

ASX ANNOUNCEMENT

2 OCTOBER 2018

WASTE MATERIAL

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") advises that, following a claim on 26 September 2018 by a Finnish journalist from Suomen Kuvalehti of waste material being left in one of the underground stopes in the Company's mine at Orivesi the Company hosted a site visit by the Centre for Economic Development, Transport and the Environment ("ELY") on 1 October 2018 to inspect the area. The area in question is an old stope which was mined in the period before Dragon Mining took ownership in 2003, but the age of the waste has not been determined to date.

The Company has committed to ELY that it will work with the authorities to further investigate the matter, clean the area and ensure all Dragon Mining staff are reminded of the Company's strict policy of not leaving waste underground. The ELY has requested a written statement from the Company by 15 October 2018 which will include a plan for removing the waste.

For and on behalf of
Dragon Mining Limited