ASX ANNOUNCEMENT **31 DECEMBER 2015**

MAIDEN MINERAL RESOURCE FOR FÄBOLIDEN GOLD DEPOSIT

- **Fäboliden Mineral Resource totals 743,000 ounces grading 3.3 g/t gold;**
- **Detailed open-pit mining study in progress.**

Dragon Mining Limited (ASX:DRA) ("Dragon Mining" or "the Company") is pleased to announce the completion of the maiden Mineral Resource estimate for the higher grade zone of gold mineralisation on the Fäboliden Gold Project ("Fäboliden') in northern Sweden. The maiden estimate totals **6,900,000 tonnes grading 3.3 g/t gold for 743,000 ounces** and incorporates all results from the diamond core drilling campaign completed earlier in 2015 that confirmed and better delineated the extent and geometry of the near surface, higher grade zone of gold mineralisation in the southern portion of the Fäboliden Gold Deposit.

The Mineral Resource estimate was prepared by independent consultants RungePincockMinarco Limited in Perth, Western Australia and has been reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

The Fäboliden Gold Deposit is a medium grade body of gold mineralisation that has good potential for exploitation by open-pit and underground mining methods. The deposit is now subject to a detailed open-pit mining study as Dragon Mining continues to evaluate the viability of establishing a new gold mine in close proximity to the Company's existing processing infrastructure at Svartliden. A second phase of bench scale metallurgical test work is also in progress, with the results expected to be available during the first quarter in 2016, whilst preparation of applications for a test mining campaign and a new Environmental Permit are advancing.

Executive Director Mr. Brett Smith stated, "The Fäboliden Mineral Resource result is extremely encouraging. It highlights the overall potential of the recently acquired Fäboliden Gold Project and provides a solid foundation from which the project can progress into development in the earliest possible time frame."

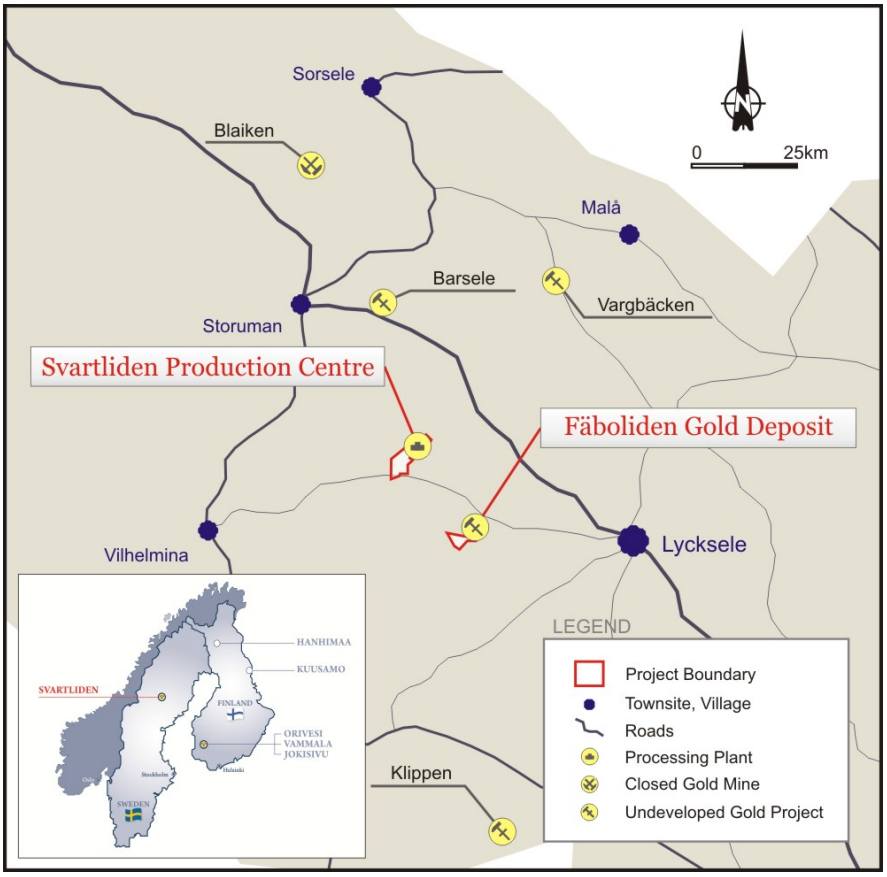
Table 1 - Mineral Resource estimate for the Fäboliden Gold Project in northern Sweden as at 30 September 2015.

Measured			Indicated			Inferred			Total		
Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces
Above 350mRL - Reported on a dry in-situ basis at a 1.5 g/t gold cut-off											
-	-	-	3,500,000	2.9	325,000	800,000	2.5	67,000	4,300,000	2.8	392,000
Below 350mRL - Reported on a dry in-situ basis at a 2.9 g/t gold cut-off											
-	-	-	400,000	4.1	47,000	2,300,000	4.1	304,000	2,600,000	4.1	351,000
Total											
-	**-**	**-**	**3,800,000**	**3.0**	**372,000**	**3,100,000**	**3.7**	**370,000**	**6,900,000**	**3.3**	**743,000**

Note: Mineral Resources may not sum due to rounding.

Fäboliden is an advanced gold project located 30 kilometres by road, southeast of Dragon Mining's wholly owned Svartliden Production Centre and 750 kilometres north of the Swedish capital Stockholm. It represents a potential source of gold bearing material that could be trucked to, and processed at Svartliden, an operating 300,000 tonne per annum conventional comminution and carbon in leach (CIL) plant.

The 1,739.57 hectare Fäboliden project comprises the Fäboliden K nr 1 Exploitation Concession that hosts the Fäboliden Gold Deposit and four contiguous Exploration Permits that encompass the southwest strike extensions of the deposits host geological sequence.



The Fäboliden Gold Deposit is an orogenic gold deposit, with mineralisation hosted by Paleoproterozoic meta-sediments and meta-volcanic rocks, surrounded by granitoids. The host sequence is cross-cut by a set of northwest-southeast striking, flat lying undeformed and unmineralised dolerites.

The mineralised system is delineated over a strike length of 1,295 metres and includes a 665 metre vertical extent from 485mRL to -180mRL. Gold displays a strong association with sulphides and most abundant gangue minerals. Arsenopyrite, boulangerite and pyrrohotite are commonly associated with gold in variably boudinaged quartz and sulphide veins where the gold is found in fractures and as inclusions. Gold is also seen as free grains in the silicate matrix of the host rock with feldspars, quartz and micas common hosts. The gold is generally fine grained ranging from 2µm to 40 µm.

Exploration at Fäboliden commenced in 1993 and has primarily involved drilling, with 333 holes, 64,784.47 metres drilled prior to Dragon Mining's acquisition of the project. In addition to drilling, other activities undertaken by the previous owners include test mining and processing, resource estimation and compilation of a Definitive Feasibility Study for a large tonnage low grade mining and processing operation.

Dragon Mining completed the conditional acquisition of Fäboliden in July 2015 and have completed a 34 hole diamond core drilling program to evaluate the near surface, higher grade zone, improving the density of drilling in a select area to a nominal grid base of 25 by 25 metre and 25 by 50 metre basis over a strike length of approximately 400 metres.

The results from the drilling program showed that the high grade zone displays good continuity both down dip and along strike, the grades received from drilling commensurate with the results from historic drilling. Intercepts received have included the robust 4.00 metres @ 20.70 g/t gold, 7.00 metres @ 18.24 g/t gold, 14.00 metres @ 11.05 g/t gold, and 13.00 metres @ 8.37 g/t gold. All results were released to the ASX on the 29 July 2015 – High Grade Intercepts Received from the Fäboliden Gold Project and 15 September 2015 - Robust Results Highlight Potential at Fäboliden. Both of these releases are available at www.asx.com.au (ASX Code: DRA).

For and on behalf of
Dragon Mining Limited

Summary of Information Material to Understanding the Reported Estimates

- ***Geology and Mineralisation Interpretation***

The Fäboliden Gold Deposit is located within the Fennoscandian Shield, southwest of the Skellefte District in northern Sweden and is classified as an orogenic gold deposit.

Gold mineralisation at Fäboliden is hosted by Paleoproterozoic meta-sediments and meta-volcanic rocks, surrounded by granitoids. The project geology is cross-cut by a set of northwest-southeast striking, flat lying undeformed dolerites which are not mineralised.

Gold mineralisation is delineated over a strike length of 1,295 metres (from 7,169,125mN to 7,170,420mN) and includes a 665 metre vertical extent from 485mRL to -180mRL. It represents a multiple tabular style of mineralisation that dips at approximately 55° to the southeast in the southern portion of the deposit to near vertical in the northern portion of the deposit, with the strike of the deposit varying from NNE-SSW in the south to NNW-SSE in the north.

Gold displays strong associations with sulphides and most abundant gangue minerals. Arsenopyrite, boulangerite and pyrrohotite are commonly associated with gold in variably boudinaged quartz and sulphide veins where the gold is found in fractures and as inclusions. Gold is also seen as free grains in the silicate matrix of the host rock with feldspars, quartz and micas common hosts. Gold is generally fine grained ranging from 2µm to 40 µm.

All geological interpretations are based on lithology, alteration and mineralisation observations obtained from drill holes. The interpretation of the extent and geometry of the gold mineralisation is based on gold assays.

- ***Drill Information and Sampling***

A total of 367 holes have been completed on the project to date, comprising 67,725.97 metres. The majority of drilling has been undertaken by diamond core methods, with 11 holes completed by reverse circulation (RC) methods. Drill holes used in the Mineral Resource estimate included 8 RC holes and 206 diamond holes for a total of 4,681m within the wireframes.

Historical drilling has been undertaken on a nominal grid spacing of 50 metres by 50 metres for the near surface material, increasing to 100 metres by 100 metres and greater for the depth extensions. The recent drilling completed by Dragon Mining has improved the drill density to a nominal 25 metre by 25 metre and 25 metre by 50 metre basis for the near surface material over a strike length of 400 metres.

Most drill holes were completed perpendicular to the strike of the deposit and drilled at dips between -35° and -75°. A small number of holes were drilled vertically. Historical core predominantly measured 36mm to 39mm (BQ) diameter, more recent historical drilling at 42mm to 49mm (NQ). Core from the Dragon Mining campaign measured 50.5mm (WL-66). Core recovery where measured, has corresponded well with expectations of drilling in unweathered crystalline bedrock.

Historical drill hole collars have been surveyed to the Swedish National Grid system – RT90 2.5 gon väst (standard). A program of resurveying by independent survey consultants Tyrens AB, on behalf of Dragon Mining has verified the historical coordinates. New drill holes completed by Dragon Mining have been surveyed using a Trimble R8 GNSS device by independent survey consultants Tyrens AB.

Down hole dip and azimuth deviations of historical holes were recorded using a Reflex Maxibor II tool on all holes completed since 2006, approximately 50% of all holes drilled. All drill holes completed by Dragon Mining were surveyed using a DeviFlex instrument for down hole dip and azimuth. The starting azimuth was resurveyed by GeoVista AB using a RTK-GPS.

Diamond drilling was logged for a combination of geological and structural attributes. The core has been photographed and measured for RQD and core recovery. All diamond logging data is entered into a Microsoft Excel spread sheet then imported into a Microsoft Access database.

Prior to 1999 the entire core was submitted for crushing and analysis. Since 1999 the previous owners submitted half core samples for analysis. Samples were generally collected on metre intervals, though sample lengths have varied from 0.1 metres to 4.0 metres. Sample preparation was conducted by ALS Chemex in Piteå, Sweden, with sample pulps sent to various laboratories including Boliden Minesite Laboratory, SGS-Filab and ALS Chemex (Minerals).

Reverse circulation drill hole samples were collected at 1 metre intervals. Samples were collected at the rig, representing the drill cutting's coarse fraction. A sub-sample was collected at the drill rig for analysis. Sample preparation was conducted by ALS Chemex in Piteå, Sweden, with sample pulps sent to ALS Chemex in Vancouver, Canada for analysis.

Dragon Mining submitted half core samples to the ALS Minerals facility in Piteå, Sweden for sample preparation and analysis at the ALS Minerals facilities at Loughrea in Ireland for analysis for gold and multi-elements. Samples were generally collected at 1 metre intervals.

- ***Sample Preparation and Analysis***

Historical sample preparation was conducted by SGS and ALS Chemex in Piteå, Sweden, with sample pulps sent to Boliden Minesite Laboratory, SGS-Filab and ALS Chemex (Minerals) in Vancouver, Canada for assaying for gold by 30gm or 50gm Fire Assay methods.

Samples are weighed, assigned a unique bar code and logged into the ALS system. The entire sample was dried and crushed to 5mm. The entire sample was then pulverised to better than 85% passing 75 microns using a LM5 pulveriser. The pulverised sample is split with multiple feed in a Jones riffle splitter until a 100 gram sub-sample is obtained for analysis for gold and multi-elements.

Analysis for gold by 50 gram fire assay fusion with an Atomic Absorption Spectrometry (AAS) finish. Silver was assayed using nitric acid and aqua regia digestion followed by atomic absorption spectrometry. Samples were also assayed by aqua regia digest followed by inductively coupled plasma optical emission spectroscopy for a suite of 33 elements.

Samples from Dragon Mining drilling were submitted to the ALS Minerals facility in Piteå, Sweden for sample preparation. Half-core samples were weighed, assigned a unique bar code and logged into the ALS system. The entire sample was dried and crushed to 5mm. A sub-sample of the crushed material was then pulverised to better than 85% passing 75µm using a LM5 pulveriser. The pulverised sample was split with multiple feed in a Jones riffle splitter until a 100-200g sub-sample was obtained. The sub-sample was dispatched to the ALS Minerals facilities at Loughrea in Ireland for analysis for gold by 30g Fire Assay fusion with an Atomic Absorption Spectrometry (AAS) finish. Samples with gold values greater than 5g/t gold were re-analysed using 30g Fire Assay methods with gravimetric finish.

The previous owners implemented a program of inserting certified reference materials representing six different standards ranging in gold grades from 0.43 g/t to 9.64 g/t gold in 2005. Insertion was completed at a rate of approximately 1 for every 188 samples submitted. Blank samples were inserted at a rate of 1 in 20 samples. The samples were submitted by the laboratory on behalf of the previous owners and are not considered blind. There was no systematic blind repeat sampling program implemented by the previous owners, the repeat pulp samples submitted being done at a rate of 1 sample for every 49 samples. No coarse duplicates samples were submitted by the previous owner.

QAQC protocols were stringently adhered to throughout the duration of the drilling program undertaken by Dragon Mining. Dragon Mining included a certified reference standard, blank and pulp duplicate on a 1 in 20 basis. Analysis on coarse crush duplicates were undertaken at an umpire facility (Actlabs – Ancaster, Ontario and Kamloops, British Columbia) on a 1 in 10 basis. The primary laboratory, ALS Minerals implement an internal QAQC program that includes the insertion of blanks, certified reference material and duplicates with each analytical run.

- ***Estimation Methodology and Classification***

This Mineral Resource estimate was compiled by independent mining consultants, RungePincockMinarco Limited in Perth, Western Australia and was reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Samples were composited to 1m based on an analysis of sample lengths inside the wireframes. High grade cuts were applied to the data based on statistical analysis of individual lodes and ranged between 15 g/t to 40 g/t gold.

A Surpac block model was used for the estimate with a block size of 10m NS by 5m EW by 5m vertical with sub-blocks of 2.5m by 1.25m by 1.25m. This was selected as the optimal block size as a result of kriging neighbourhood analysis (KNA).

Ordinary kriging (OK) grade interpolation was used for the estimate, constrained by Mineral Resource outlines based on mineralisation envelopes prepared using a nominal 0.5 g/t gold cut-off grade for low grade and 1.3 g/t gold for high grade, with a minimum down-hole length of 2 metres. Three passes were used to estimate the blocks in the model and more than 95% of blocks were filled in the first two passes.

Bulk densities ranging between 1.8t/m^3 and 2.97t/m^3 were assigned in the block model dependent on lithology and weathering.

The Mineral Resource was classified as an Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

- ***Mining, Metallurgy and Other Modifying Factors***

The Fäboliden Mineral Resource estimate will form the basis of a new Pre-feasibility Study. Detailed open-pit mining studies are currently in progress as part of this study. A second phase of bench scale test work is also advancing, this following an initial phase of bench scale test work and production scale test work completed by Dragon Mining in late 2014.

Historic metallurgical test work completed by the previous owners focussed on their preferred flow sheet proposal comprising a flotation circuit and cyanide leaching of concentrates. Metallurgical test work directed to leaching of whole rock material was limited, the work that was completed indicated that gold extraction levels were related to grind size.

As part of the due diligence process, Dragon Mining submitted a representative drill core sample from the near surface higher grade zone at Fäboliden, to ALS Metallurgy in Perth for bench scale comminution and leaching test work, using process parameters from Svartliden as reference. The test work program was managed by independent consultants Minnovo Pty Ltd, Perth.

The comminution results showed moderate hardness and abrasion, with a Bond ball mill work index of 15.3 kWh/t and an abrasion index of 0.2614. These results were not significantly dissimilar to those of earlier test work programs completed by the previous owner. Modelling of the Svartliden mill based on the obtained parameters showed that for a grind size of P_{80} 53 µm, a throughput range of 33 to 42 t/hr should be achievable. Similarly, for a grind size of P_{80} 106 µm a throughput range of 46 to 53 t/h should be achievable.

Contrary to the results of the historic leach test work, the new leach test work program did not show a strong correlation between grind sizes and leach extraction with extraction levels ranging from 70.3% to 84.4%. All tests completed displayed relatively fast leaching, with approximately 97% of the final gold extraction being achieved after 16 hours. Cyanide and lime consumption were moderate at approximately 1.0 kg/t and 0.3 kg/t, respectively.

Minnovo commented that the initial leach test conducted at P_{80} 53 µm, which returned a gold extraction level of 84.43% appeared to be anomalous as the subsequent tests undertaken at this grind size failed to replicate the initial result. It was thus concluded that at the minimum grind size (P_{80} 53 µm) considered achievable when processing at Svartliden, that gold extraction levels exceeding approximately 75% are unlikely for material from Fäboliden.

During the due diligence period, Dragon Mining also carried out a full scale production test of approximately 1,000 tonnes of higher grade gold bearing material from Fäboliden at the Svartliden Plant. This material was excavated during the previous owner's 2005 test mining and processing program and stockpiled at surface. The production test confirmed the results of the new bench scale leach test work, yielding a head grade of 3.02 g/t gold and a gold extraction level of 79.4%.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled or supervised by Mr. Jeremy Clark who is a full-time employee of RungePincockMinarco Limited and a Registered Member of the Australasian Institute of Mining and Metallurgy. Mr. Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 Edition.. Mr Clark consents to the inclusion in the Report of the matters on his information in the form and context in which it appears.

Reporting of the Mineral Resources estimate complies with the recommended guidelines of the JORC Code and is therefore suitable for public reporting.

The information in this report that relates to Exploration Results has previously been released to the ASX on the 29 July 2015 – High Grade Results Received from the Fäboliden Gold Project and 15 September 2015 – Robust Results Highlight Potential at Fäboliden. These announcements can be found at www.asx.com.au (Code:DRA). The releases fairly represent information and supporting documentation that was 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 Persons 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. Neale Edwards for the releases dated the 29 July 2015 and 15 September 2015.

Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, confirms that the form and context in which the Exploration Results are presented in this report have not been materially modified from the releases dated 29 July 2015 and 15 September 2015. Mr. Neale Edwards has provided written consent approving the inclusion of the Exploration Results in the report in the form and context in which they appear.

APPENDIX 1

JORC Table 1 for the Fäboliden Gold Deposit

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	The Fäboliden deposit has been sampled by a series of diamond core and reverse circulation drill holes completed from surface, as well as test mining and processing. A total of 322 diamond core drill holes and 11 reverse circulation holes have been completed by the previous owners. A total of 98 blast holes were also drilled to carry out the test mining. Dragon has completed 34 WL-66 diamond core drill holes for a total advance of 2,941.50 metres. Historical drilling has been completed on a nominal grid spacing of 50m by 50m for the near surface material, increasing to 100m by 100m and greater for the depth extensions. The drilling completed by Dragon has improved the drill density to a nominal 25m by 25m and 25m by 50m basis for the near surface material, over a strike length of 400m. The previous owners completed a program of test mining in 2005, targeting a zone of near surface higher grade mineralisation immediately north of Dragon's drilling area, with the excavation of three trenches. Historic drill hole collars have been surveyed to the Swedish National Grid system – RT90 2.5 gon väst (standard). Details of the survey process, equipment used, who performed the surveys or the level of accuracy of the survey has not been documented. A program of resurveying by independent survey consultants Tyrens AB, on behalf of Dragon has verified the historical coordinates. New drill holes have been surveyed using a Trimble R8 GNSS device by independent survey consultants Tyrens AB. Down hole dip and azimuth deviations of historic holes were recorded using a Reflex Maxibor II tool on all holes completed since 2006, approximately 50% of all holes drilled. All drill holes completed by Dragon were surveyed using a DeviFlex instrument for down hole dip and azimuth. The starting azimuth was resurveyed by GeoVista AB using a RTK-GPS. All drill core has been geologically logged. Logging information was recorded in Microsoft Excel

Criteria	JORC Code explanation	Commentary
		spreadsheets and then transferred to a Microsoft Access database. Prior to 1999 the entire core was submitted for analysis. Since 1999 half core samples have been analysed. Samples were generally collected on metre intervals, though samples have varied from 0.1m to 4m. Half core samples of select zones of core from the Dragon drilling program was submitted to the laboratory. Sampling was completed on a one metre basis. Sample preparation of historic samples was conducted by ALS Chemex in Piteå, Sweden, with sample pulps sent to ALS Chemex in Vancouver, Canada for assaying for gold by 50 gram Fire Assay methods. Samples were also assayed by aqua regia digest followed by inductively coupled plasma optical emission spectroscopy for a suite of 33 elements. Dragon samples were prepared at the ALS Minerals facility in Piteå, Sweden. Sample pulps were sent to the ALS Minerals facility in Loughrea, Ireland for assaying for gold by 30g Fire Assay methods (Au-AA25) and multi-elements by ME-ICP41. Samples with gold values greater than 5g/t Au were re-analysed using 30g Fire Assay methods with gravimetric finish (Au-GRA 21).
Drilling techniques	• *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).*	Diamond core drilling has been the primary drilling method used at Fäboliden. The majority of the historic drilling was completed using 36mm to 39mm core diameter, more recent drilling completed using 42mm to 49mm (NQ) diameter. Historical hole depths ranged from 41.6m to 762m. Core was collected with a standard tube. There is no record to indicate that core orientation was undertaken on all of the historical holes. Down hole dip and azimuth deviations were recorded using a Reflex Maxibor II tool on all holes completed since 2006, approximately 50% of all holes drilled. The recent drilling completed by Dragon was completed using WL-66, with hole depths ranging from 35 to 162m. Core was collected with a standard tube and all holes except the first hole were fully orientated. All drill holes completed by Dragon were surveyed using a DeviFlex instrument for down hole dip and azimuth. The starting azimuth was resurveyed by GeoVista AB using a RTK-GPS.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of*	Historic diamond core was reconstructed into continuous runs for logging and marking, with depths checked against core blocks. Core recoveries were not routinely recorded. Dragon diamond core was fully orientated except the first hole, and reconstructed into continuous runs for logging and marking, with depths checked against

Criteria	JORC Code explanation	Commentary
	fine/coarse material.	core blocks. Core recoveries were routinely recorded during the RQD logging process. Core recovery has been excellent and corresponded well with expectations of drilling in unweathered crystalline bedrock. Experienced local drilling contract groups undertook the drilling completed by the previous owners and Dragon. No relationship has been noted between sample recovery and grade.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Detailed geological logging was undertaken on all drill core. The core was logged using 286 codes, made up of 77 lithology codes, 5 intensity codes, 97 structural codes, 82 mineralisation codes and 25 general codes. Logging was performed to a level that will support Mineral Resource estimation. Drill samples were logged for lithology, mineralisation and alteration. Logging was a mix of qualitative and quantitative observations. The core was systematically photographed by hand. All holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Prior to 1999 the entire core was submitted for analysis. Since 1999 half core samples have been analysed. Drill core was cut by saw. Drilling completed by the previous owners was completed primarily by diamond core methods. Reverse circulation drill hole samples were collected at 1m intervals. Samples were collected at the rig, representing cutting's coarse fraction. A sub-sample was collected at the drill rig for analysis. There is no information available describing the sub-sampling process or the quality of the sample. Drilling completed by Dragon was completed by diamond core methods. Sampling of diamond core samples used industry standard techniques. Drill core is sawn in half using a core saw. With respect to the nature of the mineralised system and the core diameter the use of half-core is considered appropriate. 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. Samples are submitted to the ALS Minerals facility in Piteå, Sweden for sample preparation.

Criteria	JORC Code explanation	Commentary
		Half core samples are weighed, assigned a unique bar code and logged into the ALS system. The entire sample is dried and crushed to 5mm. A sub-sample of the crushed material is then pulverised to better than 85% passing 75 microns using a LM5 pulveriser. The pulverised sample is split with multiple feed in a Jones riffle splitter until a 100-200g sub-sample is obtained for dispatch to the ALS Minerals facilities at Vancouver in Canada for analysis for gold and multi-elements for the historical samples and Loughrea in Ireland for gold and multi-elements for the Dragon samples. All sub-sampling is carried out at the ALS Minerals facility in Piteå, Sweden. Core sample intervals are measured and clearly marked on core. Core is sawn in half longitudinally and at the start and finish of each individual sample. ALS personnel were trained to carry out the sampling of the Dragon drill core, in accordance with Dragon protocols. Certified reference material and blanks were routinely inserted with the sample submission, at a rate of 1 sample every 20 samples. Results have returned in accordance with expected values, apart from one sample that returned a value outside the acceptable levels. This has been fully checked by the Company and the laboratory and it has been concluded that the original results was incorrect from follow-up analysis. Additional check work has been instigated by the Company. Certified reference materials were not routinely inserted with the sample submission by the previous owners. The small database available returned an acceptable level of bias from the laboratory. Blank samples were inserted at the rate of 1 in 20 by the previous owners, the results indicating that there is little evidence of contamination between samples. Analysis of coarse crush duplicates has not been performed by the previous owners. Dragon has commenced a program of check analysis on coarse crush duplicates. Results from the initial batch returned values commensurate with the primary analysis. Results are pending from the second batch. The method selected for sample preparation is considered appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for gold.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory*	Historic samples were submitted to ALS Minerals in Vancouver, Canada for analysis for gold by 50g fire assay fusion with an Atomic Absorption Spectrometry (AAS) finish. Dragon Mining samples were submitted to ALS Minerals in Loughrea, Ireland for analysis for gold by 30g fire assay fusion with an Atomic Absorption Spectrometry (AAS) finish. Samples with gold values greater than 5g/t Au were re-analysed using 30g fire assay methods with

Criteria	JORC Code explanation	Commentary
	checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	gravimetric finish (Au-GRA 21). ALS Minerals are a certified global laboratory group. They are monitored by an internal QAQC program and a QAQC program implemented by Dragon, both of which include the inclusion of blank material, duplicates and certified reference material. The analytical methods used for gold are considered total. The analytical work is undertaken at a level suitable for inclusion in Mineral Resource estimates. No geophysical tools were used for analytical purposes on sample material from Fäboliden. QAQC protocols were not stringently adhered to throughout the duration of all drilling programs undertaken by the previous owners. The previous owners implemented a program of inserting certified reference materials (sourced from Ore Research and Exploration and supplied by Analytical Solutions Ltd from Toronto, Canada) representing six different standards ranging in gold grades from 0.43 g/t to 9.64g/t Au in 2005. Insertion was completed at a rate of approximately 1 for every 188 samples submitted. Blank samples were inserted at a rate of 1 in 20 samples. The samples were submitted by the laboratory in behalf of the previous owners and are not considered blind. There was no systematic blind repeat sampling program implemented by the previous owners, the repeat pulp samples submitted being done at a rate of 1 sample for every 49 samples. No coarse duplicates samples were submitted by the previous owners. QAQC protocols were stringently adhered to throughout the duration of all drilling programs undertaken by Dragon. Dragon included a certified reference standard, blank and pulp duplicated on a 1 in 20 basis. Coarse crush duplicates are being undertaken at an umpire facility on a 1 in 10 basis. ALS Minerals implement an internal QAQC program that includes the insertion of blanks, certified reference material and duplicates with each analytical run. A review of the previous owners QAQC results has shown reasonable consistency between different laboratories, analytical methods and results. The results for Dragon have yielded values as expected to date, apart from one sample that returned a value outside the acceptable levels. This has been fully checked Dragon and the laboratory and it has been concluded that the original results was incorrect from follow-up analysis. Additional check work has

Criteria	JORC Code explanation	Commentary
		been instigated by Dragon.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Dragon has no knowledge of the procedures implemented by the previous owners to verify significant intersections. Significant intersections are verified by Dragon geologists. The previous owners reverse circulation program was implemented to twin some of the diamond core drill holes. Dragon has not twinned any holes. Primary data was collected by the previous owners and Dragon personnel. All measurements and observations were recorded into an Excel spreadsheet. Primary assay and QAQC data is entered into an Excel spreadsheet. No adjustment has been made to assay data.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Details of the survey process, equipment used, who performed the surveys or the level of accuracy of the survey was not been located during the due diligence process completed by Dragon. A program of resurveying by independent survey consultants Tyrens AB, on behalf of Dragon has verified the historical coordinates. New drill holes have been surveyed using a Trimble R8 GNSS device by independent survey consultants Tyrens AB. Historic down hole dip and azimuth deviations were recorded using a Reflex Maxibor II tool on all holes completed since 2006, approximately 50% of all holes drilled. All drill holes completed by Dragon were surveyed using a DeviFlex instrument for down hole dip and azimuth. The starting azimuth was resurveyed by GeoVista AB using a RTK-GPS. The grid system used for the reporting of results is the Swedish National Grid System RT90 2.5 gon väst (standard). Details of the topographic control over the Fäboliden deposit were not obtained by Dragon. Dragon is yet to establish specific topographic control over the Fäboliden Gold Project. The survey methodology and equipment utilised during the collar surveys provides sufficient detail and accuracy for the topographic control as needed for inclusion in Mineral Resource estimates.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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*	Historic drilling has been undertaken from surface on a nominal grid base of 50m by 50m for the near surface material and 100m by 100m and greater for the material at depth.

Criteria	JORC Code explanation	Commentary
	procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	Drilling by Dragon has improved drill density to a nominal 25m by 25m and 25m by 50m basis over a strike length of 400m to an approximate depth of 100m. The geology and mineralisation displays satisfactory continuity from hole to hole. Work completed by Dragon has improved data quality to a level whereby it will be sufficient to support the definition of a Mineral Resource or Ore Reserve and the classifications contained in the JORC Code (2012 Edition). Samples were composited to 1m for Mineral Resource estimation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Most drill holes were completed perpendicular to the strike of the deposit and drilled at dips between -35° and -75°. A small number of holes were drilled vertically. No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	Chain of custody of the historical samples was managed by the previous owners. Company personnel transported diamond core to the core shed where geologists logged the core. Core for sampling was then transported to the ALS Minerals Piteå facility, for cutting, sample preparation and assaying. The previous owners had no further involvement in the process once the material arrived at the Piteå ALS facility. Chain of custody of the Dragon samples was managed by Dragon. Company personnel transported diamond core to the core shed where geologists logged the core. Core for sampling was then transported to the ALS Minerals Piteå facility, for cutting, sample preparation and assaying. Dragon had no further involvement in the process once the material arrived at the Piteå ALS facility.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Jeremy Clark of RPM reviewed drilling and sampling procedures during the 2015 site visit and found that all procedures and practices conform to industry standards. Dragon Mining has completed audits of the ALS Minerals facilities at Piteå, Sweden and Vancouver, Canada. The completed reviews and audits raised no issues.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	The Fäboliden deposit is located within granted Exploitation Concession Fäboliden K nr1. The Exploitation Concession is located nearby to a series of contiguous Exploration Permits - Fäboliden nr 10, Fäbodliden nr 72, Fäbodliden nr 82 and Svannäs nr 12. The tenements are in good standing with no known impediment to future grant of a mining permit.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The prospectivity of the area was first recognized in 1988 with the discovery of gold bearing mineralized boulders to the south-east of Fäboliden. Exploration on the Fäboliden project area commenced in 1993 and has primarily involved drilling over a 21 year period. A total of 333 holes have been completed, comprising 64,784.47 metres by the previous owners.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Fäboliden deposit is located within the Fennoscandian Shield and is an orogenic gold deposit. Mineralisation is hosted by Paleoproterozoic meta-sediments and meta-volcanic rocks, surrounded by granitoids. The host sequence is cross-cut by a set of northwest-southeast striking, flat lying undeformed dolerites which are not mineralised. Mineralisation is commonly hosted by the arsenopyrite and graphite bearing, variably boudinaged quartz and sulphide veins within the host rocks. The gold is fine grained 2 to 40µm and is found in fractures and as inclusions within the arsenopyrite-loellingite. Gold is also seen as free grains in the silicate matrix of the host rock.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		All exploration results have previously been reported by Dragon Mining during 2015.
		
		All information has been included in the appendices. No drill hole information has been excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of*	Exploration results are not being reported. Not applicable as a Mineral Resource is being reported. Metal equivalent values have not been used.

Criteria	JORC Code explanation	Commentary
	low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Most drill holes are angled to the west so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 70-100% of down hole intersections.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *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.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	New drill holes have been surveyed using a Trimble R8 GNSS device by independent survey consultants Tyrens AB. The grid system used for the reporting of results is the Swedish National Grid System RT90 2.5 gon väst (standard). Exploration results are not being reported.
Other substantive exploration data	• *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.*	Historic work completed at the Fäboliden deposit is dominated by diamond core drilling. The results for completed drilling campaigns have not been reported to the ASX as the previous owner was a Swedish entity listed on the First North Stockholm market. The previous owners made a number of releases at the time; however they have now been delisted. In addition to drilling, other activities carried out include test mining and processing in 2005, Mineral Resource estimates in 2008, 2010 and 2011, and a Definitive Feasibility Study for a large tonnage low grade operation in 2012. Dragon has recently conducted a program of bench scale metallurgical test work and production testing. These programs are part of the due diligence process. A selection of representative quarter core samples was collected from an area identified by Dragon as the area of future activities. These core samples were collected from depths ranging from surface to approximately 100m vertically. A high grade composite was established from this material. The metallurgical test work was completed at the ALS Metallurgy facility in Perth, Western Australia under the management of independent consultants Minnovo. It comprised bench scale comminution and leach programs. The comminution results showed moderate hardness and abrasion, with a Bond ball mill work index of 15.3kWh/t and an abrasion index of 0.2614. The leach test work program did not show a strong

Criteria	JORC Code explanation	Commentary
		correlation between grind sizes and leach extraction with extraction levels ranging from 70.3% to 84.4%. All tests completed displayed relatively fast leaching, with approximately 97% of the final gold extraction being achieved after 16 hours. Cyanide and lime consumption were moderate at approximately 1.0 kg/t and 0.3 kg/t, respectively. Minnovo commented that the initial leach test conducted at P80 53µm, which returned a gold extraction level of 84.43% appeared to be anomalous as the subsequent tests undertaken at this grind size failed to replicate the initial result. It was thus concluded that at the minimum grind size (P80 53µm) considered achievable when processing ore at the Svartliden Plant, that gold extraction levels exceeding approximately 75% is unlikely for material from Fäboliden. At the Svartliden Plant, a full scale production test of approximately 1,000t of mineralised material from Fäboliden that had been stockpiled on the surface was also undertaken during the due diligence period. This material was excavated during the test mining and processing program undertaken by the previous owners in 2005 from an area of near surface higher grade mineralisation. The production test confirmed the results of the recent bench scale test work, yielding a head grade of 3.02g/t Au and a gold extraction level of 79.4%.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work will include an updated environmental permit application for a revised development plan with a significantly reduced environmental impact and a pre-feasibility study for the mining of the Fäboliden deposit and processing through the Svartliden Plant. Refer to diagrams in the body of text within the Mineral Resource report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Drill logging was recorded on customised Excel spreadsheets and imported onto an Access database. Dragon carry out internal checks to ensure the transcription is error free. Laboratory assay results are loaded as electronic files direct from the laboratory so there is little potential for transcription errors. The data base is systematically audited by Dragon geologists. All drill logs are validated digitally by the geologist once assay results are returned from the laboratory. RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	A site visit was conducted by Jeremy Clark (RPM) in May 2015. Drilling, logging, and sampling procedures were viewed and it was concluded that these were being conducted to best industry practice.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The confidence in the geological interpretation is considered to be good and is based on a significant number of diamond drill holes. Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. The deposit consists of shallow east dipping (20-30˚) lodes. The continuity of the main mineralised lodes is clearly observed by Au grades within the drill holes. Infill drilling has supported and refined the model and the current interpretation is considered robust. Alternate interpretations would have little impact on the overall Mineral Resource estimation. Outcrops of host rocks confirm the geometry of the mineralisation. The current interpretations are mainly based on Au assay results. Infill drilling has confirmed geological and grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Fäboliden Mineral Resource area extends over a strike length of 1,295m (from 7,169,125mN – 7,170,420mN) and includes the 665m vertical interval from 485mRL to -180mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-*	Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Fäboliden Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 40m down-dip beyond the last drill holes on section. This was equivalent to approximately half drill hole spacing in the this portion of the deposit and classified as Inferred Mineral Resource or left unclassified. Extrapolation was generally half drill hole spacing in between drill holes. The current estimate was checked with the previous,

Criteria	JORC Code explanation	Commentary
	products. • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	unreported estimate by Dragon that was conducted with a similar approach. Results were comparable for the Mineral Resource within 150m of the topographic surface. There is potential for recovery of silver during milling. Silver was estimated into the block model but not reported. Potential deleterious elements are As, S and Sb. All have been estimated into the block model and will be flagged in the Mine Schedule. The parent block dimensions used were 10m NS by 5m EW by 5m vertical with sub-cells of 2.5m by 1.25m by 1.25m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Fäboliden datatset. An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 50m, with a minimum of 10 samples. For the second pass, the range was 100m, with a minimum of 6 samples. For the third pass, the range was extended to 150m, with a minimum of 2 samples. A maximum of 30 samples was used for all passes. A maximum of 6 samples per hole was used in the Interpolation. No assumptions were made on selective mining units. Weak positive correlations were evident for most assay pairs, apart from Au and S which had no correlation. The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade for low grade and 1.3g/t for high grade. The wireframes were applied as hard boundaries in the estimate. Statistical analysis was carried out on data from 13 high grade lodes and four low grade halos. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 15 to 40g/t Au and 15 to 70g/t Ag were applied, resulting in a total of 14 Au assays and 18 Ag assays being cut. Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed reasonable correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource is reported at depth dependant cut-offs due to changing mining methods. For material within 135m of the topographic surface (485mRL to 350mRL), a reporting cut-off of 1.5g/t Au was applied

Criteria	JORC Code explanation	Commentary
		(open pit portion). For deeper material (350mRL to -180mRL), a reporting cut-off of 2.9g/t Au was applied (underground portion). Cut-off parameters and depth of transition from open pit to underground mining were selected based on the same parameters used in the current Pre-Feasibility Study (PFS) and previous underground mining studies, however applied a 1,500 USD gold price to account for longer term gold price guidance which is considered suitable to report the Fäboliden Mineral Resource.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	RPM has assumed that the deposit could potentially be mined using open pit and potentially underground mining techniques. No assumptions have been made for mining dilution or mining widths, however mineralisation is generally broad with mineralisation widths of greater than 8m. It is a requirement that mining dilution and ore loss be in incorporated into any Ore Reserve estimated from this Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	During the due diligence period, Dragon also carried out a full scale production test of approximately 1,000t of higher grade gold bearing material from Fäboliden at the Svartliden Plant. This material was excavated during the previous owner's 2005 test mining and processing program and stockpiled at surface. The production test confirmed the results of the new bench scale leach test work, yielding a head grade of 3.02g/t Au and a gold extraction level of 79.4%. Further testing is planned as part of the Pre-Feasibility Study currently being conducted and this section will be updated at its conclusion.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No assumptions have been made regarding environmental factors. Dragon will work to mitigate environmental impacts as a result of any future mining or mineral processing.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Dragon collected 790 specific gravity measurements during the 1999 to 2015 drilling programs at Fäboliden. All samples were in fresh rock. RPM extracted the specific gravity measurements within the lodes and geological units. RPM then subdivided the measurements into lithology. Bulk density is measured. Moisture is accounted for in the measuring process and measurements were separated for lithology, mineralisation and weathering. It is assumed there are minimal void spaces in the rocks within the Fäboliden deposit. The Mineral Resource contains minor amounts of glacial till material above the fresh bedrock. A value for this zone was derived from known bulk densities from the

Criteria	JORC Code explanation	Commentary
		nearby Svartliden deposit.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The lode geometry and continuity has been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. The Mineral Resource statement relates to global estimates of tonnes and grade. Reconciliation could not be conducted as no large scale mining has occurred at the deposit.