

## Quarter Overview

- Gold production of 10,351 ounces** includes 2,332 ounces produced from external concentrate sources at the Svartliden Production Centre ("Svartliden") in Sweden. Whilst tonnes of internal concentrate processed increased, gold produced from external concentrates decreased during the quarter due to both lower tonnage and grade.

- Concentrate processing at Svartliden** included 100% of concentrate from Jokisivu and an increased amount of concentrate from Orivesi. Total amount of internal concentrates treated at Svartliden increased by 29.7%. The processing of external concentrates continues to generate a positive benefit to the Group's revenue stream.

**A Group C1 Cash Cost of US\$996/oz** was achieved during the quarter. This was slightly higher against the C1 Cash Cost achieved from previous quarters and was principally due to an increase in lower grade ore tonnes from the Jokisivu mine and a decrease in higher grade ore tonnes from the Orivesi mine, combined with lower tonnages processed overall.

- The Orivesi Environmental Permit** extension decision was appealed during the quarter. The Company submitted relevant arguments supported by an updated waste management plan, the latest fish inventory report and a description of water management improvements.

- The process to sell part of the Fäboliden land and timber** assets commenced during the quarter. The Company received a number of bids to purchase 32% of the land and 41% of the commercially harvestable timber. The Company holds no tenements over the areas subject to the proposed sale, with the areas located well away from the Fäboliden Gold Deposit and its strike extensions.

- Pre-Feasibility level studies** achieved positive outcomes for the development of the Fäboliden Gold Project in northern Sweden and the Kaapelinkulma Gold Project in southern Finland.

- The cash generated by operations** over the quarter was positive at \$400,000. After exploration and land purchase costs at Kaapelinkulma, available cash (bank accounts plus trade receivables less accounts payable) decreased by A\$1.4 million during the quarter. Available cash totalled A\$15.1m at the end of the quarter (details of cash movement are provided on page 11).

- 1 Lost Time Injury** ("LTI") occurred during the quarter at the Company's Vammala Plant ("Vammala") in Finland increasing the Group's 12 month rolling LTI frequency rate, per million work hours to 12.19 (Q4 2015: 9.34).

## Quarter at a Glance

**Gold Production** **10,351 ounces**

**C1 Cash Cost US/oz<sup>(1)</sup>** **US\$996**

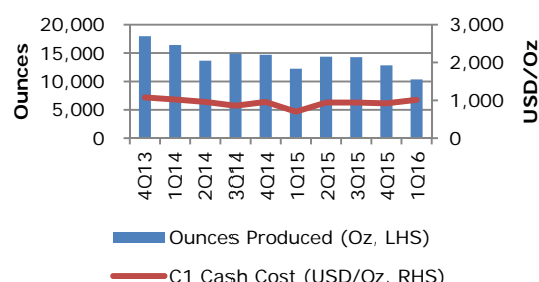
**Safety Performance** **1 LTI**

**Available Cash<sup>(2)</sup>** **A\$15.1m**  
(Quarter end)

(1) For the Vammala Production Centre, the Group uses the C1 Cash Cost definition as set out by Mackenzie Wood. For the Svartliden Production Centre, the Group calculates C1 Cash Costs by including total production costs (which includes concentrate purchases) divided by total ounces sold from all sources.

(2) Available Cash = Cash at bank plus trade receivables less accounts payable.

### Dragon Mining Quarterly Gold Production and C1 Cash Cost



### Ore Mined vs Ore Milled





## Operations Review

The Group's gold production for the first quarter of 2016 was 10,351 ounces at a C1 Cash Cost of US\$996/oz sold.

Mining at Orivesi remained challenging and ore extraction rates were low for the quarter. The impact of reduced tonnes from Orivesi was partially offset by the record production of tonnes from Jokisivu during the quarter. Vammala completed a scheduled shutdown and relined both the ball and rod mill during the

quarter. The flotation cell upgrades made in the previous quarter continue to provide recovery improvements and cost savings.

The processing of concentrate at Svartliden continued during the quarter. Despite lower tonnes and head grades from external concentrate sources, Svartliden produced 2,332 additional ounces (Q4: 3,211 ounces). This was the third quarter that Svartliden processed concentrate only.

## Vammala Production Centre, Southern Finland

| Quarter         | Ore Mined (t) | Ore Milled (t) | Head Grade (g/t) | Recovery (%) | Plant Utilisation (%) | Total Gold Production (Ounces) | C1 Cash Cost <sup>1</sup> USD/oz |
|-----------------|---------------|----------------|------------------|--------------|-----------------------|--------------------------------|----------------------------------|
| Jun 2015        | 59,778        | 66,993         | 4.7              | 85.6         | 85.7                  | <sup>2</sup> 9,820             | 800                              |
| Sep 2015        | 55,540        | 75,304         | 4.9              | 85.9         | 94.9                  | <sup>2</sup> 10,146            | <sup>1</sup> 701                 |
| Dec 2015        | 80,582        | 72,226         | 4.7              | 88.2         | 86.5                  | <sup>2</sup> 9,632             | <sup>1</sup> 688                 |
| <b>Mar 2016</b> | <b>97,301</b> | <b>73,903</b>  | <b>3.9</b>       | <b>87.6</b>  | <b>92.7</b>           | <b>8,019</b>                   | <b>702</b>                       |

<sup>1</sup>For the Vammala Production Centre, the Group uses the C1 Cash Cost definition as set out by Mackenzie Wood. From the September 2015 quarter, the calculation denominator has been changed to gold sold (rather than gold produced). The change was implemented at Vammala to ensure consistency across the Group.

<sup>2</sup>The total gold production includes a positive quarterly true up to reconcile the provisional ounces sold to Boliden against the final gold outturn from Boliden.

## Safety

During the period, one LTI occurred at Vammala when an electrician slipped and, despite wearing leather gloves, cut himself while using a cable stripping knife. The LTI ended the Company's record long LTI free period of 71 days at Vammala. Jokisivu and Orivesi have recorded continuous LTI free days of 100 and 483 respectively.

A total of seventeen incidents were reported during the quarter; seven at Orivesi, five at Vammala and five at Jokisivu.

Positive safety initiatives during the quarter included:

- An external safety consultant was engaged to review safety training, conduct risk assessments and ensure work procedures for front line supervisors are conducted in accordance with safety rules; and

- Commencement of a review and implementation of a schedule to update the Company's Crisis Management Protocols.

## Production

Gold production for the quarter at Vammala was 8,019 ounces. Mill feed at Vammala comprised 20,185 tonnes from Orivesi at 4.7 g/t gold and 53,718 tonnes from the Jokisivu at 2.4 g/t gold. Jokisivu ore head grade has been lower in this quarter as it contained a significant percentage of development ore.

### Orivesi Gold Mine

Total ore tonnes mined from Orivesi were 32,589, coming from one producing stope at Sarvisuo and one stope and two sill pillars at Kutema. Underground mining conditions remained challenging and ore extraction rates were again low, as a consequence of the two stage mining approach in the newer deeper stopes.



The Kutema decline advanced 174 metres by the end of the quarter to the 1,160m level and development works advanced a total of 556 metres during the quarter.

#### Jokisivu Gold Mine

Total ore tonnes mined from Jokisivu were 64,712 tonnes, the highest tonnage mined from Jokisivu in a quarter to date. This record production continued to help compensate for the reduced ore extraction rates from the higher grade Orivesi mine.

The Kujankallio decline advanced 88 metres to the 350m level and development advanced 664 metres during the quarter.

Three stopes at Kujankallio and one stope at Arpola were mined out during the quarter, with mining conditions stable.

#### Vammala Plant

Ore milled totalled 73,903 tonnes and gold recovery averaged 87.6%. The new compressors which were installed in the previous quarter saved the Company 40MWh during January, equating to approximately €32,000 per year.

Production was also reduced as a result of a planned major shutdown over 4½ days in March, during which both the rod and ball mills were relined.

### Environment

#### Vammala Plant

In October 2015, the Company provided its responses to the statements and opinions received by the Vaasa Administrative Court regarding the Vammala Plant's new Environmental Permit appeals process. The first session for decision-making regarding the appeals was held by the Vaasa Administrative Court in February. The Company is expecting the Permit decision to be issued during the June 2016 quarter. The Permit may be subject to further appeals in the Supreme Administrative Court.

According to monthly water analyses undertaken during the quarter, as a result of higher seasonal rainfall, discharge levels were

higher in January and February when compared to previous periods. In March, discharge levels had returned to normal, though the amount of discharged water was still above average. Actions for collecting seepage waters around the tailings storage facility are planned for spring.

#### Orivesi Gold Mine

On the 7 January 2016, the Company submitted its appeal against the decision by the Regional State Administrative Office ("AVI") to reject the 2010 Environmental Permit. The appeal included relevant arguments supported by an updated waste management plan, the latest fish inventory report and a description of water management improvements.

The AVI's decision to not extend the permit has also been appealed by the Centre for Economic Development, Transport and the Environment ("ELY Centre"), and on 21 March 2016 the Company submitted its reply in response to the appeal from ELY. In the next phase of the appeals process, the Company will give its reply to all concerned party statements and opinions that are expected to be received as a result of the Company's and the ELY Centre's appeals.

With regard to metal concentrations, Orivesi operated according to its permit conditions throughout the quarter. In January, a pH reading of 9.0 marginal exceeded the maximum pH level allowed of 8.5. The supervising authority, the ELY Centre, was informed.

To better manage the pH of the discharge water, equipment for automatically adjusting the pH underground was installed in March. A similar system will be installed above ground during the northern hemisphere spring in order to guarantee the optimal pH in discharge water.

#### Jokisivu Gold Mine

The Environmental Permit application for crushing waste rock at Jokisivu was submitted to the AVI in July 2015. The public announcement period for the application extended to November 2015, with one statement and four opinions received. The Company provided its first response to the AVI on 1 February 2016. This Environmental Permit is not associated with the mining activity, but a potential new income stream of processing the waste rock as construction aggregate.



In conjunction with the Environmental Permit application, updated information regarding recent activities at the site has been submitted to the AVI. The information relates to the heating plant and air ventilation in general, the Mining Concession extension and constructing a new area for marginal ore stockpiles.

Construction work relating to the storage area for marginal ore commenced during March 2016. Prior to clearing the area of trees, the ELY Centre was informed of the Company's plan to clear the area of trees and to seek formal approval, especially for areas populated by the flying squirrel. The ELY Centre has provided its approval.

Monthly analyses for discharge water confirmed Jokisivu continues to operate in accordance with its permit conditions.

#### Kaapelinkulma Gold Project

In August 2014, the application for reviewing the Environmental Permit conditions was submitted to the AVI. The AVI's decision was issued on 14 October 2015 and was followed by an appeal period of 30 days. No appeals were received against the decision. The permit is effective and the permit conditions are unchanged.

## Svartliden Production Centre, Sweden

| Quarter         | External<br>Con<br>Milled<br>(t) | Ore Milled<br>(t) | Head<br>Grade<br>(g/t) | Recovery<br>(%) | Plant<br>Utilisation<br>(%) | External<br>Gold<br>Production<br>(Ounces) | C1<br>Cash<br>Cost<br>USD/oz |
|-----------------|----------------------------------|-------------------|------------------------|-----------------|-----------------------------|--|------------------------------|
| Jun 2015        | 851                              | 28,356            | 5.22                   | 93.6            | <sup>2</sup> 44.0           | 4,585                                      | 1,170                        |
| Sep 2015        | 1,417                            | -                 | 93.32                  | 95.4            | -                           | 4,056                                      | <sup>1</sup> 1,269           |
| Dec 2015        | 1,042                            | -                 | 109.07                 | 95.0            | -                           | <sup>3</sup> 3,211                         | <sup>1</sup> 1,254           |
| <b>Mar 2016</b> | <b>831</b>                       | <b>-</b>          | <b>96.15</b>           | <b>92.5</b>     | <b>-</b>                    | <b>2,332</b>                               | <b>1,369</b>                 |

<sup>1</sup>Since transitioning to concentrate processing (Q3, 2015), the Group has amended the calculation of the Svartliden C1 Cash Cost to include all costs of production (includes purchase cost of internal and external concentrate) divided by the total ounces sold (from internal and external concentrate).

<sup>2</sup>Plant Utilisation is expressed as the percentage of total calendar time utilised for processing Ore. Processing of concentrate is not reflected in the figure.

<sup>3</sup>Includes an adjustment of 260 ounces to reconcile back to gold refined, excluding the adjustment the quarterly production was 3,471 ounces.

## Safety

The Svartliden Production Centre ("Svartliden") was again free from LTI's during the quarter and is currently 742 days LTI free.

## Production

This was the third quarter of concentrate only processing at Svartliden, with a 29.7% increase in the total concentrate tonnage processed (includes concentrate from external and internal sources). However concentrate gold grades decreased by 15.3% during the quarter resulting in lower gold production overall. When Vammala concentrate is being processed at Svartliden, Vammala reduces the concentrate grades to help improve recovery, without incurring the penalties it would have received if

shipping to the smelters. All of the Jokisivu concentrate continued to be processed at Svartliden while Orivesi concentrate was processed at both Svartliden and the Boliden Harjavalta smelter in southern Finland.

From mid-January until mid-February, recovery in the plant was much lower than usual as a result of mixing Orivesi and Jokisivu concentrates. Orivesi and Jokisivu concentrates have different chemical properties and therefore require different chemical solutions (pH and cyanide strength). They also have different time periods for optimal leaching. This metallurgical problem has now been resolved

Further improvements in the cyanide destruction circuit have been identified which will increase the potential throughout at Svartliden when processing concentrates.



## Environment

Work to update the Rehabilitation Plan for Svartliden continued during the quarter in addition to an application requesting a time extension for submission of the updated Rehabilitation Plan.

All discharge limits have been met during the period. Further communications with the authorities have been made regarding the investigation of final discharge conditions from the Clarification Pond, which was submitted to the Environmental Court in September 2015.

To ensure no breaches of the environmental permit production was stopped, on a number of occasions, to avoid a potential breach of the allowable 14 day average  $CN_{WAD}$  discharge to the Tailings Storage Facility ("TSF"). Work to increase the efficiency and throughput of the cyanide destruction circuit will be completed in May.

The work for completing the application for an Environmental Permit for test mining at Fäboliden continued during the quarter with a plan to submit the application during the second quarter of 2016.

## Advanced Projects

Underground diamond core drilling continued during the March quarter with the completion of 18 drill holes, 5,492.80 metres at the Orivesi and Jokisivu Gold Mines in southern Finland.

Drilling campaigns were undertaken with the objective of identifying new mineralised zones and extensions to known mineralised zones, as well as providing information to support mine planning and mine development.

Results received during the quarter have returned a number of encouraging gold intercepts including 1.50 metres @ 18.69 g/t gold, 2.20 metres @ 14.67 g/t gold, 0.60 metres @ 46.90 g/t gold, 5.85 metres @ 4.71 g/t gold, 3.35 metres @ 6.76 g/t gold, 5.60 metres @ 6.81 g/t gold and 1.90 metres @ 15.10 g/t gold.

In addition, Dragon Mining completed updates of the Group's Mineral Resources and Ore Reserves, lifting both to unprecedented levels and providing a strong foundation as the Company enters its second decade of gold production in the Nordic Region.

Mines. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

During the March quarter, an exploration program targeting areas in proximity of both the Kutema and Sarvisuo lode systems was completed, with the drilling of the final 2 holes in a 20 hole program. These final holes focussed on the Kutema North area, where an intercept of 4.50 metres @ 8.83 g/t gold was received during the September 2015 quarter. Results have been received from the final three holes (KU1494; KU1498; and KU-1499) in the program, yielding a best intercept of 0.60 metres @ 34.60 g/t gold (Appendix 1). Results for the initial 17 holes were previously reported to the ASX on the 21 October 2015 – Southern Finland Returns Further Encouraging Results (6 holes) and on the 28 January 2016 – Promising Drilling Results from Southern Finland Mines (11 holes), both of which can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

Drilling commenced on a campaign that was designed to evaluate the extensions of Kutema Pipe 5, below the 1200m level. By the end of the quarter 3 holes of the 5 hole campaign had been completed for an advance of 610.10 metres. Assay results have been received for 1 hole returning narrow, low grade intercepts (Appendix 2). A downhole survey completed on this hole showed that it had deviated and only clipped the target zone. Corrections have been made to all subsequent holes to counter this issue. Results for 2 holes are pending and 2 holes remain to be drilled.

## Southern Finland

### Orivesi Gold Mine

Drilling advanced at Orivesi during the quarter with 5 holes completed for a total of 1,052.80 metres. Details of this drilling have previously been released to the ASX, subsequent to the end of the quarter on 19 April 2016 – Drilling Continues at the Orivesi and Jokisivu Gold



## Jokisivu Gold Mine

Surface and underground diamond core drilling progressed at Jokisivu during the quarter, with 13 holes completed for a total of 4,440.00 metres. Details of this drilling have previously been released to the ASX, subsequent to the end of the quarter on 19 April 2016 – Drilling Continues at the Orivesi and Jokisivu Gold Mines. This release announcement can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

Underground diamond core drilling commenced on a two phase exploration program that is targeting the depth extensions of the Kujankallio deposit. The initial phase of drilling is being undertaken from the 280m level, comprising 10 drill holes. The 9 hole second phase will be undertaken from the 350m level. By the end of the quarter, 4 holes had been drilled for 1,439.90 metres. Results have been received from 3 holes returning better intercepts of 5.85 metres @ 4.71 g/t gold, 3.35 metres @ 6.76 g/t gold and 7.66 metres @ 2.44 g/t gold (Appendix 3). Results from 1 hole are pending and 6 holes remain to be drilled to complete the initial phase of the program.

A program of diamond core drilling from the surface commenced targeting the Arvola deposit. By the end of the quarter, 9 holes of the 27 hole program had been completed for a total of 3,000.10 metres. Assay results have been received from three full holes and one part hole returning better intercepts including 2.00 metres @ 7.31 g/t gold, 1.65 metres @ 7.08 g/t gold, 2.20 metres @ 4.34 g/t gold, 5.60 metres @ 6.81 g/t gold and 1.90 metres @ 15.10 g/t gold (Appendix 4). Results are pending from one part hole and 5 completed holes and 18 holes remain to be drilled to complete the program.

During the March quarter assay results were also received for the final 5 holes of an 8 hole exploration program that was drilled during the December 2015 quarter targeting the plunge and dip extensions of the Kujankallio Hinge Zone. The final 5 holes yielded a series of intercepts that can be readily added to the Main Zone or Hinge Zone resource models. Better results received include 1.50 metres @ 18.69 g/t gold, 0.65 metres @ 49.90 g/t gold, 5.90 metres @ 2.52 g/t gold, 4.20 metres @ 3.87 g/t gold, 1.60 metres @ 8.47 g/t gold and 2.20 metres @ 14.67 g/t gold (Appendix 5). Results for the initial 3 holes were previously released to the ASX on the 28 January 2016 – Promising

Drilling Results from Southern Finland Mines, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

## Kaapelinkulma Gold Project

Dragon Mining continued to evaluate the viability of establishing the Company's third gold mine in the southern Finland region. Work was completed on updating the Kaapelinkulma Mineral Resource estimate and determining the maiden Ore Reserve position for this project during the quarter. Refer to the Resources and Reserves section for information in relation to this work.

Negotiations also continued to progress with local land holders as the Company successfully acquired seven parcels of land totalling 24.6 hectares. These holdings occur within the 66.5 hectare Kaapelinkulma Mining Concession area.

## Northern Sweden

### Fäboliden Gold Project

Dragon Mining continued to evaluate the viability of developing the Fäboliden Gold Project in Northern Sweden. Work was completed on estimating the maiden Ore Reserve position for this project during the quarter. Refer to the Resources and Reserves section for information in relation to this work.

The second phase of bench scale metallurgical test work, which is focussed on recovery improvements continued during the quarter, whilst preparation of applications for an Environmental Permit to undertake a test mining campaign and the application for a new Environmental Permit for full scale mining also continued to progress during the quarter.





## Exploration

### Northern Finland

#### Hanhimaa Gold Project (Diluting to 30% Interest)

Agnico Eagle Mines Limited (NYSE:AEM) (TSX:AEM) ("Agnico Eagle") advised Dragon Mining that preliminary planning for the 2016 field season was carried out.

Agnico Eagle is earning up to a 70% interest in the Hanhimaa Gold Project in northern Finland with the staged expenditure of €9 million over a 9 year period from the 15 February 2013. Agnico Eagle is the manager during the earn-in period and can now withdraw at any time, having achieved the minimum expenditure level of €1.5 million.

## Resources and Reserves

Dragon Mining released updates of its Mineral Resources and Ore Reserves to the ASX on 31 December 2015 – Maiden Mineral Resource for Fäboliden Gold Deposit, 29 February 2016 – Dragon Group Mineral Resources Updated and 30 March 2016 – Ore Reserves for the Nordic Production Centres. These releases can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources and Ore Reserves, and the assumptions and technical parameters underpinning the estimates released on the 31 December 2015, 29 February 2016 and 30 March 2016 continue to apply and have not materially changed.

### Mineral Resources

The update of the Group's Mineral Resources has resulted in an increase of 80.7% in ounces since the previously reported update on the 31 December 2014, with resources from the key projects in Finland and Sweden totaling 1,608,000 ounces grading 3.8 g/t gold as at 1 September 2015 (Appendix 6). Dragon Mining's Mineral Resource base is now at levels unprecedented in recent Company history, providing a strong foundation as Dragon Mining

enters its second decade of gold production in the Nordic Region.

The updates for the Orivesi Gold Mine, Jokisivu Gold Mine and Kaapelinkulma Gold Project were carried out internally and audited by independent consultants RungePincockMinarco in Perth, Western Australia. The Mineral Resource for the Fäboliden Gold Project was undertaken by independent consultants RungePincockMinarco in Perth, Western Australia. All Mineral Resources have been reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

### Vammala Production Centre

The updated Measured, Indicated and Inferred Mineral Resource for the Vammala Production Centre (Orivesi Gold Mine, Jokisivu Gold Mine and Kaapelinkulma Gold Project) totals 1,913,000 tonnes grading 5.0 g/t gold for 307,000 ounces and represents a decrease in tonnes, grade and ounces since the last update on the 31 December 2014 of 1,929,200 tonnes grading 5.3 g/t gold for 331,300 ounces.

The updated Mineral Resources for the Orivesi Gold Mine totals 322,000 tonnes grading 6.4 g/t gold for 66,200 ounces at a 3 g/t gold reporting cut-off grade. It represents material from two lode systems, Kutema and Sarvisuo. The combined update of the Kutema and Sarvisuo Mineral Resources resulted in a 24% decrease in tonnes and 28% decrease in ounces when compared to the combined Kutema and Sarvisuo Mineral Resources as at 31 December 2014 of 426,000 tonnes grading 6.7 g/t gold for 92,000 ounces. This decrease in tonnes and ounces is due to mining depletion from ore stopes and development drives.

The updated Mineral Resources for the Jokisivu Gold Mine totals 1,480,000 tonnes grading 4.7 g/t gold for 222,200 ounces at a 2 g/t gold reporting cut-off grade. It represents material from two deposits, Kujankallio and Arpola. The combined update of the Kujankallio and Arpola Mineral Resource delivered minor increases in tonnes and ounces of 7.2% and 1.8%, respectively when compared to the combined Mineral Resource as at 31 December 2014 of 1,381,000 tonnes grading 4.9 g/t gold for 218,200 ounces.



The updated Mineral Resources for the Kaapelinkulma Gold Project totals 110,000 tonnes grading 5.2 g/t gold for 18,600 ounces at a 2 g/t gold reporting cut-off grade. It represents material from two deposits, North and South. The combined update of the Mineral Resources for the North and South deposits returned decreases in tonnes and ounces of 10.0% and 11.4%, respectively when compared to the combined Mineral Resource as at 31 December 2014 of 122,200 tonnes grading 5.4 g/t gold for 21,000 ounces. The decrease is primarily the result of improved definition of the deposits geology following drilling undertaken in 2015.

### Svartliden Production Centre

The total Measured, Indicated and Inferred Mineral Resource for the Svartliden Production Centre (Svartliden Gold Mine and Fäboliden Gold Project) of 7,323,000 tonnes grading 4.2 g/t gold for 793,900 ounces, represents a significant increase in tonnes and ounces when compared with the 31 December 2014 Mineral Resource of 383,000 tonnes grading 4.2 g/t gold for 51,300 ounces.

The increases achieved are fully attributed to the acquisition of the Fäboliden Gold Project during 2015.

The Mineral Resource for the Fäboliden Gold Project totals 6,900,000 tonnes grading 3.3 g/t gold for 743,000 ounces. It is the maiden Mineral Resource for the higher grade material at Fäboliden that occurs within the broader lower grade envelope. It incorporated 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 Svartliden Gold Mine Open Pit and Underground Mineral Resources of 383,000 tonnes grading 4.1 g/t gold for 51,300 ounces remain unchanged since 31 December 2013. The Mineral Resources were reported to the ASX on the 18 March 2014 ("Mineral Resources for the Finland and Sweden Production Centres Updated"), which can be located at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

The remaining in-situ Mineral Resources (Open Pit and Underground) comprise well defined

zones of gold mineralisation adjacent to and beneath the Svartliden Gold Mine open-pit. The Svartliden deposit has been closed off by drilling at depth and along strike and there is little scope for additional Mineral Resources to be defined from further drilling in the immediate mine area.

The Company confirms that it is not aware of any new information or data that materially affects the Svartliden Gold Mine Open Pit and Underground Mineral Resources and the assumptions and technical parameters underpinning the estimates in the 18 March 2014 announcement continue to apply and have not materially changed.

### Other Areas

The Mineral Resources for the Kuusamo Gold Project in northern Finland, which comprises five deposits that collectively contain 3,849,000 tonnes grading 4.1 g/t gold for 507,200 ounces as at 31 December 2013, remain unchanged.

The Mineral Resources for these deposits were reported to the ASX on the 18 March 2014 ("Resource Updates Lift Kuusamo Ounces"), which is located at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

The Company confirms that it is not aware of any new information or data that materially affects the Kuusamo Gold Project Mineral Resources and the assumptions and technical parameters underpinning the estimates in the 18 March 2014 report continue to apply and have not materially changed.

### Ore Reserves

The Company's combined Proved and Probable Ore Reserves as at 1 September 2015 totals 1,627,000 tonnes grading 3.5 g/t gold for 183,500 ounces (Appendix 7), which represents an increase in tonnes and ounces compared to the Proved and Probable Ore Reserves as at 1 January 2015 of 596,000 tonnes grading 4.2 g/t gold for 80,900 ounces.

The Ore Reserve increase is largely attributable to the inclusion of Ore Reserves for the Fäboliden Gold Project, which constitutes 60% of the updated Ore Reserve base. In addition the quantity of material classified as Proved for the Vammala Production Centre has increased by 198,000 tonnes and 26,200 ounces since 1





January 2015, reflecting the nature of the drilling campaigns undertaken at both Jokisivu and Orivesi during 2015.

The updated Ore Reserves are based on the Mineral Resource estimates listed in Appendix 6, which were released to the ASX on 29 February 2016 – Dragon Group Mineral Resources Updated and 31 December 2015 – Maiden Mineral Resource for Fäboliden Gold Deposit. In addition to site specific mining, cost and revenue factors, the updated reserve estimates used a gold price of US\$1,150 per ounce and exchange rates of USD/EUR 1.10, USD/SEK 8.50 and AUD/USD 1.37.

The Ore Reserves for the Orivesi Gold Mine and the Jokisivu Gold Mine in southern Finland have been estimated internally, audited by independent consultants RungePincockMinarco Limited and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The Ore Reserves for the Kaapelinkulma Gold Project and Fäboliden Gold Project have been estimated by independent consultants RungePincockMinarco Limited and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Subsequent to the Ore Reserves reporting date, mining has progressed at both Orivesi and Jokisivu with a total of 62,000 tonnes grading 5.0 g/t gold (9,800 ounces) being mined from Orivesi and 134,000 tonnes grading 2.9 g/t gold (12,500 ounces) being mined from Jokisivu, between 1 September 2015 and 31 March 2016.

## Vammala Production Centre

### Orivesi Gold Mine

The updated Proved and Probable Ore Reserves for the Orivesi Gold Mine totals 211,000 tonnes grading 5.1 g/t gold for 34,900 ounces as at 1 September 2015. This represents a 10% decrease in grade and ounces when compared to the Ore Reserves as at 1 January 2015 of 209,000 tonnes grading 5.7 g/t gold for 38,500 ounces.

The Ore Reserves are estimated from underground stope and development designs

and were based on the mines operating performance. Further drilling is likely to allow material currently defined as Inferred Mineral Resources to be upgraded to the Indicated Mineral Resource category and at that time stope designs could be modified and Ore Reserves increased.

### Jokisivu Gold Mine

The updated Proved and Probable Ore Reserves for the Jokisivu Gold Mine totals 261,000 tonnes grading 3.5 g/t gold for 28,900 ounces as at 1 September 2015. This represents a 16% decrease in tonnes and a 24% decrease in ounces when compared to the Ore Reserves as at 1 January 2015 of 310,000 tonnes grading 3.8 g/t gold for 38,000 ounces.

These decreases are attributable to the Company's focus on improving the knowledge of the extent and geometry of known mineralisation rather than targeting Inferred Mineral Resource positions and extensions to known mineralisation during the first eight months of 2015.

The Ore Reserves are estimated from underground stope and development designs and were based on the mines operating performance. Further drilling is likely to allow material currently defined as Inferred Mineral Resources to be upgraded to the Indicated Mineral Resource category and at that time stope designs could be modified and Ore Reserves increased.

### Kaapelinkulma Gold Project

A positive outcome was achieved from the Pre-Feasibility level study into the development of the Kaapelinkulma Gold Project in southern Finland. The study was compiled by RungePincockMinarco Limited and was based on the establishment of an open pit mining operation and the haulage of ore to Dragon Mining's operational Vammala Plant to produce a high grade gold concentrate and the processing of this concentrate at Dragon Mining's Svartliden Production Centre to produce doré bars.

The estimated Kaapelinkulma Ore Reserves demonstrate a sound base case operation, which the Company expects to be able to further enhance through the refinement of operating cost estimates. The Proved and



Probable Ore Reserves at a US\$1,150 per ounce gold price total 87,000 tonnes grading 3.4 g/t gold for 9,600 ounces. This represents a mining life of two years at the proposed mining and processing rates.

### **Fäboliden Gold Project**

A positive outcome was achieved from the Pre-Feasibility level study into the development of the Fäboliden Gold Project in northern Sweden. The study was compiled by RungePincockMinarco Limited and was based on the establishment of a multiple open-pit mining

operation and the haulage of ore to Dragon Mining's operational Svartliden CIL Plant to produce doré bars.

The Fäboliden Ore Reserves demonstrate a base case operation, which the Company expects to be able to further enhance through the refinement of operating cost estimates and improvement in process recovery. The Proved and Probable Ore Reserves at a US\$1,150 per ounce gold price total 1,067,000 tonnes grading 3.2 g/t gold for 110,000 ounces. This represents a mining life of approximately four years at a 300,000 tonnes per annum mining and processing rate.



## Corporate

### Shares in Aurion Resources Limited

On 23 May 2014, the Company signed a Definitive Purchase Agreement with listed Canadian entity Aurion Resources Limited (TSX-V:AU) ("Aurion"), whereby Aurion can acquire a 100% interest in two of the Company's non-core projects, Kutuvuoma and Silasselkä Projects in Northern Finland.

At 31 March 2016, the Company's Common Share interest ("Shares") in Aurion remained at 4,250,000 Shares, being 9.50%, on an undiluted basis. These shares were released from escrow on 8 March 2016, being 18 months from the date of issuance of the initial tranche of Shares in Aurion, on 8 September 2014. No additional Shares were issued to the Company during the quarter.

### Fäboliden Gold Project

On 30 December 2015, the Company announced that the final condition of the Agreement for Fäboliden had been met, with a final, legally binding and unappealable transfer of the Fäboliden K nr 1 Exploitation Concession to the Company by the Mining Inspectorate of Sweden.

The Company continues to progress work on an application for a new environmental permit for a mining operation at Fäboliden. This application will be for an operation that has a significantly smaller environmental footprint than the operation previously proposed. In conjunction, the Company also intends to compile an application for a permit to undertake a program of test mining at Fäboliden, anticipated to commence in late 2016.

During the quarter, the Company undertook a tender process seeking bids from parties interested in purchasing 32% of the Land and 41% of the Timber. The Company holds no mining or exploration tenure over the areas subject to the sale, the areas located well away from the Fäboliden Gold Deposit and its strike extensions. Subsequent to quarter end, the tender process was closed with the Company having received bids from three interested parties.

### Cash Generation

At the end of the quarter, the Group had A\$11.6 million in the bank, trade receivables of A\$6.5 million (Q4: A\$9.3 million) and accounts payable of A\$3.0 million (Q4: A\$6.7 million). Available cash (cash at bank plus trade receivables less accounts payable) was A\$15.1 million.

| Quarter Cash Flows   | A\$(m)       |
|--|--------------|
| <b>Operating Cash Flows</b>  |              |
| Revenue  | 16.9         |
| Operating Costs  | (15.6)       |
| Cash outflows for taxation, rehabilitation bonds, overhead and operational support costs | (0.2)        |
| Exploration  | (0.8)        |
| <b>Net operating cash flows</b>  | <b>0.4</b>   |
| <b>Investing Cash Flows</b>  |              |
| Development expenditure  | (1.2)        |
| Capital purchases  | (1.1)        |
| Other  | -            |
| <b>Net investing cash flows</b>  | <b>(2.3)</b> |
| <b>Financing Cash Flows</b>  |              |
| Drawdown/(Repayment) of gold concentrate factoring facility                              | -            |
| Foreign exchange gains   | (0.4)        |
| <b>Net financing cash flows</b>  | <b>(0.4)</b> |
| <b>Increase in cash at bank</b>  | <b>(2.3)</b> |

The Company's available cash has decreased by A\$1.4 million during the quarter which can be reconciled to the following movements:

| Movement in Available Cash       | A\$(m)      |
|----------------------------------|-------------|
| Opening available cash           | 16.5        |
| Less decrease in cash at bank    | (2.3)       |
| Less decrease in receivables     | (2.8)       |
| Add decrease in accounts payable | 3.7         |
| <b>Closing Available Cash</b>    | <b>15.1</b> |



## Competent Persons Statements:

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*The information in this report that relates to Ore Reserves were previously released to the ASX on the 30 March 2016 – Ore Reserves Updated for the Nordic Production Centres. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). It fairly represents information and supporting documentation compiled or supervised by Mr. Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and is an employee of RungePincockMinarco Limited. Mr. Joe McDiarmid 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. Joe McDiarmid for the 30 March 2016 release.*

*The information in this report that relates to Mineral Resources for the Orivesi Gold Mine, Jokisivu Gold Mine and Kaapelinkulma Gold Project were previously released to the ASX on the 29 February 2016 – Dragon Group Mineral Resources Updated. This release 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 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. Jeremy Clark has sufficient experience that is relevant to the styles of mineralisation and types 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. Written consent was previously provided by Mr. Jeremy Clark for the 29 February 2016 release.*

*The information in this report that relates to Mineral Resources for the Fäboliden Gold Project was previously released to the ASX on the 31 December 2015 – Maiden Mineral Resource for Fäboliden Gold Deposit, 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 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. Written consent was previously provided by Mr. Jeremy Clark for the 31 December 2015 - Maiden Mineral Resource for Fäboliden Gold Deposit release.*

*The information in this report that relates to Mineral Resources for the Kuusamo Gold Project and the Svartliden Gold Mine were previously released to the ASX on 18 March 2014 – Resource Updates Lift Kuusamo Ounces; and 18 March 2014 – Mineral Resources for the Finland and Sweden Production Centres Update, respectively. These releases can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). It fairly represents, information and supporting documentation that was prepared by Mr. Trevor Stevenson, a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (Geology), who is a former employee of RungePincockMinarco Limited 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. Written consent was previously provided by Mr. Trevor Stevenson for the 18*

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*March 2014 – Resource Updates Lift Kuusamo Ounces; and 18 March 2014 – Mineral Resources for the Finland and Sweden Production Centres Update releases.*

*The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves as reported on the 30 March 2016 and is not aware of any new information or data that materially affects the Mineral Resources for the Orivesi Gold Mine, Jokisivu Gold Mine and Kaapelinkulma Gold Project as reported on the 29 February 2016, the Mineral Resources for the Fäboliden Gold Project as reported on the 31 December 2015 and the Mineral Resources for the Kuusamo Gold Project and the Svartliden Gold Mine as reported on the 18 March 2014. The assumptions and technical parameters underpinning the Ore Reserve and Mineral Resource estimates in the releases dated 30 March 2016, 29 February 2016, 31 December 2015 and 18 March 2014 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 Ore Reserves and Mineral Resources are presented in this report have not been materially modified and are consistent with the 30 March 2016, 29 February 2016, 31 December 2015 and 18 March 2014 releases. Mr. Neale Edwards has provided written consent approving the statements of Ore Reserves and Mineral Resources in this report in the form and context in which they appear.*

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*The information in this report that relates to Exploration Results were previously released to the ASX on 21 October 2015 – Southern Finland Returns Further Encouraging Results; 28 January 2016 – Promising Results Drilling Results from Southern Finland Mines; and 19 April 2016 – Drilling Continues at the Orivesi and Jokisivu Gold Mines, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). They 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 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. Neale Edwards for the release dated the 21 October 2015, 28 January 2016 and 19 April 2016.*

*The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results as released on the 21 October 2015, 28 January 2016 and 19 April 2016, and the assumptions and technical parameters underpinning the Exploration Results in the listed releases 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*

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*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 the 21 October 2015, 28 January 2016 and 19 April 2016. Mr. Neale Edwards has provided written consent approving the Exploration Results in this report in the form and context in which they appear.*

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## Appendix 1

Final results from the underground diamond core drilling exploration program that is targeting areas in close proximity to the Kutema and Sarvisuo lode systems from the 710m, 550m and 265m levels at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Releases – 21 October 2015, 28 January 2016, 19 April 2016)

| Hole       | North      | East       | Elevation | Azimuth (°) | Dip (°)  | Hole Length (m) | From (m)                  | Down Hole Interval (m) | Gold (g/t) |
|------------|------------|------------|-----------|-------------|--|-----------------|---------------------------|------------------------|------------|
| 550m Level |            |            |           |             |  |                 |                           |                        |            |
| KU-1464    | 6838437.80 | 2508501.49 | -387.99   | 274.68      | 1.12   | 374.50          | No significant intercepts |                        |            |
| KU-1465    | 6838459.00 | 2508469.46 | -387.41   | 279.49      | -0.32  | 353.50          | No significant intercepts |                        |            |
| KU-1466    | 6838472.29 | 2508464.54 | -387.03   | 286.33      | 1.28   | 354.00          | No significant intercepts |                        |            |
| KU-1467    | 6838485.42 | 2508470.65 | -386.99   | 291.69      | -1.18  | 354.00          | No significant intercepts |                        |            |
| KU-1468    | 6838485.63 | 2508470.75 | -387.00   | 300.78      | 0.86   | 355.50          | No significant intercepts |                        |            |
| KU-1469    | 6838439.86 | 2508497.91 | -387.99   | 265.01      | -0.39  | 373.00          | No significant intercepts |                        |            |
| 280m Level |            |            |           |             |  |                 |                           |                        |            |
| KU-1471    | 6838474.82 | 2508928.71 | -107.70   | 38.02       | 0.09   | 295.00          | No significant intercepts |                        |            |
| KU-1472    | 6838474.79 | 2508928.74 | -107.71   | 51.26       | -0.70  | 314.20          | 51.00                     | 1.00                   | 14.80      |
| KU-1473    | 6838474.55 | 2508928.82 | -107.76   | 64.90       | 0.93   | 323.80          | No significant intercepts |                        |            |
| KU-1474    | 6838444.90 | 2508749.72 | -118.99   | 328.32      | -1.54  | 305.40          | 91.00                     | 1.45                   | 2.04       |
|            |            |            |           |             |  |                 | 100.70                    | 0.65                   | 1.33       |
| KU-1475    | 6838444.93 | 2508749.98 | -119.66   | 339.08      | -33.55   | 230.60          | 100.00                    | 2.00                   | 26.11      |
|            |            |            |           |             | Includes 1.00 metres @ 50.50 g/t gold from 100.00 metres |                 |                           |                        |            |
|            |            |            |           |             |  |                 | 109.70                    | 1.40                   | 8.74       |
| KU-1476    | 6838444.95 | 2508749.93 | -118.97   | 347.38      | -1.52  | 281.60          | 140.50                    | 3.30                   | 3.30       |
| KU-1477    | 6838444.96 | 2508750.11 | -119.61   | 357.45      | -23.78   | 283.35          | No significant intercepts |                        |            |
| KU-1478    | 6838445.02 | 2508750.16 | -119.04   | 8.20        | -2.06  | 281.60          | 95.60                     | 0.90                   | 1.00       |
| 525m Level |            |            |           |             |  |                 |                           |                        |            |
| KU-1494    | 6838472.23 | 2508685.08 | -363.66   | 295.90      | -38.28   | 351.80          | 19.40                     | 0.60                   | 34.60      |
|            |            |            |           |             |  |                 | 163.00                    | 0.50                   | 1.28       |
| KU-1495    | 6838472.39 | 2508685.25 | -363.18   | 295.90      | -17.05   | 260.10          | 16.15                     | 0.70                   | 5.40       |
|            |            |            |           |             |  |                 | 148.10                    | 0.75                   | 1.55       |
| KU-1496    | 6838472.96 | 2508685.80 | -363.38   | 305.36      | -26.28   | 277.00          | 232.00                    | 2.00                   | 1.40       |
| KU-1497    | 6838473.02 | 2508685.80 | -363.40   | 308.73      | -28.51   | 270.80          | No significant intercepts |                        |            |
| 710m Level |            |            |           |             |  |                 |                           |                        |            |
| KU-1498    | 6838573.51 | 2508688.85 | -545.31   | 275.58      | 12.25  | 215.40          | No significant intercepts |                        |            |
| KU-1499    | 6838573.59 | 2508688.79 | -545.85   | 275.04      | -0.17  | 227.30          | 47.50                     | 1.50                   | 1.84       |



## Appendix 2

Results from the underground diamond core drilling program that is targeting Kutema Pipe 5 below the 1200m level. All intercepts reported at a 1 g/t gold cut-off. (ASX Release - 19 April 2016)

| Hole    | North      | East       | Elevation | Azimuth (°) | Dip (°) | Hole Length (m) | From (m) | Down Hole Interval (m) | Gold (g/t) |
|---------|------------|------------|-----------|-------------|---------|-----------------|----------|------------------------|------------|
| KU-1512 | 6838548.56 | 2508602.39 | -959.24   | 53.93       | -63.00  | 242.50          | 13.50    | 1.50                   | 1.04       |
|         |            |            |           |             |         |                 | 192.50   | 0.90                   | 1.07       |

Note: Coordinates for KU-1512 are preliminary and subject to final survey.

## Appendix 3

Results from the underground diamond core drilling program that is targeting the Kujankallio deposit at the Jokisivu Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Release - 19 April 2016)

| Hole      | North      | East       | Elevation | Azimuth (°) | Dip (°) | Hole Length (m) | From (m) | Down Hole Interval (m) | Gold (g/t) |
|-----------|------------|------------|-----------|-------------|---------|-----------------|----------|------------------------|------------|
| HU/JS-741 | 6779481.32 | 2426202.73 | -199.96   | 53.50       | -0.80   | 289.50          | 0.15     | 0.85                   | 1.55       |
|           |            |            |           |             |         |                 | 48.60    | 1.05                   | 2.48       |
|           |            |            |           |             |         |                 | 140.70   | 0.25                   | 7.26       |
|           |            |            |           |             |         |                 | 178.30   | 3.85                   | 1.60       |
|           |            |            |           |             |         |                 | 190.35   | 2.15                   | 1.70       |
|           |            |            |           |             |         |                 | 224.45   | 0.45                   | 17.65      |
| HU/JS-742 | 6779482.17 | 2426202.62 | -200.27   | 41.10       | -14.30  | 398.50          | 35.00    | 1.00                   | 1.49       |
|           |            |            |           |             |         |                 | 124.50   | 1.50                   | 3.75       |
|           |            |            |           |             |         |                 | 160.00   | 1.50                   | 1.74       |
|           |            |            |           |             |         |                 | 205.10   | 1.05                   | 1.02       |
|           |            |            |           |             |         |                 | 214.40   | 5.85                   | 4.71       |
|           |            |            |           |             |         |                 | 236.25   | 0.75                   | 1.42       |
|           |            |            |           |             |         |                 | 248.55   | 0.60                   | 1.49       |
|           |            |            |           |             |         |                 | 265.50   | 0.60                   | 1.51       |
|           |            |            |           |             |         |                 | 277.40   | 1.00                   | 1.43       |
| HU/JS-743 | 6779481.30 | 2426202.72 | -200.15   | 48.50       | -14.10  | 401.30          | 178.00   | 1.00                   | 4.74       |
|           |            |            |           |             |         |                 | 239.70   | 0.75                   | 3.96       |
|           |            |            |           |             |         |                 | 244.95   | 3.35                   | 6.76       |
|           |            |            |           |             |         |                 | 258.20   | 7.60                   | 2.44       |
|           |            |            |           |             |         |                 | 298.00   | 1.00                   | 6.73       |
|           |            |            |           |             |         |                 | 304.00   | 1.00                   | 4.92       |
|           |            |            |           |             |         |                 | 314.60   | 0.40                   | 2.66       |
|           |            |            |           |             |         |                 | 337.00   | 1.45                   | 1.06       |
|           |            |            |           |             |         |                 | 339.45   | 0.85                   | 15.45      |
|           |            |            |           |             |         |                 | 352.00   | 1.15                   | 7.17       |



## Appendix 4

Results from the surface diamond core drilling program that targeted the Arvola deposit at the Jokisivu Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Release – 19 April 2016)

| Hole      | North      | East       | Elevation | Azimuth (°) | Dip (°) | Hole Length (m)  | From (m) | Down Hole Interval (m) | Gold (g/t) |
|-----------|------------|------------|-----------|-------------|---------|--|----------|------------------------|------------|
| HU/JS-758 | 6779499.40 | 2426499.96 | 59.86     | 179.77      | -60.05  | 461.20   | 217.20   | 2.00                   | 7.31       |
|           |            |            |           |             |         |  | 256.15   | 1.00                   | 3.68       |
|           |            |            |           |             |         |  | 265.50   | 0.90                   | 1.04       |
|           |            |            |           |             |         |  | 290.40   | 0.50                   | 14.90      |
|           |            |            |           |             |         |  | 293.00   | 1.50                   | 1.12       |
|           |            |            |           |             |         |  | 311.50   | 2.25                   | 3.66       |
|           |            |            |           |             |         |  | 337.00   | 0.95                   | 10.80      |
|           |            |            |           |             |         |  | 346.60   | 5.60                   | 6.81       |
|           |            |            |           |             |         | Includes 0.95 metres @ 15.30 g/t gold from 349.75 metres and 0.50 metres @ 39.90 g/t gold from 351.70 metres |          |                        |            |
|           |            |            |           |             |         |  | 354.35   | 1.65                   | 7.08       |
|           |            |            |           |             |         |  | 364.00   | 0.70                   | 9.34       |
|           |            |            |           |             |         |  | 370.15   | 1.35                   | 1.08       |
|           |            |            |           |             |         |  | 381.95   | 1.45                   | 2.25       |
| HU/JS-761 | 6779368.10 | 2426470.00 | 60.79     | 179.34      | -67.78  | 329.40   | 167.80   | 0.80                   | 1.64       |
|           |            |            |           |             |         |  | 188.90   | 3.10                   | 2.47       |
| HU/JS-766 | 6779355.68 | 2426429.97 | 60.91     | 178.68      | -65.43  | 290.30   | 99.00    | 0.80                   | 3.62       |
|           |            |            |           |             |         |  | 137.90   | 0.55                   | 4.40       |
|           |            |            |           |             |         |  | 172.00   | 1.70                   | 4.48       |
|           |            |            |           |             |         |  | 189.00   | 1.00                   | 2.27       |
|           |            |            |           |             |         |  | 202.00   | 0.55                   | 1.01       |
|           |            |            |           |             |         |  | 211.80   | 1.90                   | 15.10      |
|           |            |            |           |             |         | Includes 0.55 metres @ 41.40 g/t gold from 213.15 metres   |          |                        |            |
|           |            |            |           |             |         |  | 217.40   | 2.20                   | 4.34       |
|           |            |            |           |             |         |  | 228.60   | 0.40                   | 17.80      |
|           |            |            |           |             |         |  | 253.75   | 0.85                   | 1.39       |
|           |            |            |           |             |         |  | 266.70   | 0.45                   | 1.07       |
| HU/JS-776 | 6779468.09 | 2426465.09 | 60.41     | 180.51      | -61.57  | 415.10   | 145.25   | 1.45                   | 1.27       |
|           |            |            |           |             |         |  | 183.70   | 1.15                   | 1.09       |
|           |            |            |           |             |         |  | 222.00   | 1.00                   | 1.32       |
|           |            |            |           |             |         |  | 268.95   | 0.60                   | 1.13       |
|           |            |            |           |             |         |  | 298.20   | 1.00                   | 2.85       |
|           |            |            |           |             |         |  | 316.80   | 0.75                   | 7.92       |
|           |            |            |           |             |         |  | 319.40   | 0.30                   | 9.76       |
|           |            |            |           |             |         |  | 332.20   | 1.00                   | 2.54       |

## Appendix 5

Results from the underground diamond core drilling exploration program that is targeting the plunge and dip extensions of the Kujankallio Hinge Zone at the Jokisivu Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Releases – 28 January 2016, 19 April 2016)

| Hole      | North      | East       | Elevation | Azimuth (°) | Dip (°) | Hole Length (m) | From (m) | Down Hole Interval (m) | Gold (g/t) |
|-----------|------------|------------|-----------|-------------|---------|-----------------|----------|------------------------|------------|
| HU/JS-731 | 6779536.98 | 2426230.99 | -234.37   | 336.58      | -4.90   | 200.50          | 37.80    | 1.00                   | 1.76       |



|           |            |            |         |        |        |  |        |      |       |
|-----------|------------|------------|---------|--------|--------|--|--------|------|-------|
|           |            |            |         |        |        |  | 58.85  | 1.45 | 1.33  |
|           |            |            |         |        |        |  | 100.80 | 1.50 | 2.20  |
|           |            |            |         |        |        |  | 110.95 | 4.65 | 1.61  |
|           |            |            |         |        |        |  | 127.35 | 1.50 | 1.74  |
|           |            |            |         |        |        |  | 145.60 | 0.90 | 1.20  |
|           |            |            |         |        |        |  | 159.50 | 2.70 | 1.49  |
| HU/JS-732 | 677937.10  | 2426230.80 | -234.42 | 331.35 | -19.70 | 200.50   | 87.50  | 1.50 | 1.05  |
|           |            |            |         |        |        |  | 92.45  | 1.00 | 1.08  |
|           |            |            |         |        |        |  | 94.50  | 2.00 | 2.53  |
|           |            |            |         |        |        |  | 98.50  | 7.75 | 7.25  |
|           |            |            |         |        |        |  | 110.50 | 1.15 | 1.08  |
|           |            |            |         |        |        |  | 115.00 | 1.00 | 1.51  |
|           |            |            |         |        |        |  | 134.60 | 1.45 | 5.48  |
|           |            |            |         |        |        |  | 149.00 | 1.00 | 2.24  |
|           |            |            |         |        |        |  | 155.80 | 0.75 | 1.88  |
|           |            |            |         |        |        |  | 162.45 | 0.55 | 1.53  |
| HU/JS-733 | 6779536.95 | 2426231.12 | -234.37 | 347.86 | -10.60 | 200.50   | 10.50  | 1.50 | 1.15  |
|           |            |            |         |        |        |  | 82.45  | 1.55 | 1.12  |
|           |            |            |         |        |        |  | 120.00 | 2.20 | 1.44  |
|           |            |            |         |        |        |  | 133.45 | 1.50 | 18.69 |
|           |            |            |         |        |        | Includes 0.55 metres @ 43.50 g/t gold from 134.40 metres   |        |      |       |
|           |            |            |         |        |        |  | 144.35 | 0.65 | 49.90 |
|           |            |            |         |        |        |  | 165.00 | 1.00 | 1.94  |
|           |            |            |         |        |        |  | 184.15 | 0.75 | 7.83  |
| HU/JS-734 | 6779537.18 | 2426230.93 | -234.42 | 342.71 | -23.30 | 200.50   | 93.85  | 0.55 | 1.78  |
|           |            |            |         |        |        |  | 108.60 | 8.00 | 1.68  |
|           |            |            |         |        |        |  | 152.50 | 0.60 | 10.30 |
|           |            |            |         |        |        |  | 182.00 | 1.00 | 1.95  |
|           |            |            |         |        |        |  | 193.95 | 1.00 | 3.57  |
| HU/JS-735 | 6779537.00 | 2426231.16 | -234.33 | 356.46 | -12.30 | 200.50   | 24.40  | 0.85 | 1.32  |
|           |            |            |         |        |        |  | 37.20  | 0.40 | 5.06  |
|           |            |            |         |        |        |  | 117.25 | 1.05 | 1.29  |
|           |            |            |         |        |        |  | 142.00 | 3.00 | 5.62  |
|           |            |            |         |        |        |  | 164.15 | 1.00 | 1.79  |
|           |            |            |         |        |        |  | 170.90 | 2.60 | 5.05  |
| HU/JS-736 | 6779536.95 | 2426231.08 | -234.25 | 352.13 | -27.30 | 248.50   | 58.50  | 0.80 | 1.26  |
|           |            |            |         |        |        |  | 60.70  | 0.75 | 7.05  |
|           |            |            |         |        |        |  | 68.85  | 0.65 | 12.20 |
|           |            |            |         |        |        |  | 109.50 | 2.45 | 2.71  |
|           |            |            |         |        |        |  | 116.90 | 1.00 | 1.76  |
|           |            |            |         |        |        |  | 124.00 | 5.90 | 2.52  |
|           |            |            |         |        |        |  | 141.75 | 0.65 | 1.16  |
|           |            |            |         |        |        |  | 166.95 | 1.05 | 5.95  |
|           |            |            |         |        |        |  | 173.75 | 0.45 | 1.52  |
| HU/JS-737 | 6779537.10 | 2426231.56 | -234.39 | 6.97   | -18.00 | 278.70   | 40.55  | 0.90 | 1.19  |
|           |            |            |         |        |        |  | 160.70 | 4.20 | 3.87  |
|           |            |            |         |        |        |  | 185.40 | 1.60 | 8.47  |
| HU/JS-738 | 6779537.27 | 2426231.54 | -234.37 | 6.47   | -31.00 | 269.50   | 146.50 | 1.00 | 1.29  |
|           |            |            |         |        |        |  | 155.75 | 0.75 | 5.52  |
|           |            |            |         |        |        |  | 164.50 | 2.20 | 14.67 |
|           |            |            |         |        |        | Includes 0.50 metres @ 37.60 g/t gold from 164.50 metres and 0.70 metres @ 18.60 g/t gold from 166.00 metres |        |      |       |
|           |            |            |         |        |        |  | 191.50 | 0.95 | 1.79  |
|           |            |            |         |        |        |  | 200.50 | 1.05 | 1.86  |



|  |  |  |  |  |  |  |        |      |      |
|--|--|--|--|--|--|--|--------|------|------|
|  |  |  |  |  |  |  | 222.50 | 2.00 | 2.43 |
|  |  |  |  |  |  |  | 243.50 | 3.00 | 1.43 |

## Appendix 6

### Mineral Resources – Gold (Inclusive of Ore Reserves)

Reported as at 1 September 2015

(ASX Releases – 18 March 2014, 31 December 2015, 29 February 2016)

|                                     | 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>Svartliden Production Centre</b> |               |            |               |                  |            |                |                  |            |                |                  |            |                |
| <b>Svartliden Gold Mine</b>         |               |            |               |                  |            |                |                  |            |                |                  |            |                |
| Open Pit                            | 77,000        | 3.2        | 8,000         | 150,000          | 3.1        | 15,100         | -                | -          | -              | 228,000          | 3.2        | 23,100         |
| Underground                         | 20,000        | 5.9        | 3,700         | 96,000           | 5.9        | 18,200         | 39,000           | 4.9        | 6,200          | 155,000          | 5.7        | 28,200         |
| <b>Svartliden Total</b>             | <b>97,000</b> | <b>3.8</b> | <b>11,700</b> | <b>246,000</b>   | <b>4.2</b> | <b>33,300</b>  | <b>39,000</b>    | <b>4.9</b> | <b>6,200</b>   | <b>383,000</b>   | <b>4.1</b> | <b>51,300</b>  |
| <b>Fäboliden Gold Project</b>       |               |            |               |                  |            |                |                  |            |                |                  |            |                |
| Above 350 mRL                       | -             | -          | -             | 3,500,000        | 2.9        | 325,000        | 800,000          | 2.5        | 67,000         | 4,300,000        | 2.8        | 392,000        |
| Below 350 mRL                       | -             | -          | -             | 400,000          | 4.1        | 47,000         | 2,300,000        | 4.1        | 304,000        | 2,600,000        | 4.1        | 351,000        |
| <b>Total - Fäboliden</b>            | <b>-</b>      | <b>-</b>   | <b>-</b>      | <b>3,800,000</b> | <b>3.0</b> | <b>372,000</b> | <b>3,100,000</b> | <b>3.7</b> | <b>370,000</b> | <b>6,900,000</b> | <b>3.3</b> | <b>743,000</b> |

|                         |               |            |               |                  |            |                |                  |            |                |                  |            |                |
|-------------------------|---------------|------------|---------------|------------------|------------|----------------|------------------|------------|----------------|------------------|------------|----------------|
| <b>Svartliden Total</b> | <b>97,000</b> | <b>3.8</b> | <b>11,700</b> | <b>4,064,000</b> | <b>4.2</b> | <b>405,800</b> | <b>3,162,000</b> | <b>4.9</b> | <b>376,600</b> | <b>7,323,000</b> | <b>4.2</b> | <b>793,900</b> |
|-------------------------|---------------|------------|---------------|------------------|------------|----------------|------------------|------------|----------------|------------------|------------|----------------|

|                                   |                |            |               |                |            |               |                |            |               |                  |            |                |
|-----------------------------------|----------------|------------|---------------|----------------|------------|---------------|----------------|------------|---------------|------------------|------------|----------------|
| <b>Vammala Production Centre</b>  |                |            |               |                |            |               |                |            |               |                  |            |                |
| <b>Orivesi Gold Mine</b>          |                |            |               |                |            |               |                |            |               |                  |            |                |
| Kutema Deepes                     | 113,000        | 5.6        | 20,200        | 114,000        | 5.9        | 21,700        | 17,000         | 7.3        | 4,000         | 244,000          | 5.8        | 45,900         |
| Sarvisuo                          | 2,000          | 9.0        | 500           | 38,000         | 7.8        | 9,700         | 37,000         | 8.4        | 10,200        | 78,000           | 8.1        | 20,300         |
| <b>Total</b>                      | <b>115,000</b> | <b>5.6</b> | <b>20,700</b> | <b>152,000</b> | <b>6.4</b> | <b>31,300</b> | <b>54,000</b>  | <b>8.1</b> | <b>14,100</b> | <b>322,000</b>   | <b>6.4</b> | <b>66,200</b>  |
| <b>Jokisivu Gold Mine</b>         |                |            |               |                |            |               |                |            |               |                  |            |                |
| Kujankallio                       | 237,000        | 4.9        | 37,300        | 384,000        | 4.2        | 51,500        | 290,000        | 3.4        | 31,800        | 911,000          | 4.1        | 120,700        |
| Arpola                            | 117,000        | 5.5        | 20,700        | 297,000        | 5.0        | 47,700        | 155,000        | 6.6        | 33,100        | 569,000          | 5.5        | 101,500        |
| <b>Total</b>                      | <b>354,000</b> | <b>5.1</b> | <b>58,000</b> | <b>681,000</b> | <b>4.5</b> | <b>99,200</b> | <b>445,000</b> | <b>4.5</b> | <b>64,900</b> | <b>1,480,000</b> | <b>4.7</b> | <b>222,200</b> |
| <b>Kaapelinkulma Gold Project</b> |                |            |               |                |            |               |                |            |               |                  |            |                |
| South                             | -              | -          | -             | 95,000         | 5.3        | 16,200        | 8,000          | 6.0        | 1,500         | 103,000          | 5.3        | 17,700         |
| North                             | -              | -          | -             | -              | -          | -             | 7,000          | 3.7        | 900           | 7,000            | 3.7        | 900            |
| <b>Total</b>                      | <b>-</b>       | <b>-</b>   | <b>-</b>      | <b>95,000</b>  | <b>5.3</b> | <b>16,200</b> | <b>15,000</b>  | <b>4.9</b> | <b>2,400</b>  | <b>110,000</b>   | <b>5.2</b> | <b>18,600</b>  |

|                      |                |            |               |                |            |                |                |            |               |                  |            |                |
|----------------------|----------------|------------|---------------|----------------|------------|----------------|----------------|------------|---------------|------------------|------------|----------------|
| <b>Vammala Total</b> | <b>470,000</b> | <b>5.2</b> | <b>78,800</b> | <b>928,000</b> | <b>4.9</b> | <b>146,800</b> | <b>515,000</b> | <b>4.9</b> | <b>81,400</b> | <b>1,913,000</b> | <b>5.0</b> | <b>307,000</b> |
|----------------------|----------------|------------|---------------|----------------|------------|----------------|----------------|------------|---------------|------------------|------------|----------------|

|                             |                |            |               |                  |            |                |                  |            |                |                  |            |                |
|-----------------------------|----------------|------------|---------------|------------------|------------|----------------|------------------|------------|----------------|------------------|------------|----------------|
| <b>Kuusamo Region</b>       |                |            |               |                  |            |                |                  |            |                |                  |            |                |
| <b>Kuusamo Gold Project</b> |                |            |               |                  |            |                |                  |            |                |                  |            |                |
| Juomasuo                    | 160,000        | 7.4        | 38,000        | 1,389,000        | 4.6        | 206,100        | 822,000          | 3.9        | 103,000        | 2,371,000        | 4.6        | 347,000        |
| Hangaslampi                 | -              | -          | -             | 341,000          | 5.3        | 57,500         | 62,000           | 4.3        | 8,600          | 403,000          | 5.1        | 66,100         |
| Pohjasvaara                 | -              | -          | -             | 82,000           | 3.2        | 8,400          | 51,000           | 4.7        | 7,700          | 133,000          | 3.8        | 16,100         |
| Meurastuksenaho             | -              | -          | -             | 61,000           | 2.4        | 4,700          | 831,000          | 2.3        | 61,800         | 892,000          | 2.3        | 66,500         |
| Sivakkaharju                | -              | -          | -             | -                | -          | -              | 50,000           | 7.2        | 11,500         | 50,000           | 7.2        | 11,500         |
| <b>Kuusamo Total</b>        | <b>160,000</b> | <b>7.4</b> | <b>38,000</b> | <b>1,873,000</b> | <b>4.6</b> | <b>276,700</b> | <b>1,816,000</b> | <b>3.3</b> | <b>192,600</b> | <b>3,849,000</b> | <b>4.1</b> | <b>507,200</b> |

|                    |                |            |                |                  |            |                |                  |            |                |                   |            |                  |
|--------------------|----------------|------------|----------------|------------------|------------|----------------|------------------|------------|----------------|-------------------|------------|------------------|
| <b>Group Total</b> | <b>727,000</b> | <b>5.5</b> | <b>128,500</b> | <b>6,865,000</b> | <b>3.8</b> | <b>829,100</b> | <b>5,493,000</b> | <b>3.7</b> | <b>650,200</b> | <b>13,085,000</b> | <b>3.8</b> | <b>1,608,000</b> |
|--------------------|----------------|------------|----------------|------------------|------------|----------------|------------------|------------|----------------|-------------------|------------|------------------|

Note: Resources may not sum to equal totals due to rounding. Mineral Resources reported on a dry in-situ basis.

#### Reporting Cut-off Grades

Svartliden Gold Mine – Open Pit: 1.3 g/t gold

Fäboliden Gold Project – Above 350 mRL: 1.5 g/t gold

Svartliden Gold Mine – Underground: 3 g/t gold

Fäboliden Gold Project – Below 350 mRL: 2.9 g/t gold



Orivesi Gold Mine – Kutema Deep: 3 g/t gold  
 Jokisivu Gold Mine – Kujankallio: 2 g/t gold  
 Kaapelinkulma Gold Project – North: 2 g/t gold  
 Kuusamo Gold Project – Juomasuo: 1 g/t gold  
 Kuusamo Gold Project – Pohjasvaara: 1 g/t gold  
 Kuusamo Gold Project – Sivakkaharju: 1 g/t gold

Orivesi Gold Mine – Sarvisuo: 3 g/t gold  
 Jokisivu Gold Mine – Arvola: 2 g/t gold  
 Kaapelinkulma Gold Project – South: 2 g/t gold  
 Kuusamo Gold Project – Hangaslampi: 1 g/t gold  
 Kuusamo Gold Project – Meurastuksenaho: 1 g/t gold

## Appendix 7

### Ore Reserves – Gold Reported as at 1 September 2015 (ASX Release – 30 March 2016)

|                                     | Tonnes         | Proved<br>Gold<br>(g/t) | Ounces        | Tonnes           | Probable<br>Gold<br>(g/t) | Ounces         | Tonnes           | Total<br>Gold<br>(g/t) | Ounces         |
|-------------------------------------|----------------|-------------------------|---------------|------------------|---------------------------|----------------|------------------|------------------------|----------------|
| <b>Vammala Production Centre</b>    |                |                         |               |                  |                           |                |                  |                        |                |
| Orivesi Gold Mine                   | 85,000         | 5.0                     | 13,900        | 126,000          | 5.2                       | 21,100         | 211,000          | 5.1                    | 34,900         |
| Jokisivu Gold Mine                  | 140,000        | 3.4                     | 15,400        | 121,000          | 3.5                       | 13,500         | 261,000          | 3.5                    | 28,900         |
| Kaapelinkulma Gold Project          | -              | -                       | -             | 87,000           | 3.4                       | 9,600          | 87,000           | 3.4                    | 9,600          |
| <b>Svartliden Production Centre</b> |                |                         |               |                  |                           |                |                  |                        |                |
| Fäboliden Gold Project              | -              | -                       | -             | 1,067,000        | 3.2                       | 110,000        | 1,067,000        | 3.2                    | 110,000        |
| <b>Group Total</b>                  | <b>225,000</b> | <b>4.0</b>              | <b>29,300</b> | <b>1,401,000</b> | <b>3.4</b>                | <b>154,200</b> | <b>1,627,000</b> | <b>3.5</b>             | <b>183,500</b> |

*Ore Reserve estimates have been rounded to reflect accuracy. All the estimates are on dry tonne basis.*

#### Cut-Off Grades

Orivesi Gold Mine: Underground In-situ – Project 5.1 g/t gold; Opex 4.3 g/t gold; Stoping 3.6 g/t gold.  
 Jokisivu Gold Mine: Underground In-situ – Project 3.7 g/t gold; Opex 3.0 g/t gold; Stoping 2.3 g/t gold.  
 Kaapelinkulma Gold Project: Open Pit – 1.2 g/t gold.  
 Fäboliden Gold Project: Open Pit – 1.63 g/t gold.





## Appendix 10

### Company Tenement Holding

#### Mining Tenements

| Project       | Tenements   |                            |       | Held at<br>end of<br>the<br>Quarter<br>% | Acquired<br>during<br>the<br>Quarter<br>% | Disposed<br>during<br>the<br>Quarter<br>% |
|---------------|-------------|----------------------------|-------|--|---|---|
|               | ID          | Name                       | Type  |  |   |   |
| SWEDEN        |             |                            |       |  |   |   |
| Svartliden    |             | Svartlidengruvan<br>K nr 1 | EC    | 100                                      | -   | -   |
|               | 2006:351    | Pauträsk nr 4              | EP    | 100                                      | -   | -   |
|               | 2013:67     | Tallberget nr 4            | EP    | 100                                      | -   | -   |
| Fäboliden     |             | Fäboliden K nr 1           | EC    | 100                                      | -   | -   |
|               | 2010:75     | Fäboliden nr 10            | EP    | 100                                      | -   | -   |
|               | 2014:1      | Fäbodliden nr 72           | EP    | 100                                      | -   | -   |
|               | 2014:2      | Fäbodliden nr 82           | EP    | 100                                      | -   | -   |
|               | 2014:4      | Svannäs nr 12              | EP    | 100                                      | -   | -   |
| FINLAND       |             |                            |       |  |   |   |
| Orivesi       | 2676        | Seri                       | MC    | 100                                      | -   | -   |
|               | ML2013:0006 | Sarvisuo 1-2               | EL    | 100                                      | -   | -   |
|               | ML2015:0026 | Sarvisuo 3                 | EL    | 0  | -   | -   |
| Jokisivu      | 9128/1      | Yläinensilmäke             | Claim | 100                                      | -   | -   |
|               | 7244        | Jokisivu                   | MC    | 100                                      | -   | -   |
|               | KL2015:0005 | Jokisivu 2                 | MC    | 0  | -   | -   |
|               | ML2012:0112 | Jokisivu 4-5               | EL    | 100                                      | -   | -   |
|               | 8768/1      | Jokisivu 6                 | Claim | 100                                      | -   | -   |
| Vammala       | 8970/1      | Jokisivu 7                 | Claim | 100                                      | -   | -   |
|               | 8970/2      | Jokisivu 8                 | Claim | 100                                      | -   | -   |
|               | 1895        | Stormi                     | MC    | 100                                      | -   | -   |
| Kaapelinkulma | ML2014:0049 | Kärmeenmaa                 | EL    | 100                                      | -   | -   |
|               | K7094       | Kaapelinkulma              | MC    | 0  | -   | -   |
|               | 7094/1      | Kaapelinkulma              | Claim | 100                                      | -   | -   |
| Kuusamo       | 7094/2      | Perkoonsuo 1               | Claim | 100                                      | -   | -   |
|               | 7942/1      | Kairankorpi                | Claim | 100                                      | -   | -   |
|               | 4909        | Meurastuksenaho            | MC    | 100                                      | -   | -   |
|               | 3965        | Juomasuo                   | MC    | 100                                      | -   | -   |
|               | 4013        | Sivakkaharju               | MC    | 100                                      | -   | -   |
|               | K2015:0003  | Juomasuo 2                 | MC    | 0  | -   | -   |
|               | ML2012:0056 | Hangaslampi 14             | EL    | 0  | -   | -   |
|               | ML2011:0022 | Ollinsuo 1-2               | EL    | 0  | -   | -   |
|               | ML2014:0116 | Kontti-mutka 1-6           | EL    | 0  | -   | -   |
|               | ML2015:0010 | Petäjävaara                | EL    | 0  | -   | -   |
| Kutuvuoma     | ML2014:0115 | Hangaslampi                | EL    | 0  | -   | -   |
|               | 4843        | Kutuvuoma                  | MC    | 100                                      | -   | -   |
|               | 9129/1      | Kutuvuoma 4                | Claim | 100                                      | -   | -   |
|               | 9129/2      | Kutuvuoma 5                | Claim | 100                                      | -   | -   |
|               | 9275/1      | Kutuvuoma 6                | Claim | 100                                      | -   | -   |
|               | 9275/2      | Kutuvuoma 7                | Claim | 100                                      | -   | -   |
|               | 9275/3      | Kutuvuoma 8                | Claim | 100                                      | -   | -   |
|               | 9275/4      | Kutuvuoma 9                | Claim | 100                                      | -   | -   |



| Project                      | Tenements   |                  |       | Held at<br>end of<br>the<br>Quarter | Acquired<br>during<br>the<br>Quarter | Disposed<br>during<br>the<br>Quarter |
|------------------------------|---|------------------|-------|-------------------------------------|--------------------------------------|--------------------------------------|
|                              | ID  | Name             | Type  | %                                   | %                                    | %                                    |
|                              | 9275/5  | Kutuvuoma 10     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/6  | Kutuvuoma 11     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/7  | Kutuvuoma 12     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/8  | Kutuvuoma 13     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/9  | Kutuvuoma 14     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/10   | Kutuvuoma 15     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/11   | Kutuvuoma 16     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/12   | Kutuvuoma 17     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/13   | Kutuvuoma 18     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/14   | Kutuvuoma 19     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/15   | Kutuvuoma 20     | Claim | 100                                 | -                                    | -                                    |
|                              | 9275/16   | Kutuvuoma 21     | Claim | 100                                 | -                                    | -                                    |
|                              | VA2014:0009   | Kutuvuoma North  | Res   | 0                                   | -                                    | 100                                  |
|                              | VA2014:0029   | Kutuvuoma South  | Res   | 100                                 | -                                    | -                                    |
|                              | 9202/1  | Silasselkä 8     | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/2  | Silasselkä 9     | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/3  | Silasselkä 10    | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/4  | Silasselkä 11    | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/5  | Silasselkä 12    | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/6  | Silasselkä 13    | Claim | 100                                 | -                                    | -                                    |
|                              | 9202/7  | Silasselkä 14    | Claim | 100                                 | -                                    | -                                    |
| Silasselkä                   | ML2016:0002   | Sila 1-5         | EL    | 0                                   | 0                                    | -                                    |
|                              | VA2014:0007   | Silasselkä-East  | Res   | 0                                   | -                                    | 100                                  |
|                              | VA2014:0032   | Silasselkä North | Res   | 100                                 | -                                    | -                                    |
|                              | 7014  | Hietaharju       | MC    | 5                                   | -                                    | -                                    |
| Kuhmo Joint Venture (Note 1) | 7922  | Peura-aho        | MC    | 5                                   | -                                    | -                                    |
|                              | ML2012:0047   | Vaara            | EL    | 5                                   | -                                    | -                                    |
|                              | ML2013:0048   | Kauniinlampi     | EL    | 5                                   | -                                    | -                                    |
|                              | ML2013:0002   | Peura-aho        | EL    | 5                                   | -                                    | -                                    |
|                              | 8745/1  | Hietaharju North | Claim | 5                                   | -                                    | -                                    |
|                              | ML2013:0047   | Sika-aho         | EL    | 5                                   | -                                    | -                                    |
|                              | ML2013:0003   | Arola            | EL    | 5                                   | -                                    | -                                    |
| Notes                        |   |                  |       |                                     |                                      |                                      |
| 1                            | Dragon Mining hold a free carried 5% interest in the Kuhmo Joint Venture. Dragon Mining holds full rights to gold and silver on the Kuhmo Joint Venture tenements.                          |                  |       |                                     |                                      |                                      |
| EC                           | Exploitation Concession (Sweden)  |                  |       |                                     |                                      |                                      |
| EP                           | Exploration Permit (Sweden)   |                  |       |                                     |                                      |                                      |
| EL                           | Exploration Licence (Finland) – Refers to tenements applied for after 1 July 2011 in accordance with the new Finnish Mining Act. Prior to 1 July 2011 tenements were referred to as Claims. |                  |       |                                     |                                      |                                      |
| MC                           | Mining Concession (Finland)   |                  |       |                                     |                                      |                                      |
| Res                          | Reservation Notification (Finland)  |                  |       |                                     |                                      |                                      |



## Farm-ins/Farm-outs

| Project                          | Tenements                                    |             |       | Held at end of the Quarter | Acquired during the Quarter | Disposed during the Quarter |
|----------------------------------|--|-------------|-------|----------------------------|-----------------------------|-----------------------------|
|                                  | ID   | Name        | Type  | %                          | %                           | %                           |
| FINLAND                          |  |             |       |                            |                             |                             |
| <b>Hanhimaa Earn-In (Note 1)</b> | ML2013:0060                                  | Suksee 1    | EL    | 100                        | -                           | -                           |
|                                  | ML2012:0173                                  | Kello 47    | EL    | 100                        | -                           | -                           |
|                                  | ML2014:0010                                  | Kello 51-53 | EL    | 100                        | -                           | -                           |
|                                  | ML2015:0021                                  | Kello 54-63 | EL    | 0                          | -                           | -                           |
|                                  | 8816/2                                       | Kello 80    | Claim | 100                        | -                           | -                           |
|                                  | 8816/3                                       | Kello 81    | Claim | 100                        | -                           | -                           |
|                                  | 9116/1                                       | Kello 82    | Claim | 100                        | -                           | -                           |
|                                  | 9116/2                                       | Kello 83    | Claim | 100                        | -                           | -                           |
|                                  | 9116/3                                       | Kello 84    | Claim | 100                        | -                           | -                           |
|                                  | 9116/4                                       | Kello 85    | Claim | 100                        | -                           | -                           |
|                                  | 9116/5                                       | Kello 86    | Claim | 100                        | -                           | -                           |
|                                  | 9116/6                                       | Kello 87    | Claim | 100                        | -                           | -                           |
|                                  | 9116/7                                       | Kello 88    | Claim | 100                        | -                           | -                           |
|                                  | ML2011:0005                                  | Kielisenmaa | EL    | 0                          | -                           | -                           |
|                                  | ML2012:0095                                  | Suksee 2-16 | EL    | 100                        | -                           | -                           |
|                                  | ML2011:0065                                  | Kello 12    | EL    | 100                        | -                           | -                           |
| Notes                            |  |             |       |                            |                             |                             |
| <b>1</b>                         | Dragon Mining diluting down to 30% interest. |             |       |                            |                             |                             |
| <b>EL</b>                        | Exploration Licence (Finland)                |             |       |                            |                             |                             |
| <b>Res</b>                       | Reservation Notification (Finland)           |             |       |                            |                             |                             |