

**ASX ANNOUNCEMENT**

**14 DECEMBER 2015**

**UPDATE ON ENVIRONMENTAL PERMIT FOR THE ORIVESI GOLD MINE**

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") wishes to advise that the Western and Inland Finland Regional State Administrative Office ("AVI") has rejected the Company's application for an extension of the Environmental Permit for the Orivesi Gold Mine ("Orivesi") in southern Finland. The Company submitted the application to this authority in 2010.

On the basis that Dragon Mining has made significant improvements to the mine environment at Orivesi, including particularly the water quality, since the application was submitted, the Company intends to appeal the ruling first in the Vaasa Administrative Court and, if required, in the Finnish Supreme Court.

Dragon Mining has until the 8 January 2016 to lodge an appeal.

The ruling by the AVI is not binding until the appeals have been processed by the courts. Until then, Orivesi can operate under its current permit.

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