

**ASX ANNOUNCEMENT****11 JUNE 2015****GRAVITY SURVEY HIGHLIGHTS POTENTIAL AT JOKISIVU**

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") is pleased to advise that a geophysical gravity survey at the Jokisivu Gold Mine in southern Finland has been completed, the results providing encouragement that the dioritic intrusion, the host rock to the gold bearing quartz veins at Jokisivu, extends beyond current known depths.

During April 2015, geophysical contractors from Suomen Malmi Oy completed a ground gravity survey, comprising four 2,500 metre profiles in the Jokisivu area. Readings were collected every 20 metres along each profile using a Scintrex CG-5 unit. Profiles 1 and 2 were located in the middle of the known diorite intrusion, Profiles 3 and 4 located at the eastern end covering the area of the possible extensions of the intrusion (Figure 2).

Processing and modelling of the gravity dataset was completed by Finnish geophysical consultants Astrock Oy, who concluded that it was possible to get information on the depth extent of the diorite intrusion from the gravity dataset, the modelling results showing that the intrusion is plunging to the east to depths of at least 800 metres to 1000 metres (Figure 3).

The Jokisivu Gold Mine is located 40 kilometres southwest of Dragon Mining's Vammala Plant. The mine comprises two gold deposits 200 metres apart, Kujankallio and Arpola. Gold mineralisation at both deposits 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 gold bearing quartz veins at Kujankallio have been shown by drilling to extend down to 525 metres, though the current Kujankallio Measured, Indicated and Inferred Mineral Resource at a 2 g/t gold cut-off of 119,300 ounces grading 4.5 g/t gold has only been estimated over a 350 metre vertical extent from surface, yielding an average 340 ounces per vertical metre. No drilling has been completed below 525 metres.

The Arpola deposit has been drilled down to 200 metres, with a Measured, Indicated and Inferred Mineral Resource at a 2 g/t gold cut-off grade of 97,900 ounces grading 5.7 g/t gold estimated over a 180 metre vertical extent from surface yielding an average 544 ounces per vertical metre.

The Mineral Resources for the Kujankallio and Arpola deposits (Appendix 1) were previously released to the ASX on the 27 February 2015 – Mineral Resources for the Finland and Sweden Production Centres, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

For and on behalf of  
**Dragon Mining Limited**

## **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 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 this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the Jokisivu Gold Mine were previously released to the ASX on the 27 February 2015 – Mineral Resources for the Finland and Sweden Production Centres Updated, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). It fairly represents information and supporting documentation that was compiled by Mr. Paul Payne, a Member of the Australasian Institute of Mining and Metallurgy and an associate employee of RungePincockMinarco Limited. Mr. Paul Payne 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 Paul Payne for the 27 February 2015 – Mineral Resources for the Finland and Sweden Production Centres Updated release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources for the Jokisivu Gold Mine as reported on the 27 February 2015, and the assumptions and technical parameters underpinning the estimates in the 27 February 2015 release 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 are presented in this report have not been materially modified and are consistent with the 27 February 2015 release. Mr Neale Edwards has provided written consent approving the statement of Mineral Resources in this report in the form and context in which it appears.

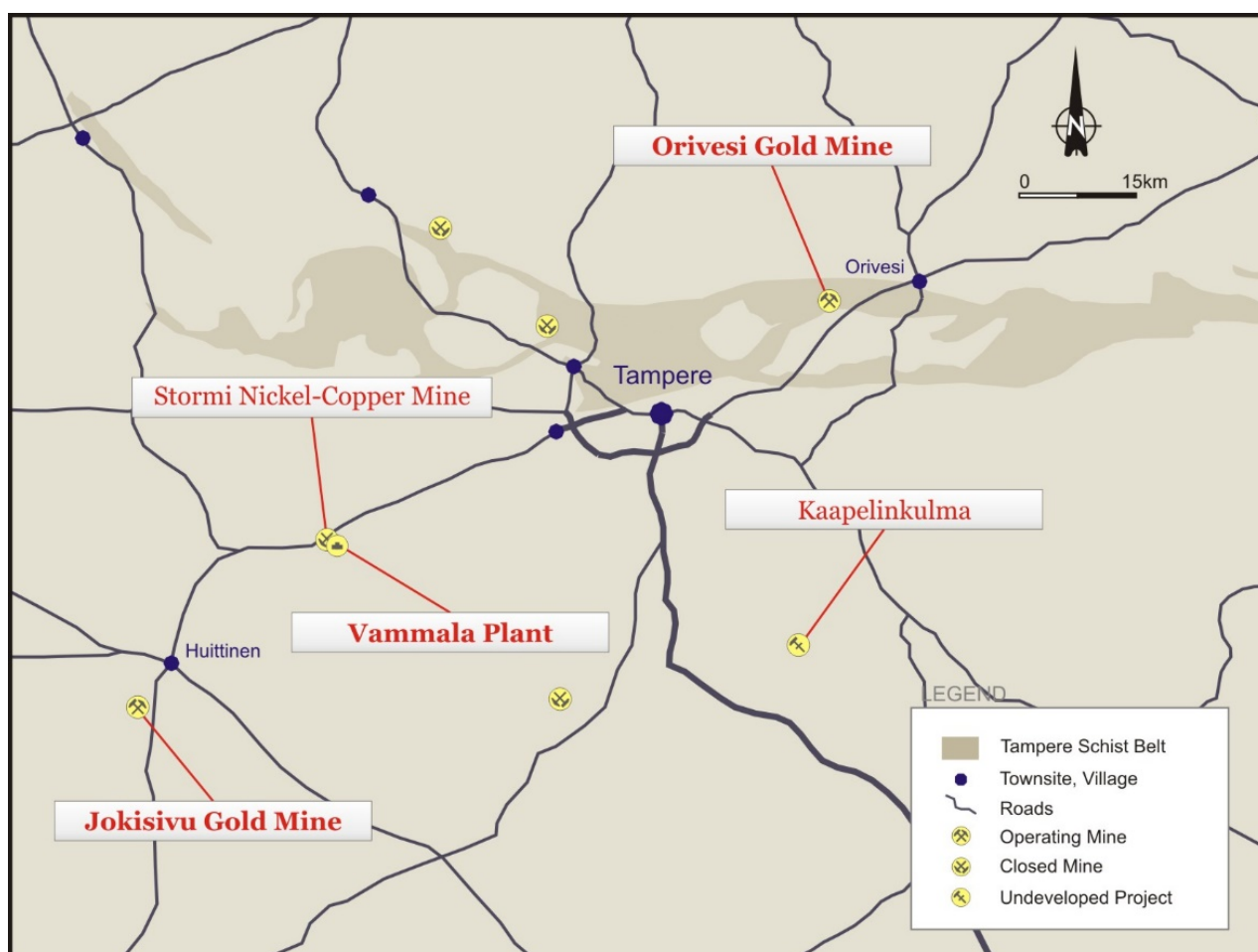
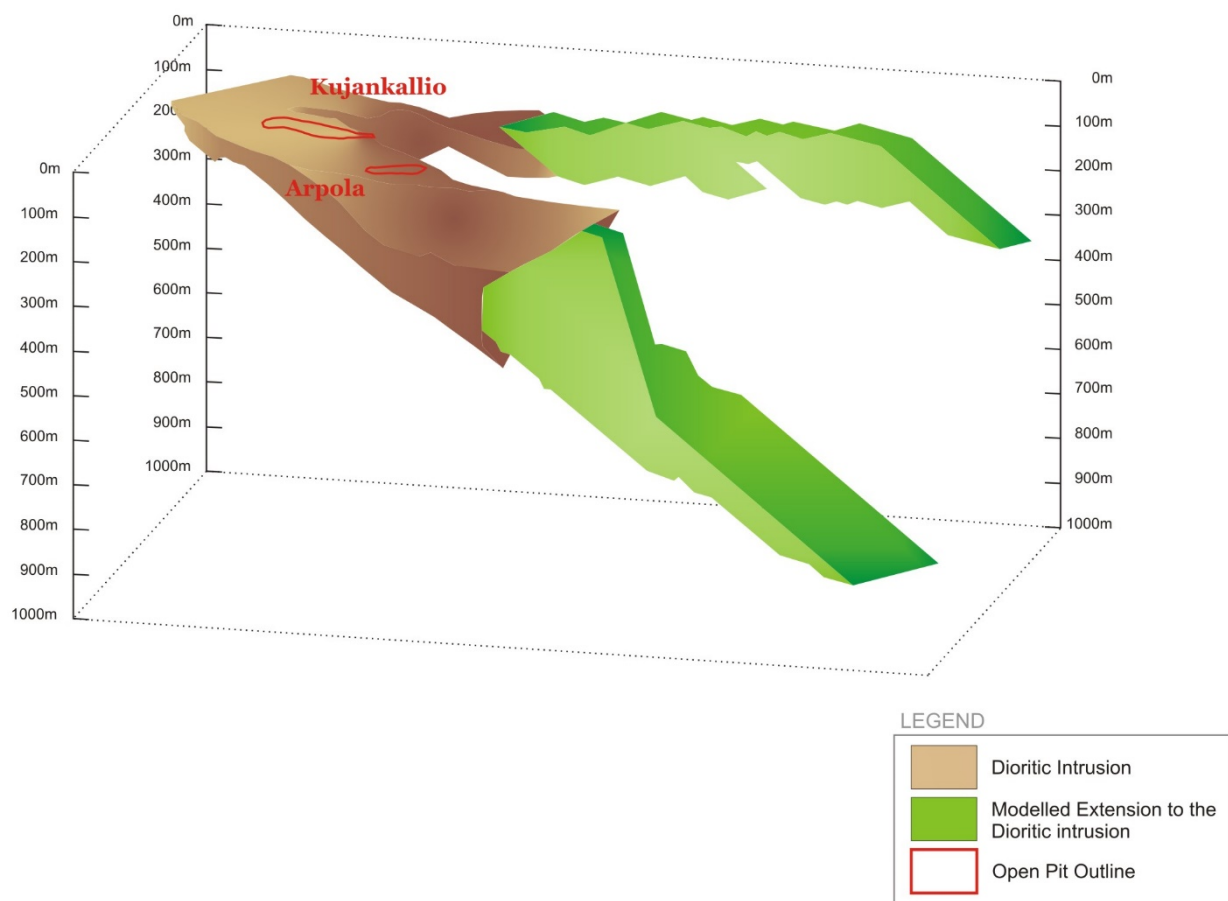


Figure 1 – Location of the Jokisivu Gold Mine in southern Finland.



**Figure 2 – Jokisivu gravity survey profiles.**



**Figure 3 – Modelled extension of the dioritic intrusion at Jokisivu. View to the NNW.**

**Appendix 1 – Mineral Resource at the Jokisivu Gold Mine as at 31 December 2014. Reported at a 2 g/t gold cut-off grade.**

	Measured			Indicated			Inferred			Total		
	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces
<b>Vammala Production Centre</b>												
<b>Jokisivu Gold Mine</b>												
<b>Kujankallio</b>	222,000	5.6	40,000	296,000	4.7	44,700	316,000	3.4	34,500	834,000	4.5	119,300
<b>Arpola</b>	37,000	6.8	8,000	276,000	4.9	43,100	225,000	6.5	46,700	538,000	5.7	97,900
<b>Stockpiles</b>	9,000	3.6	1,000	-	-	-	-	-	-	9,000	3.6	1,000
<b>Total</b>	<b>268,000</b>	<b>5.6</b>	<b>49,000</b>	<b>572,000</b>	<b>4.8</b>	<b>87,800</b>	<b>541,000</b>	<b>4.7</b>	<b>81,200</b>	<b>1,381,000</b>	<b>4.9</b>	<b>218,200</b>

## Appendix 2

### JORC Code Table 1 - Jokisivu Gravity Survey

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 dioritic intrusion that hosts the quartz bearing quartz veins at the Jokisivu Gold Mine has been tested by a ground gravity survey.</p> <p>In the reported program, geophysical contractors from Suomen Malmi Oy have completed four, 2,500 metre profiles across the known dioritic intrusion and its interpreted extensions.</p> <p>Readings were collected every 20 metres along each profile using a Scintrex CG-5 unit. Profiles 1 and 2 were located in the middle of the known diorite intrusion, Profiles 3 and 4 located at the eastern end covering the area of the possible extensions of the intrusion.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or system used.</i>	<p>Profiles were placed perpendicular to the known strike of the dioritic intrusion.</p> <p>Data points were surveyed using a Trimble R8-3 device.</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 warrant disclosure of detailed information.</i>	<p>Data points were collected every 20 metres by geophysical contractors from Suomen Malmi Oy.</p> <p>The survey was used to determine the extensions of the dioritic intrusion, the geological unit that hosts the gold bearing quartz veins at the Jokisivu Gold Mine.</p> <p>It is not possible with this geophysical method to determine the extensions of the gold bearing quartz veins, this possible only by drilling.</p> <p>Data points were collected as per industry best applicable practice.</p>
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</i>	<p>No drilling was undertaken during the ground gravity survey program.</p> <p>The deposits that comprise the Jokisivu Gold Mine have historically been subject to diamond core, percussion, sludge, and reverse circulation (RC) drilling methods. The Kujankallio deposit has been drilled to a maximum depth of 525 metres and the Arpola deposit to 200 metres. Both deposits remain</p>

Section 1 - Sampling Techniques and Data (Criteria in this Section apply to all succeeding sections)		
Criteria	Explanation	Commentary
	<i>oriented and if so, by what method, etc).</i>	open at depth.
<b>Drill Sample Recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling was undertaken during the ground gravity survey program.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected.
	<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 drilling was undertaken during the ground gravity survey program.
<b>Logging</b>	<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>	No drilling was undertaken during the ground gravity survey program. No logging has been undertaken.  The results from the geophysical survey will provide information that could support future Mineral Resource estimates and mining studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling was undertaken during the ground gravity survey program. No logging has been undertaken.
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling was undertaken during the ground gravity survey program. No logging has been undertaken.
<b>Sub-sampling Techniques and Sample Preparation</b>	<i>If cut, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QC undertaken by taking repeat readings to ensure the data quality. (one bad windy day was repeated on a better day). Office QC after corrections applied, bad stations or stations standing out were repeated to confirm the reliability.
	<i>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.</i>	Calibration of gravity unit confirmed before the survey at "Gravity meter calibration line Masala-Vihti" set up by Geodetic institute of Finland.  During survey two base points were established which were used to correct instrument drift by reading at start and end at each survey day. Survey was tied to



Section 1 - Sampling Techniques and Data (Criteria in this Section apply to all succeeding sections)		
Criteria	Explanation	Commentary
		the Finnish gravity network at a benchmark station.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected.
<b>Quality of Data and Laboratory Tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No drilling was undertaken during the ground gravity survey program. No samples were collected and no analysis completed.
	<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 drilling was undertaken during the ground gravity survey program. No samples were collected and no analysis completed.  Readings were collected every 20 metres along each profile using a Scintrex CG-5 unit.
	<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>	Field QC undertaken by taking repeat readings to ensure the data quality. (one bad windy day was repeated on a better day). Office QC after corrections applied, bad stations or stations standing out were repeated to confirm the reliability.  Calibration of gravity unit confirmed before the survey at "Gravity meter calibration line Masala-Vihti" set up by Geodetic institute of Finland.  During survey two base points were established which were used to correct instrument drift by reading at start and end at each survey day. Survey was tied to the Finnish gravity network at a benchmark station.
<b>Verification of Sampling and Assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No drilling was undertaken during the ground gravity survey program. No significant intersections were generated.
	<i>The use of twinned holes.</i>	No drilling was undertaken during the ground gravity survey program.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No assay data has been generated.
	<i>Discuss any adjustment to assay data.</i>	No assay data has been generated.
<b>Location of Data Points</b>	<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>	Trimble R8-3 has an accuracy level of 2.5cm.
	<i>Specification of the grid system used.</i>	The grid system used for the reporting of results is the Finnish Grid System – KKJ2.
	<i>Quality and adequacy of</i>	Each survey station elevation is defined with an

Section 1 - Sampling Techniques and Data (Criteria in this Section apply to all succeeding sections)		
Criteria	Explanation	Commentary
	<i>topographic control.</i>	accuracy better than 5cm. Topographic corrections were applied with an elevation model of 2 meter cells.
<b>Data Spacing and Distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	Data sample points were collected on four 2,500 metre long profiles spaced 250 metres between Profiles 1 and 2 and Profiles 2 and 3. The spacing between Profiles 3 and 4 is 200 metres. Gravity readings were collected every 20 metres along the profile.
	<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 Reserve estimation procedure(s) and classifications applied.</i>	The data spacing is considered sufficient to achieve the desired objective of determining the depth extensions of the dioritic intrusion.  The results from the survey will provide information that could support future Mineral Resource estimates.
	<i>Whether sample compositing has been applied.</i>	No sampling compositing has been applied.
<b>Orientation of Data in Relation to Geological Structure</b>	<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>	The survey profile lines are orientated in a northeast – southwest direction and are perpendicular to the orientation of the dioritic intrusion.  The orientation of the survey will return unbiased results.
	<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.
<b>Sample Security</b>	<i>The measures taken to ensure sample security.</i>	Chain of custody of datasets is managed by independent Finnish geophysical consultants, Astrock Oy.  Sample data was collected and processed (Bouger Processing) by geophysical contractors from Suomen Malmo Oy who provided Astrock copies of the data electronically.  Astrock provided Dragon Mining a copy of the final report and the modelled extensions of the dioritic intrusion.  Dragon Mining employees have no involvement in the collection of the data, processing or modelling of the data.
<b>Audits or Reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No reviews have been undertaken by Dragon Mining.  The geophysical consultants have not completed any audits or reviews of the geophysical contractors Suomen Malmi Oy.

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>	<p>The Jokisivu Gold Mine is located within a granted Mining Concession (Concession ID – 7244; Concession Name – Jokisivu; Area – 48.57 ha).</p> <p>Exploration Licences/Claims – Jokisivu 4-5, Jokisivu 6, Jokisivu 7 and Jokisivu 8 which collectively cover an area of 128.14 ha adjacent to the Jokisivu Mining Concession.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Mining Concession and Exploration Licences/Claims are in good standing and no impediments exist to operating.
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. The open pit has a span of 300 metres and attained a maximum depth of 45 metres.</p> <p>The near surface portion of the Arpola deposit was also mined by open-pit methods in 2011. The Arpola open-pit spanned a distance of 130 meters and was 30 meters deep. The Arpola open-pit has subsequently been re-filled with waste rock.</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. Since then, the decline has advanced 1,855 metres and has reached a vertical depth of 275 metres. 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</p>

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
		<p>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>
<b>Drill Hole Information</b>	<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"> <li><i>• easting and northing of the drill hole collar;</i></li> <li><i>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar;</i></li> <li><i>• dip and azimuth of the hole;</i></li> <li><i>• down hole length and interception depth;</i></li> <li><i>• hole length.</i></li> </ul>	No results from drilling are being reported.
<b>Data Aggregation Methods</b>	<i>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.</i>	No results from drilling are being reported.
	<i>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.</i>	No results from drilling are being reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No results from drilling are being reported.
<b>Relationship between Mineralisation Widths and Intercept Lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the</i></p>	No results from drilling are being reported.

Section 2 - Reporting of Exploration Results		
Criteria	Explanation	Commentary
	<p><i>mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	
<b>Diagrams</b>	<p><i>Appropriate maps and sections (with scales) and 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></p>	Refer to provided diagrams – Figures 1 to 3.
<b>Balanced Reporting</b>	<p><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></p>	<p>Comprehensive reporting of the gravity survey has been provided in this report.</p> <p>All meaningful and material exploration data has been reported.</p>
<b>Other Substantive Exploration Data</b>	<p><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></p>	Investigative geological work is ongoing at the Jokisivu Gold Mine. This is dominated by diamond core drilling. The results for completed drilling campaigns have been regularly reported to the ASX as results become available.
<b>Further Work</b>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p>	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.
	<p><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></p>	Refer to provided diagrams – Figures 1 to 3.