							208.95	0.95	1.38
							211.60	1.05	1.57
							218.55	2.70	1.91
							227.70	0.85	1.18
							264.10	0.35	2.51
							276.50	0.95	1.70
HU/JS-816	6779535.94	2425916.25	19.17	337.91	-47.31	276.40	3.85	0.30	43.10
							23.10	1.30	1.05
							41.50	1.20	1.79
							46.85	0.90	1.11
							61.60	0.60	4.80
							86.90	1.30	2.49
							91.60	0.85	1.11
							134.20	3.65	7.57
					Includes 0.90 metres @ 25.80 g/t gold from 135.95 metres				
							149.15	1.45	1.01
							173.40	2.85	1.71
							179.70	1.05	1.47
							185.85	1.10	2.88
							216.20	1.85	9.87
					Includes 0.95 metres @ 18.15 g/t gold from 217.10 metres				

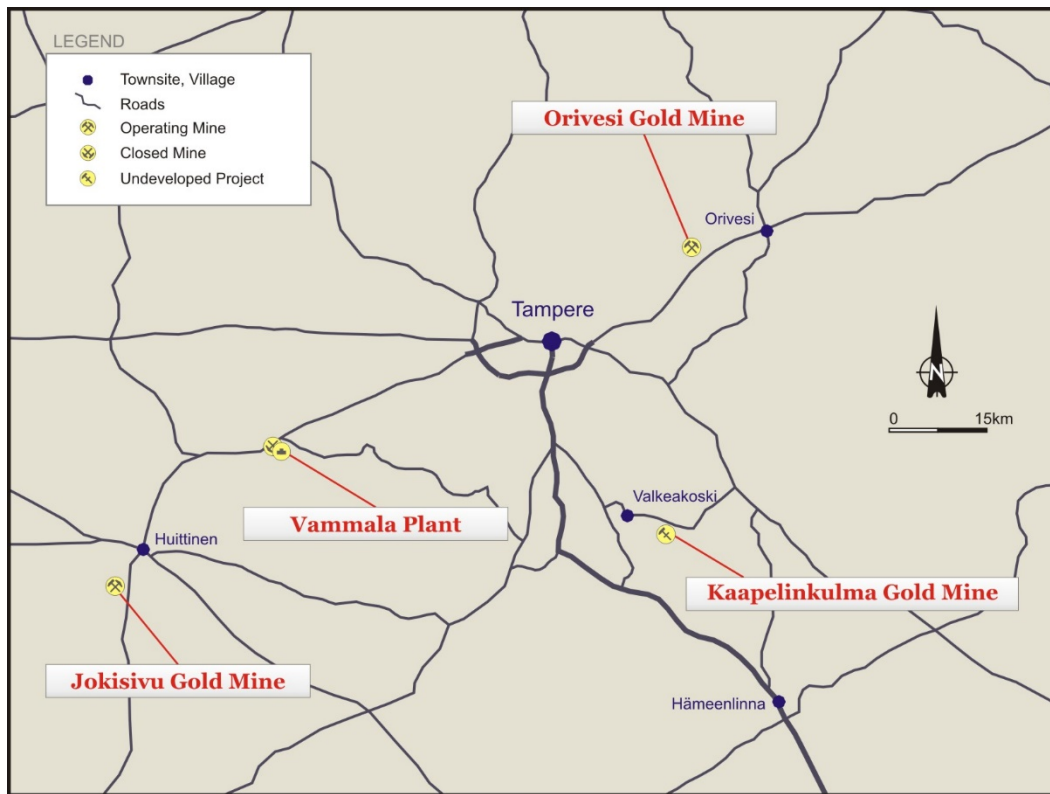


Figure 1 – Vammala Production Centre.

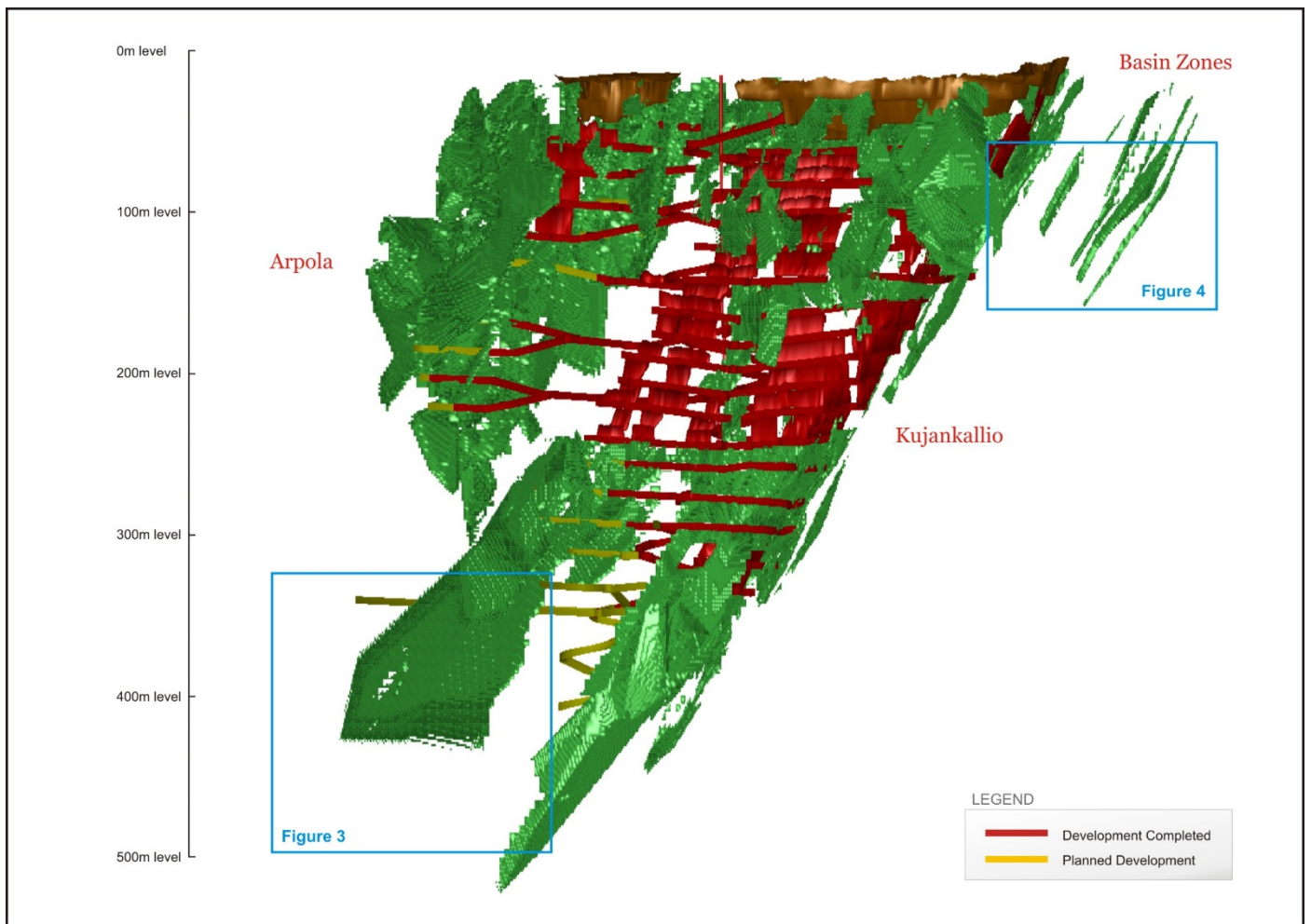


Figure 2 – Jokisivu Gold Mine.

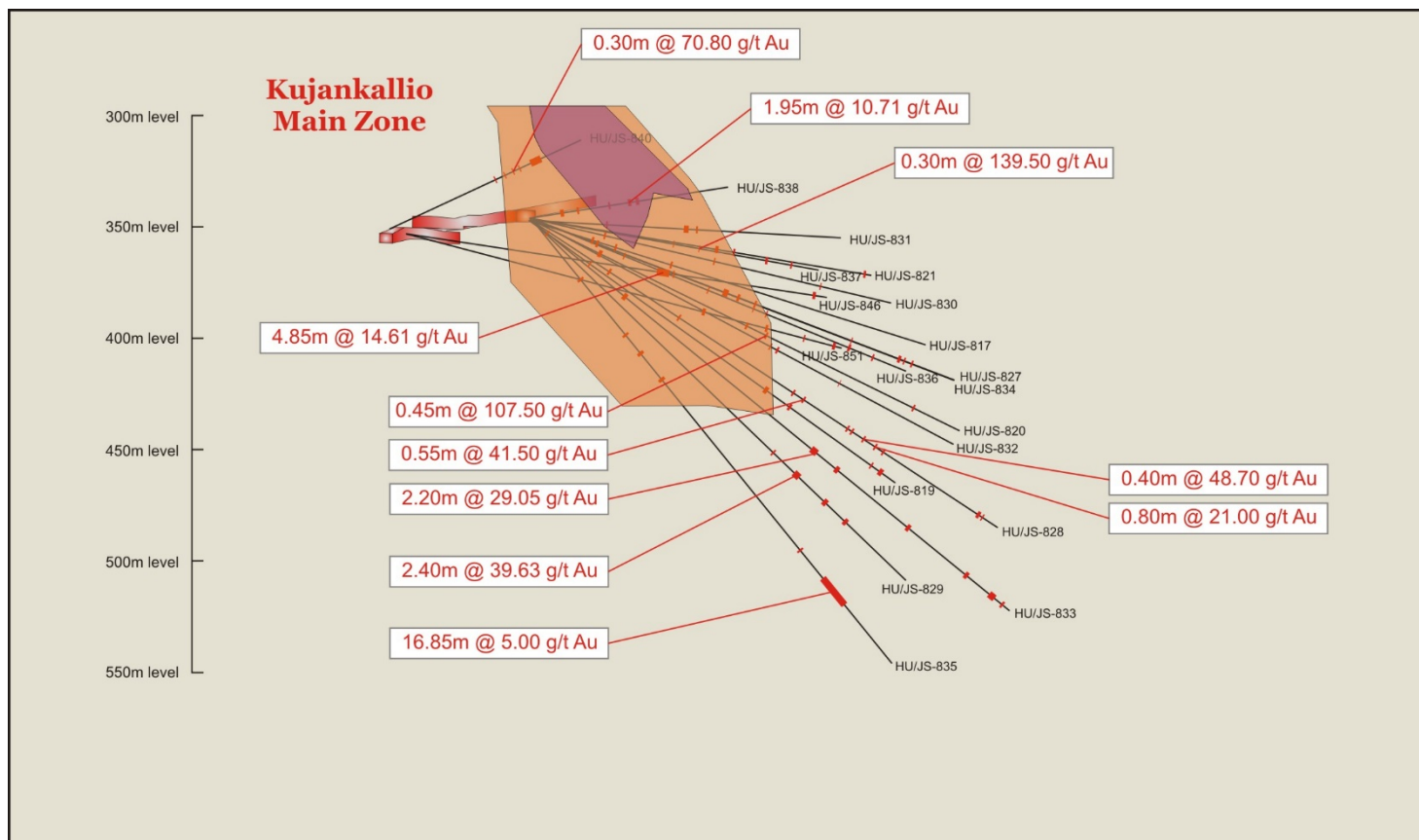


Figure 3 – Underground diamond core drilling from the 350m level targeting the Kujankallio Main Zone between the 340m and 430m levels at the Jokisivu Gold Mine. View looking east.

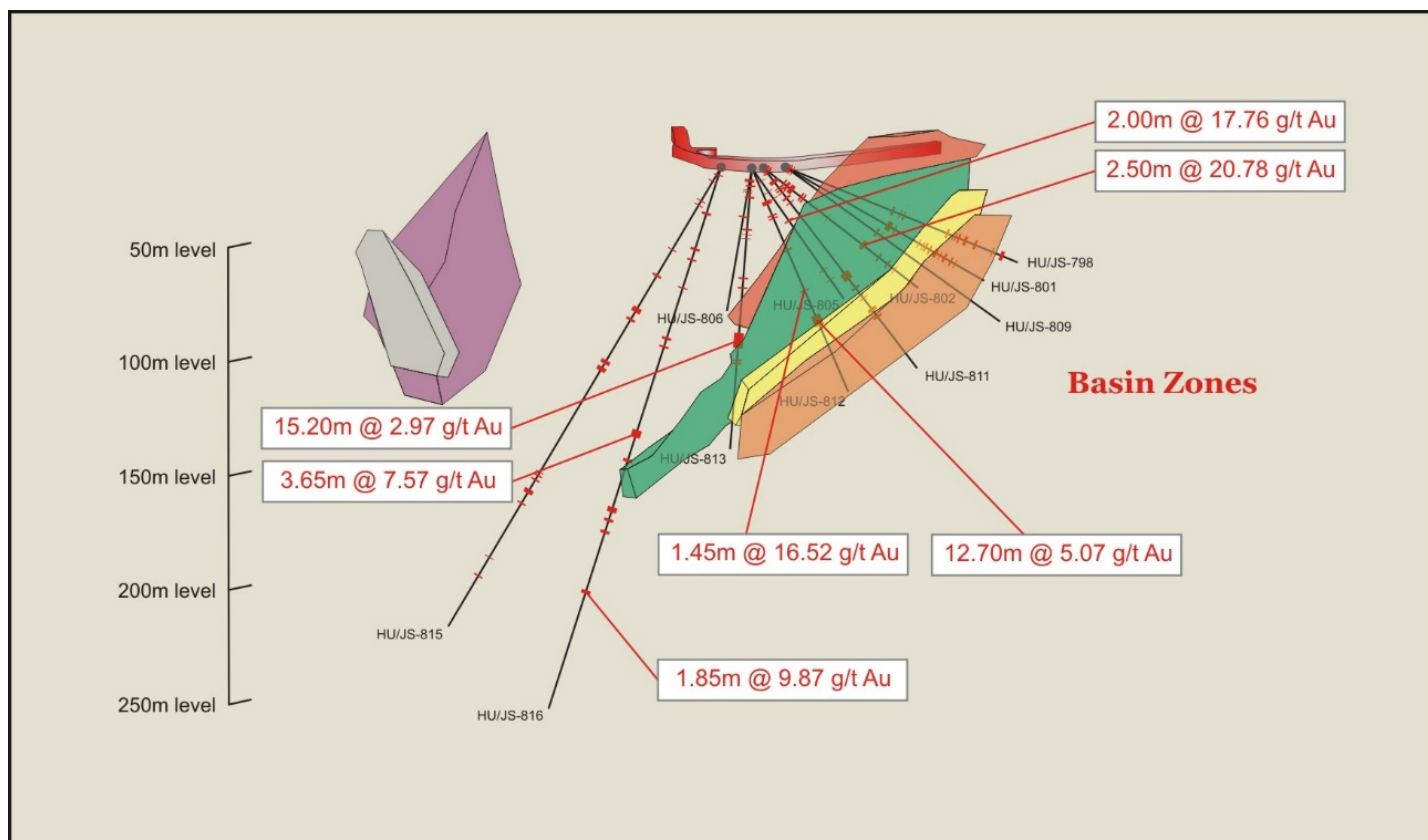


Figure 4 – Underground diamond core drilling program that targeted the Basin Zones at the Jokisivu Gold Mine. View looking northwest.

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 and a full time employee of the Company. Mr. Neale Edwards 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 this report of the matters based on his information in the form and context in which it appears.

Appendix 1

JORC Code Table 1 - Jokisivu Drilling Programs

Section 1 - Sampling Techniques and Data (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 Kujankallio and Arpola deposits at the Jokisivu Gold Mine have been sampled by a series of underground diamond core and surface diamond core drilling programs.</p> <p>In the reported programs, Dragon Mining has completed twenty-four diamond core drill holes for an advance of 4,432.50 metres. These holes are part of a sixteen hole campaign from the 350m level that was designed to evaluate the Kujankallio Main Zone between the 340m and 430m levels and an eighteen hole campaign targeting the Kujankallio Main Zone between the 340m and 400m levels.</p> <p>Pierce points are nominally spaced at 20 metres vertically and 20 to 30 metres horizontally for underground drilling.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or system used.</i>	<p>Drill holes are orientated predominantly to the south (local mine grid) and drilled at an angle which is approximately perpendicular to the orientation of the mineralised trends.</p> <p>The majority of drill holes are underground drill holes and completed at various angles in a 'fan' array to optimally intersect the orientation of the mineralised trends.</p> <p>Drill hole collars and starting azimuths have been accurately surveyed with a Leica TCRP 1203+ Total Station. Dip values were measured at 10m intervals down hole by drillers using conventional equipment. Azimuth deviations of the deepest holes were surveyed with Reflex Maxibor, EMS multi-shot or Devico Deviflex equipment.</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</i>	<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> <p>Drill cores are sampled with lithological control to a maximum down hole length of 1.5 metres. Sample intervals are measured by tape from depth intervals shown on core blocks labelled by the drillers.</p> <p>Samples are collected by Dragon Mining personnel and dispatched via road transport to ALS Minerals for sample preparation and analysis for gold by fire-assay methods.</p>

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

Criteria	Explanation	Commentary
	<i>warrant disclosure of detailed information.</i>	
Drilling Techniques	<i>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).</i>	<p>Diamond core, percussion, sludge, and reverse circulation (RC) are the primary drilling techniques used at Jokisivu.</p> <p>Underground drilling in the reported programs was completed by T56/WL-56 (39.0mm) diamond core methods.</p> <p>Core from underground drilling is collected with a standard tube. Core is not orientated for definition drill programs but is for exploration drill programs. Hole deviation surveys are completed on all drill holes Reflex Maxibor, EMS multi-shot or Devico Deviflex equipment. .</p>
Drill Sample Recovery	<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>	<p>Sample recovery is high with >95% of the drill core having recoveries >95%.</p> <p>Drilling is well planned to avoid existing underground development and is undertaken in primary rock material.</p> <p>Experienced underground drilling contract groups were engaged to undertake the program of work. Drilling contractors are supervised and routinely monitored by Dragon Mining personnel.</p>
	<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.
Logging	<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 Dragon Mining 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>	<p>Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations.</p> <p>It has been standard practice that all diamond core be routinely photographed.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes were logged in full.

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

Criteria	Explanation	Commentary
Sub-sampling Techniques and Sample Preparation	<i>If cut, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>Half or full core samples of select zones are collected for analysis from underground diamond core drill holes, depending on the nature of the program. Half core is collected for exploration programs, full core for definition programs.</p> <p>Half or full core samples of select zones are collected for analysis from surface diamond core drill holes, depending on the nature of the program. Half core is collected for exploration programs, full core for definition programs.</p> <p>When core is required to be split it is sawn.</p>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable. All drilling this report is completed by diamond core methods.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>Full and half core samples of select zones were collected for analysis by company personnel. With respect to the nature of the mineralised system and the core diameter, the use of full or half core is considered the most 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 >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 or Loughrea, Ireland.</p> <p>The method selected for sample preparation is considered appropriate.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p>Certified reference material and blanks are routinely inserted with the sample submission. Dragon 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).</p> <p>A review of the results of the certified reference material and blanks indicates that they are within acceptable limits.</p>
	<i>Measures taken to ensure that the sampling is representative of the in situ</i>	Coarse crush duplicates are included in the sample stream every 20 samples.

Section 1 - Sampling Techniques and Data (Criteria in this Section apply to all succeeding sections)		
Criteria	Explanation	Commentary
	<i>material collected including for instance results for field duplicate/second-half sampling.</i>	A review of the results of the duplicate samples indicates that they are within acceptable limits.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	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 Data and Laboratory Tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>Analysis is completed at ALS Minerals in Rosia Montana, Romania or Loughrea in Ireland using procedures Au-AA25 (Detection Limit – 0.01 g/t gold; Upper Limit – 100.00 g/t gold) – 30g fire assay with AAS finish. Gold values exceeding 3 g/t gold are re-assayed by Au-GRA21 (Detection Limit – 0.05 g/t gold; Upper Limit – 1,000.00 g/t gold) – 30g fire assay with gravimetric finish.</p> <p>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.</p> <p>The analytical techniques used are considered total.</p>
	<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 collected.
	<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>	<p>QAQC protocols are stringently adhered to throughout the duration of all drilling programs undertaken by Dragon Mining.</p> <p>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.</p> <p>ALS Minerals implement an internal QAQC program that includes the insertion of blanks, certified reference material and duplicates with each analytical run.</p> <p>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.</p>
Verification of Sampling and Assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	All significant intercepts are reviewed and verified by Dragon Mining geologists.
	<i>The use of twinned holes.</i>	No twinned holes have been drilled.

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

Criteria	Explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Primary data is collected by Dragon Mining personnel at the site using Excel work sheets.</p> <p>Primary assay data is received direct from the laboratory in digital format.</p> <p>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.</p> <p>Verification and validation of the databases is handled internally.</p>
	<i>Discuss any adjustment to assay data.</i>	No adjustment has been made to the assay data.
Location of Data Points	<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>	<p>Drill hole collars and starting azimuths have been accurately surveyed by various contract surveyors. Down hole surveys were undertaken on all exploration and resource development holes.</p> <p>Collars and underground mine surveys are performed using a Leica TCRP 1203+ Total Station to a level of accuracy of 0.05 metres.</p> <p>Down hole surveys are carried out on all drill holes using a Maxibor II, EMS multi-shot or Devico Deviflex device. Down hole dip values were recorded at 10m intervals.</p>
	<i>Specification of the grid system used.</i>	<p>The grid system used for the reporting of results is the Finnish Grid System – KKKJ2. A local mine grid is used at the Jokisivu mine.</p> <p>The local grid system is parallel to National Grid System, and equivalence of systems as follows (examples of coordinate values):</p> <p> $\text{Northing}_{\text{Nat}} 6,779,500.00 = \text{Northing}_{\text{Loc}} 9,500.00$, $\text{Easting}_{\text{Nat}} 2,425,800.00 = \text{Easting}_{\text{Loc}} 5,800.00$, $\text{Elevation}_{\text{Nat}} 80.00 = \text{Elevation}_{\text{Loc}} 0.00$. $\text{Northing}_{\text{Loc}} = \text{Northing}_{\text{Nat}} - 6,770,000\text{m}$ $\text{Easting}_{\text{Loc}} = \text{Easting}_{\text{Nat}} - 2,420,000\text{m}$ $\text{Elevation}_{\text{Loc}} = \text{Elevation}_{\text{Nat}} - 80\text{m}$ </p>
	<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 Jokisivu Gold Mine. Additional fixed points have been established along the underground development and function as the elevation control underground.
Data Spacing and Distribution	<i>Data spacing for reporting of Exploration Results.</i>	<p>Underground drilling has been undertaken in a fan array type pattern. Pierce points are usually spaced nominally at 20 metres vertically and 20 metres horizontally.</p> <p>Surface drilling is completed on a nominal grid base. Pierce points are variable.</p>
	<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</i>	The geology and mineralisation displays satisfactory continuity in both geology and grade from hole to hole 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).

Section 1 - Sampling Techniques and Data <i>(Criteria in this Section apply to all succeeding sections)</i>		
Criteria	Explanation	Commentary
	<i>Reserve estimation procedure(s) and classifications applied.</i>	
	<i>Whether sample compositing has been applied.</i>	No sampling compositing has been applied.
Orientation of Data in Relation to Geological Structure	<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>	Drill holes are orientated predominantly to the south (local mine grid) and drilled at an angle which is approximately perpendicular to the orientation of the mineralised trends. The majority of drill holes are underground drill holes and completed at various angles in a 'fan' array to optimally intersect the orientation of the mineralised trends.
	<i>If the relationship between the drilling orientation and orientation of key mineralised structures is considered to have introduced a sampling bias, thus should be assessed and reported if material.</i>	No orientation based sampling bias has been identified in the data.
Sample Security	<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.
Audits or Reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Dragon Mining undertakes its own reviews and audits of sampling techniques and data. Dragon Mining has completed audits of the ALS Minerals facilities at Outokumpu, Finland; Rosia Montana, Romania and Vancouver, Canada. The completed reviews and audits raised no issues.

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
Mineral Tenement and Land Tenure Status	<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 Jokisivu Gold Mine is located within granted contiguous Mining Concessions (Concession ID – 7244; Concession Name – Jokisivu; Area – 48.57 ha and Concession ID – KL2015:0005; Concession Name – Jokisivu 2; Area – 21.30 ha).
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a</i>	The Mining Concessions are in good standing and no impediments to operating exist.

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
	<i>licence to operate in the area.</i>	
Exploration Completed by Other Parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>The first indication of gold mineralization in the Jokisivu area was obtained in 1964, when a local youth sent a gold-bearing boulder to an ore prospecting competition.</p> <p>Outokumpu Oy began exploring the area in 1985 and continued until 2003, when Dragon Mining acquired the Project. Dragon Mining advanced the project over the ensuing years, undertaking extensive drilling and completing mining studies to enable production to commence in 2009.</p> <p>Production from the Jokisivu Gold Mine commenced with open-pit mining of the near surface portion of the Kujankallio deposit in September 2009.</p> <p>The near surface portion of the Arpola deposit was also mined by open-pit methods in 2011.</p> <p>Underground development of the Kujankallio deposit commenced in September 2010 access achieved through a decline portal located at the eastern most end of the Kujankallio open pit. Underground production from the Arpola deposit commenced in 2014.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Jokisivu Gold Mine is located in the Paleoproterozoic Vammala Migmatite Belt, which is dominated by tonalitic and granodioritic gneisses, micagneiss, migmatites, intermediate and mafic metamorphosed volcanic rocks as well as felsic and mafic plutonic rocks.</p> <p>Gold mineralisation is hosted within a sheared and quartz-veined diorite unit surrounded by mica gneiss. The Kujankallio deposit consists of several gold-bearing lodes, having a total length of at least 350 metres. The lodes strike northeast, primarily dipping 50 degrees to the southwest.</p> <p>The nearby Arpola deposit consists of several east-west trending gold lodes that extend over length of 150 metres. The Arpola lodes strike northeast and dip 50 degrees to the southwest.</p> <p>Both deposits represent structurally controlled gold systems.</p>
Drill Hole Information	<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"> <i>easting and northing of the drill hole collar;</i> <i>elevation or RL (Reduced Level –</i> 	<p>Refer to the drill results in:</p> <p>Table 1 – Results from the underground diamond core drilling program from the 350m level that was designed to evaluate the Kujankallio Main Zone between the 340m and 430m levels at the Jokisivu Gold Mine.</p> <p>Table 2 – Results from the underground diamond core drilling program from the Exploration Drift that was designed to evaluate the Kujankallio Main Zone between the 340m and 400m levels at the Jokisivu Gold Mine.</p>

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
	<p>elevation above sea level in metres) of the drill hole collar;</p> <ul style="list-style-type: none"> dip and azimuth of the hole; down hole length and interception depth; hole length. 	Table 3 - Results from the underground diamond core drilling program that targeted the Basin Zones from the 65m level at the Jokisivu Gold Mine.
Data Aggregation Methods	<p>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.</p>	Weighted average gold intercepts are reported at a 1 g/t gold cut-off with up to 2 metres of internal dilution allowed. No high grade cuts were applied.
	<p>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.</p>	<p>High grade intervals internal to broader zones of mineralisation are reported at a 15 g/t gold cut-off as included intervals. Refer to:</p> <p>Table 1 – Results from the underground diamond core drilling program from the 350m level that was designed to evaluate the Kujankallio Main Zone between the 340m and 430m levels at the Jokisivu Gold Mine.</p> <p>Table 2 – Results from the underground diamond core drilling program from the Exploration Drift that was designed to evaluate the Kujankallio Main Zone between the 340m and 400m levels at the Jokisivu Gold Mine.</p> <p>Table 3 - Results from the underground diamond core drilling program that targeted the Basin Zones from the 65m level at the Jokisivu Gold Mine.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalent values have been used or reported.
Relationship between Mineralisation Widths and Intercept Lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	<p>All intercepts reported are down hole lengths. True widths have not been calculated.</p> <p>At Kujankallio the majority of drill holes were orientated predominantly to an azimuth of 198° (local mine grid) and angled to an average dip of approximately -60° which is approximately perpendicular to the orientation of the mineralised trends. The main Kujankallio lode strikes at approximately 280° (local grid) and dips at 40° to the north (local grid). Lodes within the 'hinge zone' strike approximately at 160° to 205° and dip to the east (local grid) at approximately 45°. Four lodes to the north-west strike at 015° and dip at 45° to the east.</p>
Diagrams	<p>Appropriate maps and sections (with scales) and</p>	Refer to provided diagrams.

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
	<i>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>	
Balanced Reporting	<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 report. All meaningful and material exploration data has been reported.
Other Substantive Exploration Data	<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 Jokisivu 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.
Further Work	<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 identify extensions to known mineralised zones and new mineralised zones, as well as providing information to support mine planning and 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 provided diagrams.