ASX ANNOUNCEMENT **8 APRIL 2014**

ORE RESERVES FOR THE FINLAND AND SWEDEN PRODUCTION CENTRES

Dragon Mining Limited (ASX:DRA) is pleased to announce an update of the Ore Reserves for the Vammala Production Centre in southern Finland and the Svartliden Production Centre in northern Sweden. The updates were completed by independent consultants RungePincockMinarco Limited and are reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

The updated Ore Reserves (Table 1) are based on the Mineral Resource estimates listed in Appendix 1, which were previously announced to the ASX on 18 March 2014 – Mineral Resources for the Finland and Sweden Production Centres Updated. They have been estimated using a gold price of US$1,250 per ounce, a USD/EUR exchange rate of 1.36 and USD/SEK exchange rate of 6.5.

Overall the updated Proved and Probable Ore Reserve estimate of 917kt grading 4.0 g/t gold for 118kozs represents a reduction in tonnes and ounces compared to the 31 December 2012 Ore Reserves of 1,383kt grading 3.3 g/t gold for 147.2kozs.

This reduction is the result of:

- a decrease in the gold price used to determine the Ore Reserves;
- an increase in cut-off grades as a result of the lower gold price; and
- the completion of mining activities at the Svartliden Production Centre, the remaining Ore Reserves at this Centre representing Run of Mine ore and marginal ore stockpiles at the Svartliden process facility.

The Vammala Production Centre has been able to continue to offset annual production with the replenishment of mined ounces, despite mining depletion and a fall in the gold price that resulted in a lifting of the cut-off grades at both the Orivesi and Jokisivu Gold Mines.

Table 1 – Ore Reserves for the Vammala Production Centre in Finland and the Svartliden Production Centre in Sweden as at 31 December 2013.

	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (koz)	Tonnes (kt)	Gold (g/t)	Ounces (koz)	Tonnes (kt)	Gold (g/t)	Ounces (koz)
Vammala Production Centre									
Orivesi Gold Mine	59	4.7	9	288	6.1	56	347	5.8	65
Jokisivu Gold Mine	20	2.8	2	140	4.7	21	160	4.5	23
Total	**79**	**4.2**	**11**	**428**	**5.6**	**77**	**507**	**5.4**	**88**
Svartliden Production Centre									
Svartliden Gold Mine	410	2.2	30	-	-	-	410	2.2	30
Total	**410**	**2.2**	**30**	**-**	**-**	**-**	**410**	**2.2**	**30**
Group Total	**489**	**2.5**	**41**	**428**	**5.6**	**77**	**917**	**4.0**	**118**

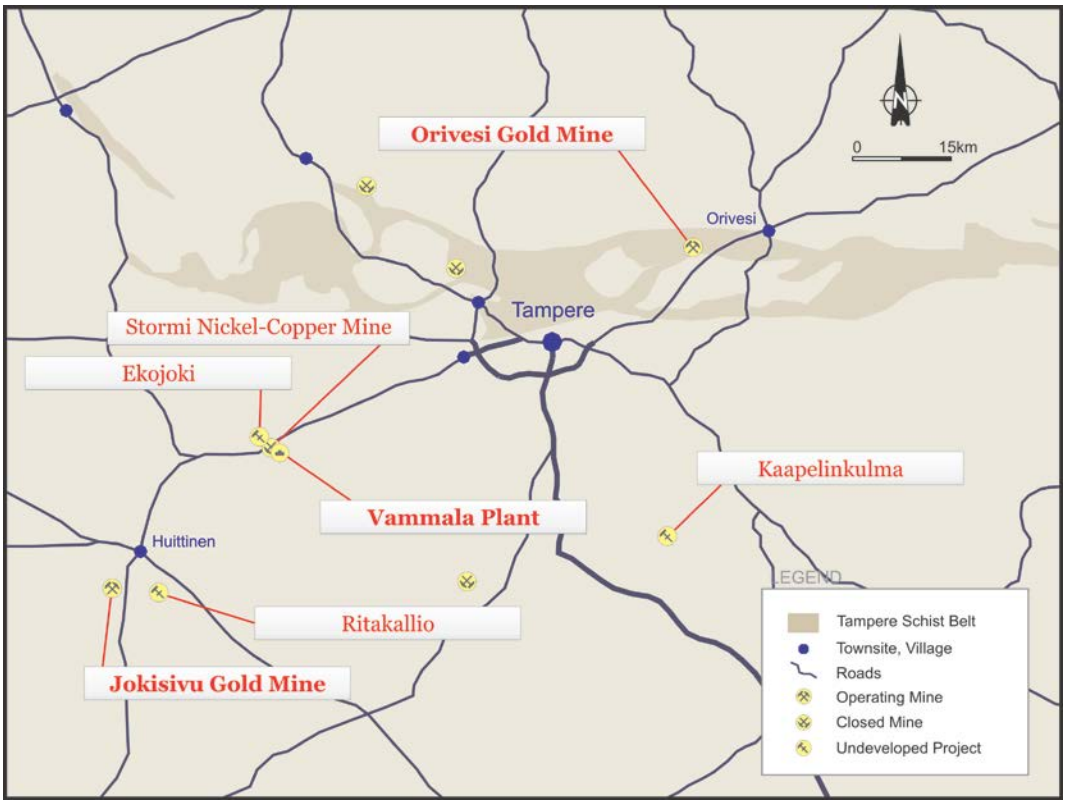
Note: Ore Reserves may not sum to equal totals due to rounding.

Table 2 – Gold Price and Cut-off Grade Comparison - 31 December 2013 and 31 December 2012.

	Gold Price (US/oz)		Ore Reserve Cut-off Grades (g/t gold)	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
Vammala Production Centre				
Orivesi Gold Mine	1,250	1,600	4.7	3.0
Jokisivu Gold Mine	1,250	1,600	4.5	2.0
Svartliden Production Centre				
Svartliden Gold Mine	1,250	1,695	1.45 (Stockpiles)	1.8 (Open-pit) 3.0 (Underground)

Vammala Production Centre – Southern Finland

The updated Proved and Probable Ore Reserve estimate for the Vammala Production Centre totals 507kt grading 5.4 g/t gold for 88kozs. This represents a decrease in tonnes compared to the 31 December 2012 Ore Reserve estimate, whereas ounces have remained at similar levels, reflecting the successful replenishment of mined ounces despite mining depletion and a fall in the gold price that resulted in a lifting of the cut-off grades at both the Orivesi and Jokisivu Gold Mines.



Vammala Production Centre

- **Orivesi Gold Mine**

The updated Proved and Probable Ore Reserves for the Orivesi Gold Mine totals 347kt grading 5.8 g/t gold for 65kozs as at 31 December 2013. This represents a marginal decrease in tonnes and increase in ounces when compared to the Ore Reserves as at 31 December 2012 of 365kt grading 4.9 g/t gold for 57.9kozs. The updated Ore Reserves comprise underground ore from the Kutema and Sarvisuo lode systems.

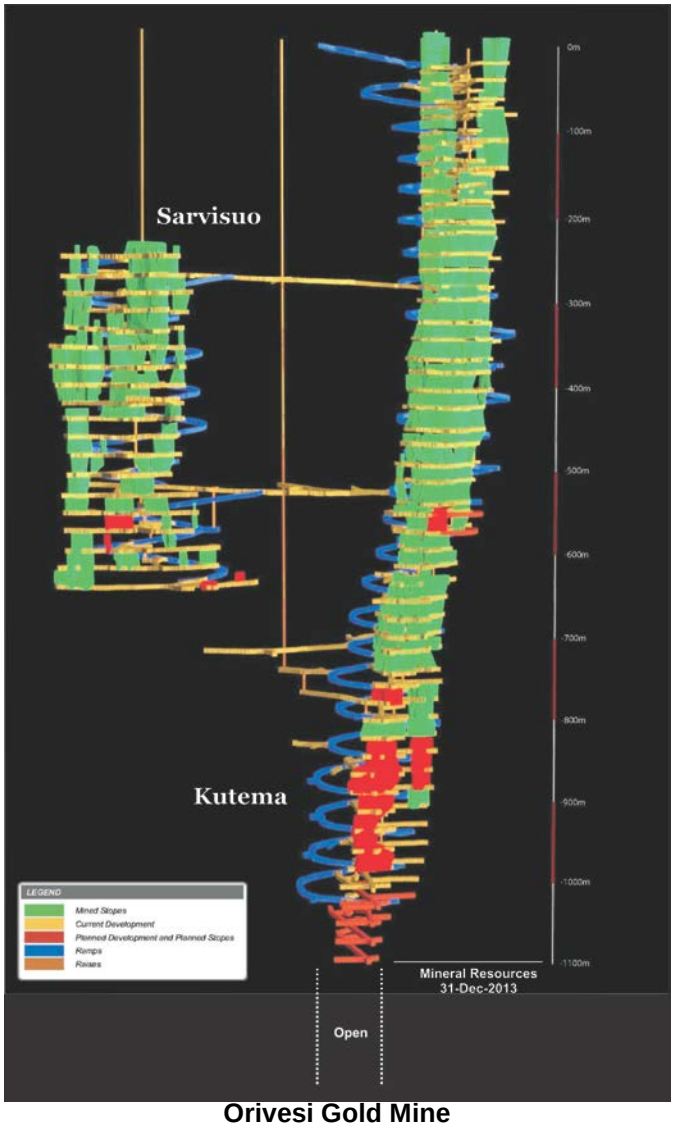
The decrease in tonnes is attributed to mining depletion and a lift in the cut-off grade due to the fall in the gold price during 2013. The increase in ounces reflects the positive results from the drilling campaigns completed during 2013 that were directed at the depth extensions of the Kutema lode system and which resulted in an increase in the amount of material classified as Measured and Indicated in the Orivesi Gold Mine Mineral Resource.

Background

Between 1994 and 2003 the Orivesi Gold Mine was operated by Outokumpu Mining Oy (Outokumpu), producing 422,000 ounces of gold at a grade of 9.4 g/t gold from the Kutema lode system down to the 720m level. Dragon Mining acquired the operation at the end of 2003 and recommenced operations in 2007, with mining activities initially focused on the Sarvisuo lode system, 300 meters east of the Kutema lode system between the 240m and 620m levels. Staged development and mining of the Kutema lode system below the 720m level commenced in January 2011 and production stoping commenced in August 2012. The deepest part of the mine at 31 December 2013 was at the 1025m level at Kutema, with the gold-bearing zones continuing below the 1040m level.

Kutema and Sarvisuo are Palaeoproterozoic orogenic gold lode systems located in the Tampere Schist Belt. Gold mineralisation is associated with the Kutema alteration zone and has been interpreted to represent a metamorphosed and deformed high-sulphidation epithermal gold deposit. The lode systems occur as sub-vertical pipe-like structures with extensive vertical continuity. The principal lode system, Kutema extends to the 1,100m level and remains open with depth. Whereas the Sarvisuo lode system extends to the 720m level, though the main pipe lodes appear to be losing continuity at depth below the 620m level with extensive drilling above and below the main lodes failing to locate any continuous zones of high grade mineralisation. A group of isolated pods of mineralisation however, have been identified at depth to the west of Sarvisuo.

The Measured, Indicated and Inferred Mineral Resources for the Orivesi Gold Mine as at 31 December 2013 totals 587,000 tonnes grading 6.5 g/t gold for 122,100 ounces. The Mineral Resources are reported inclusive of Ore Reserves.



Orivesi Gold Mine

Summary of Information Material to Understanding the Reported Estimates of Ore Reserves

- *Material Assumptions*

The updated Ore Reserves consist of planned development and stoping tonnages. The Mineral Resources have been converted to Ore Reserves by means of a Life of Mine development and stoping plan, together with economic model preparation. Operational costs are based on historical costs and allowance has been made for royalties' payable at Orivesi.

- *Estimation Methodology*

Ore Reserve estimation was completed by establishing ore stope outlines and development designs, within the economic mining limits. ROM ore quantities within the designs were estimated by applying mining modifying factors.

- *Cut-off Grades*

An economic ore cut-off grade of 4.7 g/t gold for in-situ ore (4.1 g/t gold for ROM ore) has been determined based on the gold price of US$1,250 per ounce, historical costs, mining and metallurgical modifying factors.

- *Mining Method*

Mining of the Kutema and Sarvisuo lode systems is carried out with trackless diesel powered mobile equipment accessing the underground workings by means of a decline. Primary stopes are developed to mine the vertical pipes by sub-level stoping leaving floor pillars, which are later removed. A mining dilution factor of 10% and mining recovery factor of 100% have been adopted based on reconciliation of past production.

- *Processing*

Ore from the Orivesi Gold Mine is processed on a campaign basis through the 300,000 tonne per annum Vammala Plant, approximately 80 kilometres southwest of the mine, at a throughput rate of approximately 200,000 tonnes per annum. The Vammala Plant represents a crushing, milling, gravity and flotation circuit that produces a flotation gold concentrate from Orivesi ore, which is currently smelted at Boliden's Harjavalta Smelter, 60 kilometres west of the Vammala Plant. A gold recovery factor of 78% has been applied to the Ore Reserves based on existing processing results. Allowances for deleterious elements and concentrate treatment have been made in the economic model.

- *Classification*

The Ore Reserves for the Orivesi Gold Mine are classified as Proved and Probable in accordance with the JORC Code, corresponding to the resource classifications of Measured and Indicated. Approximately 21kt of the Measured Mineral Resources were downgraded to Probable Ore Reserves due to the stopes containing significant Indicated material. No Inferred Mineral Resources were included in the Ore Reserve estimate.

- *Tenure, Permitting and Other*

The Orivesi Gold Mine is located on Mining Lease, Seri - 2676, which covers an area of 39.09 hectares. The Orivesi Gold Mine is fully permitted and no additional infrastructure is required. The Vammala Plant is located on the Mining Lease, Stormi – 1895 1a-1e, which covers an area of 141.51 hectares. A new Environmental Permit to enable the Company to increase throughput at the Vammala Plant is pending.

- **Jokisivu Gold Mine**

The updated Proved and Probable Ore Reserves for the Jokisivu Gold Mine totals 160kt grading 4.5 g/t gold for 23kozs. This represents a decrease in tonnes and ounces when compared to the Ore Reserves as at 31 December 2012 of 369kt grading 2.6 g/t gold for 31.1kozs.

The decreases are the result of mining depletion and an increase in mining cut-off grades due to the fall in the gold price. The Ore Reserves comprise stockpiled material at the Vammala Plant and underground ore from the Kujankallio and Arpola deposits.

Background

The Company has mined over 200,000 tonnes from the Jokisivu Gold Mine since May 2009, commencing initially with open-pit mining. Underground development at Kujankallio commenced in September 2010, the portal being located within the Kujankallio open-pit, 35 metres below the surface. The first stoping ore was delivered to the Vammala Plant, 40 kilometres to the northeast in January 2011. A small open-pit was mined at Arpola between March and July 2011.

The Kujankallio and Arpola deposits are Palaeoproterozoic orogenic gold deposits. They comprise a set of parallel lodes of varying thickness and grade hosted in a west-northwest trending shear zone. Gold mineralisation is contained within quartz veins occurring within a quartz diorite unit. Both the Kujankallio and Arpola deposits remain open with depth.

The Measured, Indicated and Inferred Mineral Resources for the Jokisivu Gold Mine as at 31 December 2013 totals 1,152,000 tonnes grading 5.8 g/t gold for 216,480 ounces. The Mineral Resources are reported inclusive of Ore Reserves.

Summary of Information Material to Understanding the Reported Estimates of Ore Reserves

- *Material Assumptions*

The updated Ore Reserves consist of proposed development and stoping operations plus stockpiles transported to the Vammala Plant. The Mineral Resources have been converted to Ore Reserves by means of a Life of Mine development and stoping plan, together with economic model preparation. Operational costs are based on historical costs and allowance has been made for royalties' payable at Jokisivu.

- *Estimation Methodology*

Ore Reserve estimation was completed by establishing ore stope outlines and development designs, within the economic mining limits. ROM ore quantities within the designs were estimated by applying mining modifying factors.

- *Cut-off Grades*

An ore cut-off grade of 4.5 g/t gold for in-situ ore (3.2 g/t gold for ROM ore) and 0.9 g/t gold for stockpiled material at the Vammala Plant has been based on the gold price of US$1,250 per ounce, historical costs, mining and metallurgical modifying factors.

- *Mining Method*

The Kujankallio and Arpola deposits are mined by sub-level stoping. A mining dilution factor of 33% and mining recovery factor of 86% of the metal within the defined stope shapes to be mined have been adopted, based on reconciliation of past production.

- *Processing*

Material from the Jokisivu Gold Mine is processed on a campaign basis through the 300,000 tonne per annum Vammala Plant, 40 kilometres to the northeast, at a throughput rate of approximately 100,000 tonnes per annum. The Vammala Plant is a crushing, milling, gravity and flotation circuit that produces a gravity gold concentrate that is refined by Argor-Heraeus SA in Switzerland and a flotation gold concentrate, which is currently smelted at Boliden's Harjavalta Smelter, 60 kilometres west of the Vammala Plant. A gold recovery factor of 80% has been applied to the Ore Reserves based on existing processing results. No allowance has been made for deleterious elements.

- *Classification*

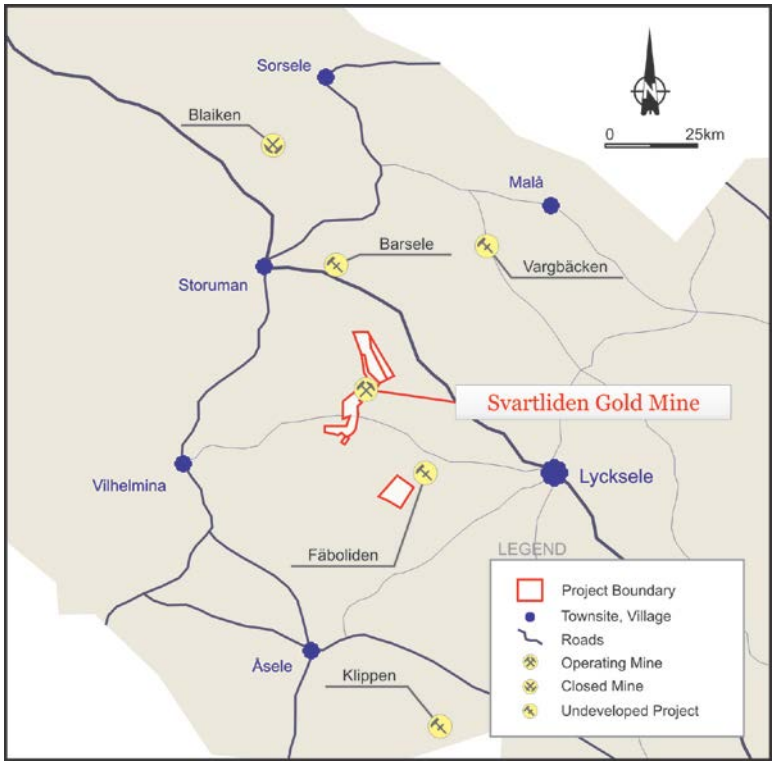
The Run of Mine underground Ore Reserves are classified as Probable in accordance with the JORC Code, corresponding to the resource classifications of Measured and Indicated and taking into account other factors. All Measured Mineral Resources were downgraded to Probable Ore Reserves with approximately one-third of the Ore Reserve based on the Measured Mineral Resource classification. Stockpiled ore at the Vammala Plant has been categorised as Proved Ore Reserves

- *Tenure, Permitting and Other*

The Jokisivu Gold Mine is located on Mining Leases, Jokisivu - 7244 1a-1b, which cover an area of 48.57 hectares. The Jokisivu Gold Mine is fully permitted and no additional infrastructure is required. The Vammala Plant is located on the Mining Lease, Stormi – 1895 1a-1e, which cover an area of 141.51 hectares. A new Environmental Permit to enable the Company to increase throughput at the Vammala Plant is pending.

Svartliden Production Centre – Northern Sweden

The updated Proved and Probable Ore Reserve estimate for the Svartliden Production Centre total 410kt grading 2.2 g/t gold for 30kozs. This represents a decrease in tonnes and ounces compared to the 31 December 2012 Ore Reserve estimate, following the completion of mining activities at the Svartliden Production Centre. The remaining Ore Reserves at this Centre represent Run of Mine ore and marginal ore stockpiles at the Svartliden process facility.



Svartliden Production Centre

Background

Dragon Mining commenced mining at Svartliden in March 2005 and has mined 2,829,480 tonnes of ore from open-pit and underground operations. Open-pit mining was completed in April 2013 and underground mining that commenced in August 2011 was completed in November 2013.

Svartliden is an epigenetic lode style gold deposit located in northern Sweden. The gold mineralisation, dominantly hosted by a volcano-sedimentary sequence, is structurally controlled and occurs along an east-northeast trending steeply dipping shear zone. Gold is associated with arsenopyrite and pyrrhotite.

The Measured, Indicated and Inferred Mineral Resources for the Svartliden Gold Mine total 793,000 tonnes grading 3.1 g/t gold for 81,300 ounces, as at 31 December 2013. It includes in-situ open-pit and underground material and surface stockpiles. The in-situ Mineral Resources for the Svartliden Gold Mine were estimated using the Ordinary Kriging (OK) algorithm with an oriented ellipsoid search. The remaining zones of in-situ mineralisation comprise well defined zones of gold mineralisation adjacent to and beneath the Svartliden open-pit. The 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.

Subsequent to the release of the Svartliden Gold Mine Mineral Resource on the 18 March 2014, the surface Run of Mine (ROM) and marginal ore stockpiles have been added to the Mineral Resource in accordance with the JORC Code. The Mineral Resources are inclusive of the Ore Reserves reported from the Svartliden stockpiles.

Summary of Information Material to Understanding the Reported Estimates of Ore Reserves

- *Material Assumptions*

The updated Ore Reserves comprise ROM ore and marginal ore stockpiles at the Svartliden process facility. The Mineral Resources have been converted to Ore Reserves by means of a total Mine economic model. Operational costs are based on historical costs and allowance has been made for royalties' payable at Svartliden.

- *Estimation Methodology*

The quantity of stockpiled material has been estimated by means of survey measurements and applying a density factor to those volumes. The grade assigned to the stockpiles has been determined by a continuous reconciliation process as the stockpiles have been supplied from mined material that has been sampled at various stages.

- *Cut-off Grades*

An ore cut-off grade of 1.45 g/t gold for processing of the stockpiled ROM and marginal ore has been based on the gold price of US$1,250 per ounce, historical costs, mining and metallurgical modifying factors.

- *Mining Method*

Open-pit and underground mining has been completed at the Svartliden Gold Mine.

- *Processing*

Stockpiled ROM and marginal ore will be processed through a conventional carbon in leach (CIL) plant with a design capacity of 300,000 tonne per annum. A gold recovery factor of 91% has been applied to the Ore Reserves based on existing processing results. No allowance has been made for deleterious elements.

- *Classification*

The estimate of the grade of this material is above the cut-off grade and thus all the material can be classed as Proved Ore Reserves. The Ore Reserves are classified as Proved in accordance with the JORC Code. The Ore Reserve classification of the stockpiled material is appropriate given the nature of the material and mining history.

- *Tenure, Permitting and Other*

The Svartliden Gold Mine is located within the Svartlidengruvan K nr 1 Exploitation Concession, which encompasses an area of 87.54 hectares. The Exploitation Concession is surrounded by the Svartlidengruvan Land Designation area that covers 484.01 hectares. The Land Designation area hosts the Svartliden process facility and other infrastructure. The Svartliden Production Centre is fully permitted and no additional infrastructure is required.

For and on behalf of
Dragon Mining Limited

Competent Persons Statement

The information in this announcement that relates to Ore Reserves is based on information compiled 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. Mr Joe McDiarmid has provided written consent for the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for the Svartliden Gold Mine (Open-Pit and Underground), Vammala Production Centre and Kuusamo Region was previously released to the ASX on the 18 March 2014 – Mineral Resources for the Finland and Sweden Production Centres Updated and 18 March 2014 – Resource Updates Lift Kuusamo Ounces, which can be found at www.asx.com.au. The information in this announcement is based on, and fairly represents information and supporting documentation 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 provided by Mr Trevor Stevenson for the 18 March 2014 – Mineral Resources for the Finland and Sweden Production Centres Updated and 18 March 2014 – Resource Updates Lift Kuusamo Ounces announcements.

Dragon Mining confirms that it is not aware of any new information that materially affects the information included in this announcement regarding Mineral Resources. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the 18 March 2014 announcement on Mineral Resources continue to apply and have not materially changed. Dragon Mining confirms that the form and context in which the Competent Persons findings are presented have not been materially modified.

The information in this announcement that relates to Mineral Resources (Svartliden Gold Mine – Surface Stockpiles) is based on information compiled 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. Mr Trevor Stevenson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists and Mr Matti Talikka MSc (Geology), a Member of the Australasian Institute of Mining and Metallurgy, who are full time employees of the company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Matti Talikka have provided written consent for the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

Appendix 1 – Dragon Mining Gold Mineral Resources as at 31 December 2013.

	Measured			Indicated			Inferred			Total		
	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces	Tonnes	Gold (g/t)	Ounces
Svartliden Production Centre												
Svartliden Gold Mine												
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
Surface Stockpiles	410,000	2.2	30,000	-	-	-	-	-	-	410,000	2.2	30,000
Svartliden Total	**507,000**	**2.5**	**41,800**	**246,000**	**4.2**	**33,400**	**39,000**	**4.9**	**6,200**	**793,000**	**3.1**	**81,300**
Vammala Production Centre												
Orivesi Gold Mine												
Kutema (below 720)	76,000	5.4	13,200	321,000	6.6	68,600	41,000	4.7	6,100	438,000	6.2	87,900
Sarvisuo	43,000	5.7	7,800	60,000	7.6	14,500	46,000	8.0	11,900	149,000	7.2	34,200
Total	**119,000**	**5.5**	**21,000**	**381,000**	**6.8**	**83,100**	**87,000**	**6.4**	**18,000**	**587,000**	**6.5**	**122,100**
Jokisivu Gold Mine												
Kujankallio	163,000	5.3	27,900	270,000	5.5	47,800	230,000	4.7	34,800	663,000	5.2	110,600
Kujankallio- Stockpile	22,000	2.8	1,980	-	-	-	-	-	-	22,000	2.8	1,980
Arpola	3,000	4.3	400	305,000	6.7	65,700	159,000	7.5	38,300	467,000	6.9	103,900
Total	**188,000**	**4.7**	**30,280**	**575,000**	**6.1**	**113,500**	**389,000**	**5.8**	**73,100**	**1,152,000**	**5.8**	**216,480**
Kaapelinkulma Gold Project												
South	**-**	**-**	**-**	84,900	5.6	15,200	29,800	5.2	5,000	114,700	5.5	20,200
North	**-**	**-**	**-**	-	-	-	7,500	3.6	900	7,500	3.6	900
Total				**84,900**	**5.6**	**15,200**	**37,300**	**4.9**	**5,900**	**122,200**	**5.4**	**21,000**
Vammala Total	**307,000**	**5.0**	**51,280**	**1,040,900**	**6.3**	**211,800**	**513,300**	**5.8**	**97,000**	**1,861,200**	**6.0**	**359,580**
Kuusamo Region												
Kuusamo Mine Project – Kuusamo North												
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
Total	**160,000**	**7.4**	**38,000**	**1,812,000**	**4.7**	**272,000**	**935,000**	**4.0**	**119,300**	**2,907,000**	**4.6**	**429,200**
Kuusamo Exploration Province – Kuusamo South												
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
Total				**61,000**	**2.4**	**4,700**	**881,000**	**2.6**	**73,300**	**942,000**	**2.6**	**78,000**
Kuusamo Total	**160,000**	**7.4**	**38,000**	**1,873,000**	**4.6**	**276,700**	**1,816,000**	**3.3**	**192,600**	**3,849,000**	**4.1**	**507,200**
Group Total	**974,000**	**4.1**	**131,800**	**3,159,900**	**5.1**	**521,900**	**2,368,300**	**3.9**	**295,800**	**6,502,200**	**4.5**	**948,180**

Note: Mineral Resources may not sum to equal totals due to rounding.

Appendix 2 – JORC Table 1 Orivesi Gold Mine Ore Reserves

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The various mineralised lodes at the Kutema and Sarvisuo deposits were sampled using surface and underground diamond drill holes (DD) and underground production 'soija' (sludge) holes. Production drilling was undertaken at 4m intervals along development drives, whilst DD holes were drilled at variable spacings but averaged 10-30m spacing in the central portions of the deposit around the underground development, increasing to 30-60m above and below the current working levels. Drill holes were surveyed on the local mine grid. • At Kutema, drill holes used in the resource estimate included 651 surface and underground diamond holes and 4,102 underground production 'soija' (sludge) drill holes for a total of 42,486m within the resource wireframes. The supplied database contained a total of 6,360 records for 160,923m of drilling. The majority of holes were drilled from underground towards grid north and angled in 'fans' to optimally intersect the sub-vertical mineralised zones. • At Sarvisuo, drill holes used in the resource estimate included 320 surface and underground diamond holes, 1,811 underground production 'soija' (sludge) drill holes and 2 reverse circulation holes for a total of 13,270m within the resource wireframes. The supplied database contained a total of 5,692 records for 153,277m of drilling. The majority of holes were drilled from underground towards grid north and angled in 'fans' to optimally intersect the sub-vertical mineralised zones. • All drill hole collar co-ordinates in the Mineral Resource have been accurately surveyed by qualified mine surveyors and tied into the local mine grid. Down hole surveys were undertaken on all exploration and resource development holes. Surveys were generally taken at 3m or 10m intervals down hole using Maxibor or EMS multishot equipment. The majority of surveys were conducted by Suomen Malmi Oy (SMOY). Recent drill holes were surveyed by Nivalan Timanttikairaus Oy using Maxibor II or Gyro equipment. • Drilling at Kutema was conducted by Lohja Oy, Outokumpu and Dragon. Diamond drilling by Lohja and Outokumpu used 45mm diameter core (T56) with sampling at varying intervals based on geological boundaries. Lohja used mainly VTT Laboratory in Finland for assaying. In 1992-2003 (Outokumpu), sample preparation and analysis were undertaken at the local independent laboratory (GAL and later VTT) in the town of Outokumpu using Fire-Assay with AAS or ICP finish. Diamond drilling by Dragon used 39mm, 40.7mm and 50mm core diameter (WL-56, BQTK and NQ2) with sampling and analysis as described above for Outokumpu drilling. In June 2008, the independent sample preparation

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		laboratory in the town of Outokumpu became part of ALS Chemex laboratories. • Drilling at Sarvisuo was conducted by Outokumpu and by Dragon. Diamond drilling by Outokumpu used 62mm and 50mm diameter core (T76, NQ2 or T56) with sampling at varying intervals based on geological boundaries. Half split or full core was sampled and sent for preparation (crushing and pulverising). Sample preparation was undertaken at the local independent laboratory in the town of Outokumpu. Pulverised samples were sent to laboratories: GAL, VTT, GTK, ACME and ALS, all used Fire-Assay with AAS or ICP finish. Diamond drilling by Dragon used 50mm core diameter (NQ2) with sampling and analysis as described above for Outokumpu drilling. In June 2008, the independent sample preparation laboratory in the town of Outokumpu became part of ALS Chemex laboratories.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond or percussion (production sludge) drilling were the primary techniques used at Kutema and Sarvisuo. At Kutema, percussion drilling makes up 81% of the total holes drilled with depths ranging from 1m to 40.5m. Diamond holes make up 19% of the total holes drilled with core diameters varying from 39mm to 50mm. Hole depths range from 10m to 566.5m. At Sarvisuo, percussion drilling makes up 79% of the total holes drilled with depths ranging from 3m to 31.5m. Diamond holes make up 21% of the total holes drilled with core diameters varying from 45mm to 62mm. Hole depths range from 26m to 375m. Two RC holes were also included in the resource, for a total of 8m inside the mineralisation wireframes.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries from diamond core were recorded in the supplied databases. Core was orientated with an average core recovery of greater than 99% at Kutema and 98% at Sarvisuo. Lost core was also routinely recorded. • Diamond core was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. All percussion samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered. • No relationship was noted between sample recovery and grade. The mineralised zones have predominantly been intersected by percussion and diamond core (19% of drill holes within the resource wireframes at Kutema and 21% at Sarvisuo) with good core recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• All holes were logged by company geologists to a high level of detail. Diamond holes were logged for recovery, RQD, number and type of defects. The supplied databases contained tables with information on quartz vein shearing and vein percentage with observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within a separate table.

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	• *The total length and percentage of the relevant intersections logged.*	• Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. It has been standard practice by Outokumpu and Dragon (since 2001), that all diamond core be routinely photographed. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond full-core is usually submitted for sample preparation and assay. In some cases, core is cut in half or quarter using a core saw with half or quarter core is sent for analysis. • Sampling of diamond core uses industry standard techniques. Core sampling was undertaken as intervals from 0.3m to 2.5m based on geological boundaries with the average sample length being around 1.5m. Whole core was generally sent for analysis, although some half core sampling has been carried out. • At Orivesi Mine, sludge drill holes are drilled with Solo rig, diameter of holes is 64 mm. Sludge drill profiles are perpendicular to the strike of ore bodies, and they are spacing 3-5 metres. Dip of sludge drill holes is usually 30-80 degrees upwards. Slurry runs via a specific pipe line to a plastic bucket. After mixing slurry, a big enough sample is taken to a bag. Sample length is 1.5 metres (a length of a rod). After each sample (rod), the hole is washed strongly with water to minimize contamination effect. This kind of sludge drilling has been routinely and successfully applied almost 20 years at Orivesi Mine. Samples are dried in ALS lab, and weight of a dry sample is 3 kg, in the average. Standards and systematic duplicates are not put to the batches of sludge samples. Samples are assayed in ALS Minerals Ltd using Au_AA25 method, values exceeding 50 g/t are checked with Au_GRA21. • Dragon has used systematic standard and pulp duplicate sampling since 2004. Every 20th sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20th sample (sample id ending in -10, -30, -50, -70, -90) is inserted as a pulp duplicate (with the original sample id ending in -09, -29, -49, -69, -89). • Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory*	• From 1992-2002, the Geoanalytical Laboratory in Outokumpu was responsible for all assaying. The whole pulverised core was assayed for Au via Fire Assay using a 40g charge with gravimetric finish using standard methods. From 2002-2003, analysis for Au was undertaken by GTK (50g sub-sample / Pb Fire-Assay / FAAS determination). In addition to Au, some mineralised sections were also analysed for a number of other elements. From June 2003 to April 2006, all pulverized samples were shipped by DHL to Acme Analytical Laboratories Ltd

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	checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	(Vancouver BC, Canada) for Au analysis (30g sub-sample / Pb Fire-Assay / ICP-ES determination). From 2006, all samples were shipped to ALS Chemex (Perth, Australia or more recently Rosia Montana, Romania) for Fire Assay determination (30g subsample) with AAS finish. Recently, for samples analysing above 5ppm, a 50g Fire Assay with GRA finish has been used. Previously, samples exceeding 1g/t or 3g/t Au were re-checked with Fire Assay with GRA finish. The main element assayed was Au, but major and trace elements were analysed on selected drill holes. • No geophysical tools were used to determine any element concentrations used in the Mineral Resource estimates. • Prior to 2004, QAQC programs were restricted to analysis of 41 duplicate samples from drill holes KU-803 to KU-805 at Kutema. Since 2004, a more expansive QAQC program was implemented consisting of systematic duplicate and standard sampling. The program included inserting a duplicate sample every 20th sample and also inserting a standard sample for every 20th sample. ALS Chemex report their internal QAQC results for review by Dragon personnel. Constant monitoring of the standard and duplicate results has been undertaken by Dragon site geologists. The results are considered acceptable.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Mr Trevor Stevenson (formerly - RPM) verified significant intersections of mineralisation on the most recent site visit by viewing diamond core and comparing assay values for those intersections within the Dragon database. • There has been no specific drill program designed to twin existing drill holes. • Primary data is documented on paper logs prior to being digitised using Drill Logger software. • RPM adjusted zero Au grades to half the detection limit.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars and starting azimuths have been accurately surveyed by Dragon mine and exploration surveyors. Down hole surveys were undertaken on all exploration and resource development holes. Surveys were generally taken at 3m or 10m intervals down hole using Maxibor or EMS multi-shot equipment. The majority of surveys were conducted by Suomen Malmi Oy (SMOY). Recent drill holes were surveyed by Nivalan Timanttikairaus Oy using Maxibor II or Gyro equipment. • A local mine grid system was used for the Kutema and Sarvisuo drilling and Mineral Resource estimates. • A topographic surface was not utilised for the Kutema or Sarvisuo block models. The main mineralised lodes commence approximately 720m below the surface at Kutema and 200m below the surface at Sarvisuo, therefore a topographic surface is not required for the Mineral Resources.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Production grade control drilling was undertaken at 4m intervals along development drives, whilst diamond core holes were drilled at variable spacings but averaged 10-30m spacing in the central portions of the deposit around the underground development, increasing to 30-60m above and below the current working levels. • The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. • Samples have been composited to 1.5m lengths using 'best fit' techniques.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of drill holes are underground drill holes and orientated predominantly to an azimuth of grid north and drilled at various angles in a 'fan' array to optimally intersect the sub-vertical orientation of the mineralised trends. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody of samples is managed by Dragon and the process was closely reviewed by Trevor Stevenson (formerly - RPM) during the October 2013 site visit. Dragon personnel or drill contractors transport diamond core to the core logging facilities where Dragon geologists log the core. Samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon employees have no further involvement in the preparation or analysis of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling techniques and data was carried out during the site visit conducted by Trevor Stevenson (formerly - RPM) in October 2013. The conclusion made was that sampling and data capture was to industry standards.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Orivesi Mining Lease covers both the Kutema and Sarvisuo deposits which Dragon is actively mining. • Mine Lease 'SERI' (2676, 39.09 ha).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The gold potential of the area was recognized in the early 1980's as a result of litho-geochemical research work carried out by the Department of Geology, University of Helsinki. Lohja Ab explored the area for gold until 1990 when Outokumpu acquired the property. After a feasibility study was completed, Outokumpu commenced gold production in 1994 based on the estimated ore reserves for the Kutema deposit of 360,000 tonnes at 7 g/t gold. Between

Criteria	JORC Code Explanation	Commentary
		• 1994 and December 2003 the mine produced 1.7Mt of ore grading 9.4 g/t gold (422,000 ounces) from the Kutema Lodes. No mining of the Sarvisuo Lodes was carried out during this period except a small-scale test open pit at Sarvisuo NW in 1994.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kutema and Sarvisuo deposits are Palaeoproterozoic orogenic gold deposits located in the Tampere Schist Belt (TSB). The area is dominated by intermediate, often massive, plagioclase porphyritic metatuffs of dacitic, trachydacitic and andesitic composition. The mineralisation is associated with the Kutema alteration zone and has been interpreted to represent a metamorphosed and deformed high-sulphidation epithermal Au deposit. The mine is located at the south-western edge of the altered metavolcanic sequence. The Sarvisuo Lodes are located approximately 300m east-northeast of the main Kutema ore pipes. The lodes occur as sub-vertical pipe-like structures with extensive vertical continuity.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Recent drilling at Orivesi was primarily underground diamond 'fan' drilling. No exploration results are being reported.
		• The Orivesi Mine has been operating since 1994. In the opinion of Dragon, material drill results have been adequately reported previously to the market as required under the reporting requirements of the ASX Listing Rules.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • No aggregation has been applied to the data. • Metal equivalent values are not being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• The majority of drill holes are underground drill holes and orientated predominantly to an azimuth of grid north and drilled at various angles in a 'fan' array to optimally intersect the sub-vertical orientation of the mineralised trends.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any*	• Exploration results are not being reported. All relevant plans and sections are included in the

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	significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	original Mineral Resource report. • Location type diagrams are included in the announcement.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill hole collars and starting azimuths have been accurately surveyed by Dragon mine and exploration surveyors. Down hole surveys were undertaken on all exploration and resource development diamond drill holes. Surveys were generally taken at 3m or 10m intervals down hole using Maxibor or EMS multishot equipment. The majority of surveys have been conducted by Suomen Malmi Oy (SMOY). Recent drill holes have been surveyed by Nivalan Timanttikairaus Oy using Maxibor II or Gyro equipment. • Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Comprehensive wall and face sampling of development drives is undertaken by Dragon geologists. Results are used to update the resource wireframes but are not incorporated into the Mineral Resource estimate.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Mine development is ongoing. Dragon is undertaking drilling underground at a number of levels to better understand the nature and extent of the gold mineralisation.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Drilling data is initially captured on paper logs and manually entered into a database. Dragon carry out internal checks to ensure the transcription is error free. Laboratory assay results are loaded as electronic files direct from the laboratory so there is little potential for transcription errors. • The data base is systematically audited by Dragon geologists. All drill logs are validated digitally by the geologist once assay results are returned from the laboratory. • RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The most recent site visit was conducted by Joe McDiarmid (RPM) and Trevor Stevenson (formerly - RPM) in October 2013. Drilling, logging, and sampling procedures were viewed and it was concluded that these were being conducted to best industry practice. • Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on*	• The confidence in the geological interpretation at each deposit is considered to be good and is based on previous mining history and visual confirmation in underground walls and faces. • Drill hole logging by Dragon geologists, through

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	Mineral Resource estimation. • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	direct observation of drill core and percussion samples have been used to interpret the geological setting. The bedrock is exposed at surface and within the open pit. • The continuity of the main mineralised lodes is clearly observed by Au grades within the drill holes. The close spaced underground development drilling and face and wall sampling suggest the current interpretation is robust. The nature of the pipe-like structures would indicate that alternate interpretations would have little impact on the overall Mineral Resource estimation. • Mineralisation occurs within the Kutema alteration zone. The lodes occur as sub-vertical pipe-like structures with extensive vertical continuity. The current interpretations are mainly based on Au assay results. • Au mineralisation is related to strongly deformed and silicified zones characterized by shearing, boudinaging, folding and quartz veining during syn- to late-stage deformation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Kutema Mineral Resource area extends over a strike length of 185m (from 5,380mN – 5,565mN), has a maximum width of 100m (from 10,740mE to 10,840mE) and includes the 410m vertical interval from the 700m level to the 1,110m level. • The Sarvisuo Mineral Resource area extends over a strike length of 280m (from 10,955mE – 11,235mE), has a maximum width of 50m (from 5,525mN to 5,575mN) and includes the 760m vertical interval from the 15m level to the 775m level.
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.*	• Inverse Distance Squared (ID^2) interpolation with an oriented 'ellipsoid' search was used for the estimates. Surpac software was used for the estimations. • Three dimensional mineralised wireframes (interpreted by Dragon and reviewed by RPM) were used to domain the Au data. Sample data was composited to 1.5m down hole lengths using the 'best fit' method. Intervals with no assays were excluded from the estimates. • The influence of extreme grade values was addressed by reducing high outlier values by applying top cuts to the data. These cut values were determined through statistical analysis (histograms, log probability plots, cv's, and summary multi-variate and bi-variate statistics) using Supervisor software. • The maximum distance of extrapolation from data points (down dip) was 45m at Kutema and 15m at Sarvisuo. • RPM has not made assumptions regarding recovery of by-products from the mining and processing of the Kutema or Sarvisuo Au Mineral Resources. • An orientated 'ellipsoid' search was used to select

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	• *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	data and was based on the observed lode geometry at each deposit. The search ellipses were orientated to the average strike, plunge, and dip of the main lodes. Three passes were used in the estimations. • At Kutema, the model interpolation was divided above and below the 700m level due to the change in orientation of the main mineralised lode at this level. Above the 700m level, a first pass search radius of 25m was used based on the drill spacing. The search radius was increased to 60m for the second pass. More than 99% of the blocks were filled by the first pass above the 700m level. Below the 700m level, a first pass radius of 25m and a second pass of 60m were used with a minimum number of samples of 10 and 4 respectively. A third pass search radius of 200m was used with 2 the minimum number of samples to fill the model. Only mineralisation below the 720mlevel has been reported. • At Sarvisuo, for the main lodes, the first pass used a range 30m, with a minimum of 10 samples. For the second pass, the range was extended to 60m, with a minimum of 4 samples. A third pass radius of 200m with a minimum of 2 samples was used to fill the model. A maximum of 40 samples was used for all 3 passes. More than 99% of the blocks were filled in the first two passes. • Mineral Resource estimates for the Kutema and Sarvisuo deposits have previously been reported by RPM, with the earliest reported in August 2007 for Kutema and November 2004 for Sarvisuo. The current estimates are based upon data and interpretations from the previous estimates, and have included information from recent underground diamond drilling. Dragon supplied RPM with stope and drift outlines which were used to deplete the current model. • No assumptions were made regarding the recovery of by-products. • No non-grade deleterious elements were estimated. • At Kutema the parent block dimensions used were 5m NS by 10m EW by 10m vertical with sub-cells of 1.25m by 2.5m by 2.5m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing. • At Sarvisuo the parent block dimensions used were 2m NS by 10m EW by 10m vertical with sub-cells of 0.5m by 2.5m by 2.5m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing. • The block model size used in the Mineral Resource estimate was based on drill sample spacing and lode geometry. Selective mining units were not modelled. • Only Au assay data was available, therefore

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		correlation analysis was not carried out. • At Kutema from the interpretations provided, it appears that a combination of Au grade, lithology and structure has been used to define the margins of the mineralised zones based on a nominal 0.6-1.0g/t Au cut-off. The wireframes were applied as hard boundaries in the estimate. • At Sarvisuo from the interpretations provided, it appears that a combination of Au grade, lithology and structure has been used to define the margins of the mineralised zones with no particular cut-off grade and no minimum width. This has resulted in numerous intersections being included in the wireframes where the Au grade is extremely low, and where the intersection length is very small. However, in most cases the minimum grade of 0.5g/t Au was used as a limit value when the envelopes of mineralisation were digitised. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on the composited data. The high coefficient of variation within some main lodes, and the scattering of high grade outliers observed on the histograms, suggested that top cuts were required if linear grade interpolation was to be carried out. • A three step process was used to validate the models. A qualitative assessment was completed by slicing sections through the block models in positions coincident with drilling. A quantitative assessment of the estimates was completed by comparing the average Au grades of the composite file input against the Au block model output for all the mineralised wireframes. A trend analysis was completed by comparing the interpolated blocks to the sample composite data within the main lodes. This analysis was completed for eastings and elevations across both deposits. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 3g/t Au cut-off. The 3g/t Au cut-off is used as a conservative cut-off due to the higher cost of mining at the Kutema Deeps deposit.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Kutema and Sarvisuo deposits are currently being mined as part of the Orivesi Gold Mine using underground methods.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to*	• RPM has made no assumptions regarding metallurgical amenability. Ore from Orivesi is processed at the Vammala Plant through a conventional gravity and flotation circuit.

Criteria	JORC Code Explanation	Commentary
	consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Only the flotation circuit is used for the Sarvisuo and Kutema ore due to the fine-grained gold material type.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made by RPM regarding possible waste and process residue disposal options.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A bulk density value of 2.80t/m^3 was assigned to all material (ore and waste) based on 87 core measurements and many years of mining experience at the Orivesi Mine (Kutema and Sarvisuo deposits). • Bulk density is measured. Moisture is accounted for in the measuring process. It is assumed there are minimal void spaces in the rocks at Kutema and Sarvisuo. • All material at the Kutema and Sarvisuo deposits is fresh rock and has been assigned the value of 2.80t/m^3.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). • The Kutema and Sarvisuo Mineral Resources were classified on the basis of sample spacing and continuity of the interpreted zones. The Measured portion of the deposits was defined for the main mineralised zones where there was extensive underground level development and sludge drilling. The Indicated Mineral Resource was defined within areas of reasonably close spaced diamond drilling (less than 30m by 30m) due to the good continuity and predictability of the lode positions. The Inferred Mineral Resource included areas of the deposits where sampling was greater than 30m by 30m, small isolated pods of mineralisation outside the main mineralised zones and geologically complex zones. • The input data is comprehensive in its coverage of the mineralisation at each deposit and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing robust models of mineralised domains. The models have been confirmed by infill drilling which supported the interpretation. Validation of the block models shows good correlation of the input

Criteria	JORC Code Explanation	Commentary
		data to the estimated grades. The drilling and sampling processes used by Dragon are 'best practice' and certified laboratories have been used for Au analyses of samples. The input data is considered reliable and suitable for use in the Mineral Resource estimates. • The Mineral Resource estimates appropriately reflect the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Kutema and Sarvisuo Mineral Resource estimates have been reported with a high degree of confidence. The lode geometry and continuity has been verified through sampling and mapping of underground drives, and through infill drilling orientated to optimally intersect the lodes. Dragon has a good understanding of the geology and mineralisation controls gained through mining at the Orivesi Gold Mine by various parties since 1992. • The Mineral Resource statements relate to global estimates of tonnes and grade and have been estimated to include depletion due to mining operations. • Results from chip samples taken along underground development drives have confirmed the lode geometry and position.

Section 4: Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resources for the Kutema and Sarvisuo deposits were reported by RPM (formerly Runge) in November 2013. The resource statements are signed by Mr Trevor Stevenson who is a former employee of RPM and an AusIMM Fellow with sufficient relevant experience to qualify as a Competent Person. • The Mineral Resources are inclusive of these Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was undertaken at the Orivesi Mine by Mr Trevor Stevenson and Mr Joe McDiarmid in October 2013.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Orivesi is an operating mine The mine was initially operated by Outokumpu from 1994 to 2003 and again by Dragon since 2007. Geological studies are being updated as more data is obtained. Mining studies are continually being updated by a budgeting process. • Standard modifying factors as stated below were used for underground mining.

Criteria	JORC Code Explanation	Commentary
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• An ore cut-off grade of 4.7 g/t Au for in-situ ore (4.1 g/t Au for ROM ore) was calculated based on the gold price of US$1250 per ounce, historical costs, mining and metallurgical factors.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The mining operations is ongoing, the key mining factors applied are based on current mining operations reconciliations and the following: - Gold metal price US$1,250/ounce - Total Ore treatment of €13/t - Exchange Rate of USD/EURO 1.36 - Gold processing recovery 78% - Processing throughput 300ktpa • An ore Recovery Factor of 100% and a Dilution Factor of 10% have been determined from historic experience, these are based after the stope shapes volumes have been calculated. Some of the stope shapes include waste and zero grade inferred resources. • Inferred Mineral Resources have been considered as waste in the ore reserve estimation process. • All required infrastructure is present or proposed (such as ventilation raises) as this is an ongoing operation.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Material from the Orivesi Gold Mine is processed through a gravity and flotation plant at Vammala with a gold concentrate being produced which is sold for further processing. • The metallurgical process is well tested having been in operation for a number of years. • The metallurgical recovery is estimated at 78% based on the historical performance of the plant. • Bulk samples are not required for further metallurgical testing.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• As an ongoing operation no adverse environmental conditions are anticipated, the mine is currently operating with environmental approval.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power,*	• Existing site infrastructure is in place, no additional infrastructure is required.

Criteria	JORC Code Explanation	Commentary
	water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Only sustaining capital has utilised calculated from historic information. • The operational costs have been based on historical costs. • Allowances for deleterious elements and concentrate treatment have been made in the economic model. • A gold price was provided by Dragon and confirmed by RPM as reasonable using published metal price forecasts. • A exchange rate of USD/EURO 1.36 was provided by Dragon and validated by internal RPM data bases. • Transport charges are based on current site operating conditions. • Treatment and refining charges have been applied as per ongoing experience. • Minimal royalties are payable to the landowner.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• A gold price of US$1,250 was provided by Dragon and and confirmed by RPM as reasonable using published metal price forecasts. • A exchange rate of USD/EURO 1.36 was provided by Dragon and validated by internal RPM data bases.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The demand for gold is considered in the gold price used • It was considered that gold will be marketable for beyond the processing life of these reserves. • The commodity is not an industrial metal
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• Considering that this project has been viable and operating since 2007 the inputs into the economic modeling are based on this historic information. RPM believes that the confidence of the economic modelling is appropriate for classifying Reserves. • The NPV is most sensitive to the gold price. The range of -10% to +10% (commodity price change) indicates an NPV change of -164% to +164%.at a discount factor of 10%pa. The breakeven gold price is about USD 1174/oz. Either operating costs or exchange rates can change by 8% and the operation is still economic.
Social	• *The status of agreements with key stakeholders*	• Operations have been in place since 2007 and

Criteria	JORC Code Explanation	Commentary
	and matters leading to social licence to operate.	enjoys a good relationship with the local community.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Ingress of water and geotechnical issues are addressed by site. • All legal and marketing arrangements are in good standing. • Government agreements and approvals are in line with current operations.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Ore Reserve is classified as Proved and Probable in accordance with the JORC Code, corresponding to the resource classifications of Measured and Indicated. • The deposit's geological model is well constrained. The Ore Reserve classification is considered appropriate given the nature of the deposit, the moderate grade variability, drilling density, structural complexity and mining history. • About 21kt of Measured Mineral Resources were downgraded to Probable Ore Reserves due to the stopes containing significant Indicated material. No Inferred Mineral Resources were included in the Ore Reserve estimate.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• RPM has completed an internal review of the Ore Reserve estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These*	• RPM has used mine design practices and estimates based on the operational factors that have occurred throughout the mines life since 2007. No statistical analysis procedures have been applied. • The Ore Reserve report is a global assessment of the Orivesi Gold Mine based on the assumption that the operation will continue in operation. • The accuracy and confidence limits are based on the current designs and cut-off grade analysis employed in the economic evaluation. Material changes to the economic assumptions including the operating assumption and the revenue factors may materially impact the accuracy of the estimate. • The Ore Reserve has utilised all parameters provided by site as made available.

Criteria	JORC Code Explanation	Commentary
	statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

Appendix 3 – JORC Table 1 Jokisivu Gold Mine Ore Reserves

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The various mineralised lodes at the Arpola and Kujankallio deposits were sampled using surface diamond, RC, and percussion drill holes, surface trench sampling, and face chip sampling from underground development drives. • Drill hole collars and starting azimuths have been accurately surveyed by various contract surveyors. Dip values were measured at 10m intervals down hole by drillers using conventional equipment. Azimuth deviations of the deepest holes were surveyed with Reflex Maxibor or EMS multi-shot equipment. Drill samples were taken at geological intervals with average sample lengths of 1m. Face and wall samples were taken from development drives within ore zones. • Drilling was conducted by GTK, Outokumpu and by Dragon. Diamond drilling by GTK and Outokumpu used 45mm core diameter (T56) with sampling at varying intervals based on geological boundaries. Half-split core was sampled and sent for preparation (crushing and pulverising) and assaying at Outukumpu's laboratory where samples were analysed using a Fire-Assay method with AAS or ICP finish. Since 2000, diamond drilling by Outokumpu and Dragon used 62mm and 50mm diameter core (T76 or NQ2) with sampling and preparation as described above. Sample preparation was undertaken at the local independent laboratory in Outokumpu. Pulverised samples from drilling programs over the period 2000 to mid-2003 were assayed for Au using a 50g Fire Assay with AAS or ICP finish at VTT laboratory (Outokumpu town) and GTK's laboratory (Espoo and Rovaniemi). In addition to Au, some mineralised sections were assayed by ACME Analytical Laboratories (Vancouver, Canada) for a multi-element suite by ICP-MS method. From the start of 2008 to the present, analysis of Dragon's pulverised core was completed at ALS Chemex Laboratory (Rosia Montana, Romania) for Au using a 30g Fire Assay with AAS finish. In 2008, any Au values exceeding 3ppm were checked with Fire Assay using gravimetric finish. In the 2009 grade control program, Au values in diamond core and percussion samples in excess of 5ppm and 50ppm respectively were checked using Fire Assay with gravimetric finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond, percussion, and reverse circulation (RC) were the primary drilling techniques used at Arpola and Kujankallio. Mini drill holes were also used historically. Diamond holes make up 54% of the total holes drilled at the Arpola deposit with core diameters varying from 45mm to 62mm. Hole depths ranged from 8m to 284m. Diamond holes make up 32% of the total holes drilled at the Kujankallio deposit with core diameters varying from 45mm to 62mm. Hole depths ranged from 11m to 584m. Recoveries from diamond core were recorded as RQD figures in the supplied database. A total of 46,352 records for the Jokisivu project were

Criteria	JORC Code Explanation	Commentary
		supplied with an average value of 91.7. Core was orientated using Reflex tools. Runs of diamond core were placed in cradles by Dragon geologists and marked up with an orientated centre line prior to logging. Lost core was also routinely recorded. • RC drilling makes up 32% of the total holes drilled at Arpola with depths ranging from 4m to 49m. Percussion drilling makes up 5% of the drill holes with depths ranging from 4m to 15m. Trench or channel sampling accounts for 8% of the 'drilling' at the deposit with sampling at intervals from 0.3m to 10.5m. A total of 22 chip samples were taken through development drives at Arpola with sampling lengths from 0.1m to 15m. • RC drilling makes up 4% of the total holes drilled at Kujankallio with depths ranging from 8m to 85m. Percussion drilling makes up 61% of the drill holes with depths ranging from 1m to 17m. Trench or channel sampling accounts for less than 2% of the 'drilling' at the deposit with sampling at intervals from 0.3m to 10.5m. A total of 677 chip samples were taken through development drives at Kujankallio with sampling lengths from 0.04m to 24.75m.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond core was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. All percussion and RC samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered. • No relationship was noted between sample recovery and grade. The mineralised zones have predominantly been intersected by diamond core with generally good core recoveries. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were logged by company geologists to a high level of detail. • Diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information on quartz vein shearing and vein percentage with observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within separate tables. • Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging was a mix of qualitative and quantitative observations. It has been standard practice by Dragon (since 2001), that all diamond core be routinely photographed. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary*	• Diamond core is cut in half using a core saw with half core submitted for assay. In some cases, quarter core is sent for analysis.

Criteria	JORC Code Explanation	Commentary
	split, etc and whether sampled wet or dry. • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Open pit percussion drill samples were collected at 1m intervals. Samples were collected at the rig, representing cutting's coarse fraction. The whole sample was collected and split at the laboratory's sample handling facility. Samples were predominantly dry. Percussion drilling was halted immediately if groundwater was encountered. Drilling was through bedrock from surface. Sampling of diamond core and RC chips uses industry standard techniques. After drying the sample was subject to a primary crush, then pulverised so that 85% passes a -75um sieve. • Underground sludge holes at Kujankallio and Arpola were sampled at 1m intervals. The collected sample represents the whole drilled bulk material. Sample material was collected directly from the hole into a large plastic bucket. Sludge holes were not included in the supplied database and were not used in the Mineral Resource estimate. • Dragon has used systematic standard and pulp duplicate sampling since 2004. Every 20th sample (sample id ending in -00, -20, -40, -60, -80) is submitted as a standard, and every 20th sample (sample id ending in -10, -30, -50, -70, -90) is inserted as a pulp duplicate (with the original sample id ending in -09, -29, -49, -69, -89). • Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The predominant assay method for drill samples was by Fire Assay with AAS or ICP finish (30g or 50g pulps). From 2008, samples reporting greater than 5ppm were checked using a gravimetric finish. Trench samples were analysed using Aqua-Regia digestion with ICP-MS analysis. The main element assayed was Au, but major and trace elements were analysed on selected drill holes with analysis undertaken at ACME Analytical Laboratories (Vancouver, Canada). • No geophysical tools were used to determine any element concentrations used in this resource estimate. • Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. The various programs of QAQC carried out by various companies over the years have produced results which support the sampling and assaying procedures used at the various deposits. • A total of 5 different certified reference materials representing a variety of grades from 1.34g/t to 18.12g/t were inserted systematically since 2004 for a total of 1,387 samples. Results highlighted

Criteria	JORC Code Explanation	Commentary
		that the sample assays are accurate, showing no obvious bias. • A total of 185 blank samples at Arpola and 782 at Kujankallio were submitted during the drill programs. Results show that no contamination has occurred. • Field duplicate analyses (585 at Arpola and 2,095 at Kujankallio) honour the original assay and demonstrate best practice sampling procedures have been adopted.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Mr Trevor Stevenson (formerly - RPM) verified significant intersections of mineralisation on the most recent site visit by viewing diamond core and comparing assay values for those intersections within the Dragon database. • There has been no specific drill program designed to twin existing drill holes. • Primary data was documented on paper logs prior to being digitised using Drill Logger software. From 2008 data has been documented on Excel spreadsheets and printed on paper copies. • RPM adjusted Au results to half the analytical detection value where negative values were encountered in the supplied data. This was only done for values such as -0.01 to -0.03. Values were not altered where a -1 was encountered. These entries (three in total) did not occur within the resource.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars and starting azimuths have been accurately surveyed by various contract surveyors. Down hole dip values were recorded at 10m intervals by the drillers using conventional equipment. The azimuth deviations of the deepest holes have been surveyed with Maxibor equipment. All drilling from 2010 has been surveyed using the Maxibor equipment. • Drill hole locations were positioned using the Finnish National Grid System (FIN KKJ2, 2003) with survey control established by Suomen Malmi Oy. A local mine grid is used at the Jokisivu Mine and all resource modelling was done using the local grid co-ordinates. • The topographic surface over the Jokisivu Mine was provided to RPM by Dragon and was prepared by Dragon using topographic contours from digi-form maps. Surveyed data points from drill hole collars and trench samples were used to create a more accurate surface immediately above the mineralised lodes. The Arpola and Kujankallio open pits were supplied to RPM and were generated from mine survey pickups.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• At Arpola drill holes have been located at 5m by 10m through the shallow portions of the mineralised lodes. The nominal spacing across the deposit is at 20m by 20m. • At Kujankallio the majority of drill holes have been located on 10m oblique sections and at 5m spacing on each section. Sludge holes are generally spaced at 10m intervals along development drives.

Criteria	JORC Code Explanation	Commentary
		• The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. • Samples have been composited to 1m lengths using 'best fit' techniques.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are orientated predominantly to the south (local mine grid) and drilled at an angle which is approximately perpendicular to the orientation of the mineralised trends. • At Kujankallio underground 'fan' drilling is at variable dips and directions dependant on the drill site within the drives and is orientated to optimally intercept the mineralised lodes. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody of samples is managed by Dragon and the process was closely viewed by Trevor Stevenson (formerly - RPM) during the October 2013 site visit. Dragon personnel or drill contractors transport diamond core to the logging facilities where Dragon geologists log the core. Since 2008, core samples have been cut by ALS laboratory personnel. Samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon employees have no further involvement in the preparation or analysis of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling techniques and data was carried out during the site visit conducted by Trevor Stevenson (formerly RPM) in October 2013. The conclusion made was that sampling and data capture was to industry standards.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Jokisivu Mining Lease covers both the Arpola and Kujankallio deposits which Dragon are actively mining. • Mining Lease 'JOKISIVU' (7244 1a-1b, 48.57 ha)
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Arpola and Kujankallio deposits were discovered by Outokumpu Mining Oy.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Palaeoproterozoic orogenic gold deposit comprising two major ore bodies (Kujankallio and Arpola) in a diorite. • Mineralisation is hosted within relatively undeformed and unaltered diorite in 1m to 5m wide shear zones that are characterised by laminated, pinching, and swelling quartz veins.
Drill hole	• *A summary of all information material to the under-*	• Recent drilling at the Arpola deposit was primarily

Criteria	JORC Code Explanation	Commentary
information	*standing of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	open pit RC drilling at 5m by 10m spacing. No exploration results are being reported. • Recent drilling at the Kujankallio deposit was primarily underground diamond 'fan' drilling from two locations at depth. No exploration results are being reported. • The Jokisivu Gold Mine has been operating since 2009. In the opinion of Dragon, material drill results have been adequately reported previously to the market as required under the reporting requirements of the ASX Listing Rules.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • No aggregation has been applied to the data. • Metal equivalent values are not being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• Drill holes at Arpola were orientated predominantly to an azimuth of 180° (local mine grid) and angled to an average dip of approximately -50° which is approximately perpendicular to the orientation of the mineralised trends. The narrow mineralised zones strike at approximately 280° (local grid) and are variably dipping between 45° and 65° to the north (local grid). • The majority of drill holes at Kujankallio were orientated predominantly to an azimuth of 198° (local mine grid) and angled to an average dip of approximately -60° which is approximately perpendicular to the orientation of the mineralised trends. • The main Kujankallio lode strikes at approximately 280° (local grid) and dips at 40° to the north (local grid). Lodes within the 'hinge zone' strike approximately at 165° and dip to the east (local grid) at approximately 45°. Four lodes to the north-west strike at 015° and dip at 45° to the east.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Exploration results are not being reported. All relevant plans and sections are included in the original Mineral Resource report. • Location type diagrams are included in the announcement.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should*	• Drill hole collars and starting azimuths have been accurately surveyed by Dragon mine and exploration surveyors. Down hole surveys were undertaken on all exploration and resource development diamond drill holes. Surveys were generally taken at 3m or 10m intervals down hole using Maxibor or EMS multishot equipment. The majority of surveys have been conducted by

Criteria	JORC Code Explanation	Commentary
	be practiced to avoid misleading reporting of Exploration Results.	Suomen Malmi Oy (SMOY). Recent drill holes have been surveyed by Nivalan Timanttikairaus Oy using Maxibor II or Gyro equipment. • Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Face and wall chip sampling, and underground sludge drill holes have been undertaken as the Jokisivu development continues. These samples were not included in the Mineral Resource estimate but were used by Dragon to guide the mineralisation interpretations.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Mine development is ongoing. Dragon is undertaking drilling underground at a number of levels to better understand the nature and extent of the gold mineralisation.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Drilling data is initially captured on Excel spreadsheets and manually entered into a database. Dragon carry out internal checks to ensure the transcription is error free. Laboratory assay results are loaded as electronic files direct from the laboratory so there is little potential for transcription errors. • The data base is systematically audited by Dragon geologists. All drill logs are validated digitally by the geologist once assay results are returned from the laboratory. • RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. Minor errors were noted but pertain to data outside the resource.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The most recent site visit was conducted by Joe McDiarmid (RPM) and Trevor Stevenson (formerly - RPM) in October 2013. Drilling, logging, and sampling procedures were viewed and it was concluded that these were being conducted to best industry practice.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Arpola deposit comprises a set of multiple thin, discontinuous structures modelled as sub-parallel lodes in a tight array. The lodes are hosted within a sheared quartz diorite unit. Open pit mining and underground development has increased the level of confidence in the current interpretations. • The Kujankallio deposit comprises a set of parallel lodes of varying thickness and grade hosted in a shear zone striking west-north-west. The shears are characterised by laminating, pinching, and swelling quartz veins and a well-developed, moderately plunging lineation. The lodes are hosted within a sheared quartz diorite unit. Ongoing underground development has increased the level of confidence in the current interpretations.

Criteria	JORC Code Explanation	Commentary
		• Drill hole logging by Dragon geologists, through direct observation of drill core and percussion samples have been used to interpret the geological setting. The bedrock is exposed at surface and within the open pit. • The continuity of the main mineralised lodes is clearly observed by Au grades within the drill holes. The close spaced drilling (5m) at shallow depths, and ongoing face and wall sampling, suggest the current interpretation is robust. The majority of the mineralisation has been captured within the current interpretations of thin parallel lodes. Alternate interpretations would have little impact on the overall Mineral Resource estimation. • Mineralisation occurs within quartz diorite which is directly observed at surface. Vein percent has been used in geological logging to highlight mineralised intersections. The current interpretations are mainly based on Au assay results. • Gold mineralisation is contained within quartz veins occurring within the barren host rocks.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Arpola resource area extends over a combined strike length of 350m from 6,065mE to 6,415mE and includes the vertical extent of 215m from 18mRL to -233mRL. • The Kujankallio resource area extends over strike length of of 650m (from 5,650mE to 6,300mE local grid) and includes the 545m vertical interval from 0m to -545m.
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade*	• Inverse Distance Squared (ID^2) interpolation with an oriented 'ellipsoid' search was used for the estimate. Surpac software was used for the estimations. • Three dimensional mineralised wireframes (interpreted by Dragon and checked by RPM) were used to domain the Au data. Sample data was composited to 1m down hole lengths using the 'best fit' method. Intervals with no assays were excluded from the estimates. • The influence of extreme grade values was addressed by reducing high outlier values by applying top-cuts to the data. These cut values were determined through statistical analysis (histograms, log probability plots, cv's, and summary multi-variate and bi-variate statistics) using Supervisor software. • The maximum distance of extrapolation from data points (down dip) was 20m. • RPM has not made assumptions regarding recovery of by-products from the mining and processing of ore at the Arpola or Kujankallio deposit. • No estimation of deleterious elements was carried out. Only Au was interpolated into the block model.

Criteria	JORC Code Explanation	Commentary
	cutting or capping. • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• An orientated 'ellipsoid' search was used to select data and was based on the observed lode geometry. The search ellipse was orientated to the average strike, plunge, and dip of the main lodes. • Three passes were used in the estimation of both deposits. • For the main lodes at Arpola, the first pass used a range 30m (or 45m for the ex-Kujankallio lodes), with a minimum of 10 samples. For the second pass, the range was extended to 60m, with a minimum of 10 samples. A third pass radius of 90m with a minimum of two sample was used to fill the model. A maximum of 32 samples was used for all 3 passes. Greater than 97% of the blocks were filled in the first two passes. • At Kujankallio the first pass used a range 45m with a minimum of 10 samples. For the second pass, the range was extended to 60m, with a minimum of 6 samples. A third pass radius of 150m with a minimum of two samples was used to fill the model. A maximum of 40 samples was used for all 3 passes. Greater than 91% of the blocks were filled in the first two passes. • Mineral Resource estimates for the Arpola deposit have previously been reported by RPM, with the earliest reported in July 2010. The current estimate is based upon data and interpretations from the previous estimates, and has included information from recent surface drilling and underground sampling. The Arpola deposit forms part of the Jokisivu Gold Mine. Recent underground development has occurred at Arpola. Dragon supplied RPM with stope and drift outlines which were used to deplete the current model. • Mineral Resource estimates for the Kujankallio deposit have previously been reported by RPM, with the earliest reported in February 2010. The current estimate is based upon data and interpretations from the previous estimates, and has included information from recent underground diamond drilling. • Dragon supplied RPM with stope and drift outlines which were used to deplete the current Arpola and Kujankallio models. • No assumptions were made regarding the recovery of by-products. • No non-grade deleterious elements were estimated. • At Arpola the parent block dimensions used were 2m NS by 10m EW by 5m vertical with sub-cells of 0.5m by 2.5m by 1.25m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing. • At Kujankallio the parent block dimensions used were 2m NS by 5m EW by 5m vertical with sub-cells of 0.5m by 1.25m by 1.25m. The parent block size was selected on the basis of being

Criteria	JORC Code Explanation	Commentary
		approximately 50% of the average drill hole spacing. • Selective mining units were not modelled. The block size used in the resource model was based on drill sample spacing and lode orientation. • Only Au assay data was available, therefore correlation analysis was not carried out. • The Arpola and Kujankallio deposits mineralisation was constrained by wireframes constructed using a combination of Au grade, lithology, and structure. No minimum intercept length was used, and a lower grade cut-off was not applied although, in most cases, the minimum grade of 0.5g/t Au at Arpola and 1.0g/t Au at Kujankallio was used as a limit. The wireframes were applied as hard boundaries in the estimate. • Top-cuts were applied to the data. Statistical analysis was carried out on data from each lode. The high coefficient of variation within some main lodes, and the scattering of high grade outliers observed on the histograms, suggested that top-cuts were required if linear grade interpolation was to be carried out. • To validate the model, a qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average Au grades of the composite file input against the Au block model output for all the resource objects. A trend analysis was not completed for the current Arpola estimate as RPM performed this check for the 2012 estimate and the majority of lodes have remained unaltered for this current update. At Kujankallio trend analysis was completed by comparing the interpolated blocks to the sample composite data within the main lodes. This analysis was completed for eastings and elevations across the deposit. • Validation plots showed good correlation between the composite grades and the block model grades at both deposits.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 3g/t Au cut-off. The 3g/t Au cut-off is used as a conservative cut-off due to the higher cost of mining at the Kutema Deeps deposit.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Arpola and Kujankallio deposits are currently being mined using the underground open stoping method.

Criteria	JORC Code Explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• RPM has made no assumptions regarding metallurgical amenability. Ore from Jokisivu is processed at the Vammala Plant through a conventional gravity and flotation circuit.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made by RPM regarding possible waste and process residue disposal options.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A bulk density value of 2.8t/m^3 was used for fresh material (both mineralised and waste material), based on recent open pit and underground mining at Jokisivu, and historical drill core testwork
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). • The Arpola resource was classified as Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. The Indicated portion of the resource included the area defined by surface trenching, to a depth of 20m. Other areas where the drill spacing was less than 20m by 20m and lode continuity was good were also classified as Indicated. The remainder of the deposit defined by drilling at greater than 20m spacing and where lode continuity was less certain was classified as Inferred Mineral resource. • The Kujankallio resource was classified as Measured, Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. The Measured Mineral Resource has been defined by extensive open cut and underground grade control drilling (10m strike spacing), surface trenching and underground mapping which has confirmed the geological and grade continuity of the

Criteria	JORC Code Explanation	Commentary
		mineralisation. The Indicated Mineral Resource was defined within areas of reasonably close spaced diamond drilling (less than 30m by 30m) due to the good continuity and predictability of the lode positions. The Inferred Mineral Resource included areas of the resource where sampling was greater than 30m by 30m, small isolated pods of mineralisation outside the main mineralised zones and geologically complex zones. • The mineralised lodes interpreted at Arpola and Kujankallio are based on a high level of geological understanding of similar deposits currently being mined by Dragon. The drilling and sampling processes used by Dragon are 'best practice' and certified laboratories have been used for Au analyses of samples. The input data is considered reliable and suitable for use in the resource estimates. • The Mineral Resource estimates appropriately reflect the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Arpola and Kujankallio Mineral Resource estimates have been reported with a high degree of confidence. The lode geometry and continuity has been verified through sampling and mapping of underground drives, and through infill drilling orientated to optimally intersect the lodes. Dragon has a good understanding of the geology and mineralisation controls gained through mining of the deposit since 2009. • The Mineral Resource statement relates to global estimates of tonnes and grade. • Results from chip samples taken along underground development drives have confirmed the lode geometry and position.

Section 4: Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resources for the Arpola and Kujankallio deposits were reported by RPM (formerly Runge) in November and December 2013 respectively. The resource statement is signed by Mr Trevor Stevenson who is a former employee of RPM and an AusIMM Fellow with sufficient relevant experience to qualify as a Competent Person. • The Mineral Resources are inclusive of these Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• A site visit was undertaken at the Jokisivu Mine by Mr Trevor Stevenson and Mr Joe McDiarmid in October 2013.

Criteria	JORC Code Explanation	Commentary
	• *If no site visits have been undertaken indicate why this is the case.*	
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Jokisivu is an operating mine with a history of mining in the types of development and stopes included in the Ore Reserves. The Mineral Resources have been converted to Ore Reserves by means of Life of Mine development and stoping plan together with economic model preparation. Material, even if within the Mineral Resources that have not been planned to be mined at this stage have not been included in the Ore Reserves. Standard modifying factors as stated below were used for underground mining.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• An ore cut-off grade of 4.5 g/t Au for in-situ ore (3.2 g/t Au for ROM ore) and 0.9 g/t Au for stockpiled material was calculated based on the gold price of US$1250 per ounce, historical costs, mining and metallurgical factors.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Reconciliation of past production for this mine has indicated that the Dilution factor is about 33% when applied to the designed shapes to be mined based on the Mineral Resource model. Similarly the Recovery Factor has been calculated to be 86% for the 2013 production. • Inferred Mineral Resources contained within the mined areas has been minimal. The grade of such material has been set to zero. • The chosen method of mining is by sub-level stoping. A portion of the deposit appears in discrete areas suitable for limited sized open stopes. Maximum back exposure is therefore limited assisting in the stability of the stopes. • The only optimisation of the stoping is to exclude potential stopes that do not meet the cut-off grade requirements and areas that require excessive development to bring them into production. • The mining dilution factor adopted is 33%. • The mining recovery factor adopted is 86% of the metal within the defined shapes. • A minimum mining width of 5m is adopted. • Inferred Mineral Resources may be included within stope shapes but the assigned grade to this material is zero. • This is an existing operation where additional infrastructure is not required.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for*	• The material from the Jokisivu mine is campaign treated through the Vammala Plant located 40km to the north east of the mine. • The Vammala Plant has a crushing, milling, gravity and flotation circuits producing gold and a gold concentrate that is then smelted at the Harjavalta smelter located 60km to the west. • The Jokisivu material from underground sources has been treated over a two year period, thus further metallurgical testing or pilot plant testing is deemed un-necessary.

Criteria	JORC Code Explanation	Commentary
	deleterious elements. • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Metallurgical recovery of 5% through the gravity circuit and 75% through the flotation circuit resulting in an 80% overall mill recovery. • Smelter fees and penalties have been included in the economic model.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The operation at the mine and processing centre are controlled by Environmental Permits. The Environmental Permit for Vammala is still pending.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• This is an existing operation where additional infrastructure is not required.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Only sustaining capital has been utilised calculated from historic information. • The operational costs have been based on historical costs. • Allowances for deleterious elements and concentrate treatment have been made in the economic model. • A gold price of US$1,250 per ounce was provided by Dragon and confirmed by RPM as reasonable using published metal price forecasts. • An exchange rate of USD/EURO 1.36 was provided by Dragon and validated by internal RPM data bases. • Transport charges as per the current operation have been allowed to cart the ore from the mine to the processing plant. Processing costs etc. have been based on ongoing actual costs. • There is no government royalty on gold mining in Finland. However Polar Mining Oy the precursor to Dragon Mining negotiated an agreement with a land owner to pay a nominal sum for material mined on his land. A review of the remaining Reserves indicate that approximately 14,500 t are included in the Reserves representing a small payment which is insignificant but included in the economic assessment.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• A gold price of US$1,250 per ounce was provided by Dragon and confirmed by RPM as reasonable using published metal price forecasts. • A exchange rate of USD/ EURO 1.36 was provided by Dragon and validated by internal RPM data bases.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*	• The demand for gold is considered in the gold price used. • It was considered that gold will be marketable for

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	• *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	beyond the processing life. • The processing forecast and mine life are based on life of mine plans. This mine shares the 300ktpa Vammala Plant with its sister operation at Orivesi located 120km to the north east. Actual throughput will depend on availability of ore from both operations. The plant is generally batch fed from one or the other ore sources. • The commodity is not an industrial metal.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The operation has made an operating profit, however the company has made losses over the last couple of years primarily due to exploration expenditure not related to this operation. The base case results in a positive NPV (@10% DCF). The NPV is most sensitive to the gold price. The NPV at a discount factor of 10%pa changes by +/- 28% with a +/-10% change in gold price. A change in mill feed grade changes the NPV by +/-25%. An operating cost change of +/-10% results in a +/-15% change in NPV.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Operations have been in place since 2009 and enjoys a good relationship with the local community.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Ingress of water and geotechnical issues are addressed by site. • All legal and marketing arrangements are in good standing. • Government agreements and approvals are in line with current operations.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Ore Reserve is classified as Probable in accordance with the JORC Code, corresponding to the resource classifications of Measured and Indicated and taking into account other factors. • The deposit's geological model is well constrained. The Ore Reserve classification is considered appropriate given the nature of the deposit, the moderate grade variability, drilling density, structural complexity and mining history. • All Measured Mineral Resources were downgraded to Probable Ore Reserves. No Inferred Mineral Resources were included in the Ore Reserve estimate. Approximately 1/3 of the Reserve is based on the Measured Mineral Resource classification.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• RPM has completed an internal review of the Ore Reserve estimate.
Discussion of relative accuracy/	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed*	• RPM has used mine design practices and estimates based on the operational modifying factors that have occurred throughout the

Criteria	JORC Code Explanation	Commentary
confidence	*appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	underground mines production life since 2012. No statistical analysis procedures have been applied. • The Ore Reserve report is a local assessment of the Underground and stockpile position for the Jokisivu Gold Mine based on the assumption that it will continue to be mined. • The accuracy and confidence limits are based on the current designs and cut-off grade analysis employed in the economic evaluation. Material changes to the economic assumptions including the operating assumption and the revenue factors may materially impact the accuracy of the estimate. Over the last year this mine has had a an 86% Ore Recovery factor and Dilution factor of 33% that impacts on the relative accuracy of the estimates hence the down-rating of the Reserve category to Probable. • The Ore Reserve has utilised all parameters provided by site as made available.

Appendix 4 – JORC Table 1 Svartliden Gold Mine Ore Reserves

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The various mineralised lodes at the Svartliden deposit were sampled using surface and underground diamond drill holes, surface reverse circulation holes, production grade control and 'soija' (sludge) holes. Production holes were drilled at 5-8m spacings on 8-12.5m spaced cross sections. Holes in the deeper area were generally drilled at section spacings of approximately 25m and hole spacings of 20m to 30m down dip. Holes were drilled on the Swedish National Grid system (RT90). • Drill holes were generally angled at -55° towards the north north-west (average of 341° or 160° azimuth) to optimally intersect the mineralised zones. • Diamond core was sampled at 1m intervals or to geological contacts prior to being cut. Half core was sent for analysis for exploration drill holes and whole core was sent for analysis for underground grade control drilling (in some cases quarter core was submitted for analysis). • Drill hole collars and starting azimuths appear to have been accurately surveyed by Dragon mine and exploration surveyors. Dip values were measured at 6m intervals down hole by drillers using conventional equipment. Azimuth deviations of the deepest holes were surveyed with Reflex EZ-Track equipment. • Drilling was conducted by Viking Gold and Prospecting (initially a 100% owned subsidiary of Viking Gold Corporation which was acquired by Dragon in 2000) and by Dragon. Diamond drilling by Dragon used 51mm core diameter (WL-66) with sampling at 1m intervals. Half-split core was sampled and sent for preparation (crushing and pulverising) at ALS facilities in Piteå, Sweden or Outokumpu, Finland. Assaying was conducted at ALS Chemex facilities in Canada and Rosia Montana, Romania. A smaller number of samples have also been assayed at LapLab facilities in Lycksele, Sweden. Fire assay has been used for all analyses. • The majority of grade control drilling was assayed onsite at the Dragon laboratory using a PAL method with AAS analysis. Underground grade control drilling was assayed at the ALS Chemex facility in Rosia Montana, Romania.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond or reverse circulation drilling were the primary techniques used at Svartliden. Reverse circulation holes make up 79% of the total holes drilled and a face sampling bit was used. The majority of drilling below the pit is diamond using WL-66 diameter core. Sludge drilling was used for underground production drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core recovery measurements were not provided to RPM, however observations during the 2013 site visit confirmed that the rock is very competent and excellent recovery was being achieved. Measurements of core recovery and

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	RQD are carried out by Rockma Drilling. The majority of core recovery is >95%. • Diamond core was reconstructed into continuous runs for orientation marking with depths checked against core blocks. Core loss observations were noted by geologists during the logging process. All reverse circulation samples were visually checked for recovery, moisture and contamination and no recovery problems were encountered. • No relationship was noted between sample recovery and grade. The consistency of the mineralised intervals suggests sampling bias due to material loss or gain is not an issue.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were field logged by company geologists to a high level of detail. • Diamond holes were logged for recovery, RQD, number and type of defects. The supplied database contained tables with information on quartz vein shearing and vein percent with observations recorded for alpha/beta angles, dips, azimuths, and true dips. The amount and type of ore textures and ore minerals were also recorded within a separate table. • Drill samples were logged for lithology, rock type, colour, mineralisation, alteration, and texture. Logging is a mix of qualitative and quantitative observations. It has been standard practice by Dragon, that all diamond core be routinely photographed. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Exploration diamond core is cut in half using a core saw with half core submitted for assay. In some cases, quarter core is sent for analysis. Whole core is sent for analysis from underground diamond grade control drilling. • Reverse circulation drill samples were collected at 1m intervals. Samples were collected at the rig and split using a riffle splitter. Samples were predominantly dry. Sampling of diamond core and RC chips uses industry standard techniques. After drying the sample was subject to a primary crush, then pulverised so that more than 85% passes a -75um sieve at ALS Chemex Ltd. • Sludge drill holes are drilled with Solo rig, diameter of holes is 64mm. Sludge drill profiles are perpendicular to the strike of the ore body, and are drilled on a spacing of 3-5m. The dip of sludge drill holes is usually 30-80° upwards. Slurry runs via a specific pipe line to a plastic bucket. After mixing slurry, a sample is collected in a bag. Sample length is 1.5m (length of a rod). After each sample (rod), the hole is washed thoroughly with water to minimize contamination. Samples are dried in ALS lab, and weight of a dry sample is 3kg, on average. Standards and systematic duplicates are not submitted with sludge samples. Samples are assayed in ALS Minerals Ltd using Au_AA25 method, values exceeding 50g/t Au are checked with Au_GRA21.

Criteria	JORC Code explanation	Commentary
		• Dragon has used systematic standard and pulp duplicate sampling since 2004. Every 30th sample is submitted as a standard, and every 31st sample is inserted as a pulp duplicate. • Sample sizes are considered appropriate to correctly represent the moderately nuggetty Au mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The predominant assay method for drill samples was by Fire Assay with AAS or ICP finish (30g or 50g pulps). Values exceeding 1ppm Au (prior to 2009) and 5ppm Au (from 2009) were checked using Fire-Assay with gravimetric finish. The main element assayed was Au, but major and trace elements were analysed on selected drill holes. • No geophysical tools were used to determine any element concentrations used in this estimate. • Sample preparation checks for fineness were carried out by the laboratory as part of internal procedures to ensure the grind size of more than 85% passing 75µm was being attained. Laboratory QAQC includes the use of internal standards using certified reference material, and pulp replicates. The various programs of QAQC carried out by various companies over the years have produced results which support the sampling and assaying procedures used at the various deposits. • A total of 7 different certified reference materials representing a variety of grades from 0.85g/t to 18.12g/t were inserted systematically since 2004. Results highlighted that the sample assays are accurate, showing no obvious bias. • Field duplicate analyses honour the original assay and demonstrate best practice sampling procedures have been adopted. • External laboratory checks have been conducted for the Dragon drilling, with samples sent to Omac Laboratories in Ireland, ALS Chemex in Canada and Romania, and ACME laboratories in Canada. The inter-laboratory checks showed consistency of results between different laboratories with no clear bias.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Mr Trevor Stevenson (RPM) verified significant intersections of mineralisation on the most recent site visit by viewing diamond core and comparing to assay values within the Dragon database. • There has been no specific drill program at Svartliden designed to twin existing drill holes. • Primary data was documented on LogChief core logging software. • RPM made no adjustments to the supplied assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral*	• Drill hole collars and starting azimuths have been accurately surveyed by Dragon mine and exploration surveyors. Down hole dip values

Criteria	JORC Code explanation	Commentary
	Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	were recorded at 6m intervals by the drillers using conventional equipment. The azimuth deviations of the deepest holes have been surveyed with Reflex EZ-Track equipment. All drilling from 2010 has been surveyed using the Reflex EZ-Track equipment. • Drill hole locations were positioned using the Swedish National Grid System (RT90). • The topographic and open pit surface over the Svartliden deposit was provided to RPM by Dragon and was prepared by Dragon using topographic contours from digi-form maps. Surveyed data points from drill hole collars and pit surveys were used to create a more accurate surface.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Production holes were drilled at 5-8m spacings on 5-12.5m spaced cross sections. Holes in the deeper area were generally drilled at section spacings of approximately 25m and hole spacings of 20m to 30m down dip. • The main mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. • Samples have been composited to 1m lengths using 'best fit' techniques.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are orientated predominantly to an azimuth of 341° or 160° and drilled at an angle of between 30° and 80° to the north north-west or south south-east which is approximately perpendicular to the orientation of the mineralised trends. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody of samples is managed by Dragon and the process was closely viewed by Trevor Stevenson (RPM) during the October 2013 site visit. Dragon personnel or drill contractors transport diamond core to the core logging facilities where Dragon geologists log the core. Core samples are cut either by Dragon personnel or by ALS laboratory personnel. Samples are transported to the sample preparation laboratory and then on to the analysis laboratory using contract couriers or laboratory personnel. Dragon employees have no further involvement in the preparation or analysis of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling techniques and data was carried out during a site visit conducted by Paul Payne (formerly with RUL) in June 2009 and September 2010. The site was most recently visited by Trevor Stevenson (RPM) in October 2013. The conclusions made from both visits were that sampling and data capture was to industry standards.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Mine lease "Svartlidengruvan K nr. 1" is 100% owned by Dragon and covers the entire Svartliden Mineral Resource. • The mine lease is valid from 10th April 2002 and expires on 10th April 2027.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Svartliden deposit was discovered in 1995 and the first drilling was carried out in the same year by Lappland Goldminers AB (the prospectors), drilling recommencing in 1997 by Viking Gold and Prospecting. Dragon initially acquired a 60% interest in the project and commenced drilling in 2000. Dragon subsequently increased their interest to 80% in 2001 and then100% in 2011.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Svartliden is an epigenetic lode style Au deposit located along the "Gold Line" in northern Sweden. The Au mineralisation, dominantly hosted by a volcano-sedimentary sequence, is structurally controlled and occurs along an ENE-trending steeply dipping shear zone. The Au mineralisation is hosted by banded iron formation (BIF) located on the contact between one of the sediment bodies and one of the metabasalts. Au is associated with arsenopyrite and pyrrhotite.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole locations and the estimate distribution are shown in the attached Mineral Resource report.
		• In the opinion of Dragon, material drill results have been adequately reported previously to the market as required under the reporting requirements of the ASX Listing Rules.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • Aggregation of intercepts has not occurred. • Metal equivalent values are not being reported.
Relationship between	• *These relationships are particularly important in the*	• Drill holes were orientated predominantly to an azimuth of 341° or 160° and angled to a dip of -

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	*reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	50° which is approximately perpendicular to the orientation of the mineralised trends. • Mineralisation occurs along a shear zone which strikes approximately 070°. Narrow mineralised lodes, within BIF, dip between 30° and 80° to the south. • Not applicable.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Exploration results are not being reported. All relevant plans and sections are included in the original Mineral Resource report. • No diagrams included in the announcement.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• In addition to drilling, trench samples were taken at Svartliden. A field diamond saw was used to cut 6cm channels within the exposed bedrock. Channel profiles were spaced at either 10m or 20m. Sampling occurred at intervals ranging from 0.15m to 0.90m. Logging and sampling was carried out by Dragon geologists.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• No further drilling is planned at Svartliden as of January 2014.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Drilling data is captured with LogChief software and synced to an SQL database. Dragon carry out internal checks to ensure the transcription is error free. Laboratory assay results are loaded as electronic files direct from the laboratory so there is little potential for transcription errors. • The data base is systematically audited by Dragon geologists. All drill logs are validated digitally by the geologist once assay results are returned from the laboratory. • RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why*	• An initial site visit was conducted by Paul Payne (formerly with RUL) in June 2009 and September 2010. The most recent site visit was conducted by Trevor Stevenson (RPM) in October 2013. Drilling, logging, and sampling procedures were

Criteria	JORC Code explanation	Commentary
	this is the case.	viewed and it was concluded that these were being conducted to best industry practice. • Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Svartliden is an epigenetic lode style Au deposit located in the Skellefte District, northern Sweden. The Au mineralisation, dominantly hosted by a volcano-sedimentary sequence, is structurally controlled and occurs along an ENE-trending steeply dipping shear zone. • Mineralisation occurs along a shear zone which strikes approximately 070°. Narrow mineralised lodes, within BIF, dip between 30° and 80° to the south. The confidence in the geological interpretation of the main lodes is considered to be good as the drilling is close spaced, and the continuity of mineralisation can be traced along the walls of the open pit. • Drill hole logging by Dragon geologists, through direct observation of drill core and reverse circulation samples have been used to interpret the geological setting. The bedrock is exposed in the open pit. • The continuity of the main mineralised lodes is clearly observed by Au grades within the drill holes. The close spaced drilling and geological mapping in the open pit suggest the current interpretation is robust. The nature of the thin parallel lodes would indicate that alternate interpretations would have little impact on the overall Mineral Resource estimation. • Mineralisation occurs within BIF which is directly observed at surface and in the pit. The current interpretations are mainly based on Au assay results. • Gold mineralisation is contained within BIF occurring within the barren host rocks.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Svartliden estimate area extends over a combined strike length of 1,180m (from 1,588,030mE to 1,589,130mE) and includes the 260m vertical interval from 465mRL to 205mRL. The individual high grade lodes are up to 20m wide but typically 3m to 10m in width.
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and*	• Ordinary Kriging (OK) interpolation with an oriented 'ellipsoid' search was used for the estimate. Surpac software was used for the estimations. • Three dimensional mineralised wireframes (interpreted by Dragon and checked by RPM) were used to domain the Au data. Sample data was composited to 1m down hole lengths using the 'best fit' method. Intervals with no assays were excluded from the estimates. • The influence of extreme grade values was addressed by reducing high outlier values by applying high grade cuts to the data. These cut values were determined through statistical analysis (histograms, log probability plots, cv's, and summary multi-variate and bi-variate statistics) using Supervisor software. • The maximum distance of extrapolation from data points (down dip) was 20m.

Criteria	JORC Code explanation	Commentary
	the search employed. • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• RPM has not made assumptions regarding recovery of by-products from the mining and processing of the Svartliden Au Mineral Resource. • No estimation of deleterious elements was carried out. Only Au was interpolated into the block model. • An orientated 'ellipsoid' search was used to select data and was based on the observed lode geometry. The search ellipse was orientated to the average strike, plunge, and dip of the main lodes. Three passes were used in the estimation. The first pass used a range 25m or 80m, with a minimum of 10 samples. For the second pass, the range was extended to 50m or 160m, with a minimum of 10 samples. A third pass radius of 75m or 160m with a minimum of 2 samples was used to fill the remaining blocks. A maximum of 20 or 30 samples was used for all 3 passes. More than 98% of the blocks were filled in the first two passes. • Mineral Resource estimates for the Svartliden deposit have previously been reported by RPM, with the earliest reported in September 2009. The current estimate is based upon data and interpretations from the previous estimates. The Svartliden deposit was recently mined, with operations ceasing in November 2013. Dragon supplied RPM with pit and stope outlines which were used to deplete the current model. • No assumptions were made regarding the recovery of by-products. • No non-grade deleterious elements were estimated. • The parent block dimensions used were 2m NS by 10m EW by 10m vertical with sub-cells of 0.5m by 2.5m by 2.5m and the model was rotated on a bearing of -19° to match the approximate strike of the mineralisation. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing. • Selective mining units have not been modelled. The block size used in the Mineral Resource estimate was based on the drill hole sample spacing and the orientation of the lode geometry. • Only Au assay data was available, therefore correlation analysis was not carried out. • The deposit mineralisation was constrained by wireframes constructed using a 1.3g/t Au cut-off grade with a minimum intercept of 2m required. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from seven domains. The high coefficient of variation within some main lodes, and the scattering of high grade outliers observed on the histograms, suggested that high grade cuts were required if linear grade interpolation was to be carried out.

Criteria	JORC Code explanation	Commentary
		• A three step process was used to validate the model. A qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average Au grades of the composite file input against the Au block model output for all the mineralised wireframes. A trend analysis was completed by comparing the interpolated blocks to the sample composite data within the main lodes. This analysis was completed for eastings and elevations across the deposit. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 1.3g/t Au cut-off for open pit material and 3.0g/t Au cut-off for underground material based on assumptions made by Dragon in regard to economic cut-off grades for open pit and underground mining at the Svartliden Mine.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Svartliden deposit has recently been mined using open pit and underground methods. Mining ceased in November, 2013. • The cessation of mining was an economic decision by the operator; however the Competent Person is of the opinion that there is a possibility that the defined Mineral Resource could be economically extracted under different financial constraints, as it has been in the recent past.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• RPM has made no assumptions regarding metallurgical amenability. Dragon has been mining the Svartliden deposit since 2005 and has a good knowledge of treating this ore.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made by RPM regarding possible waste and process residue disposal options.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of*	• A bulk density value of 3.08t/m^3 was assigned to all material (ore and waste) based on core measurements and many years of mining

Criteria	JORC Code explanation	Commentary
	the measurements, the nature, size and representativeness of the samples. • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	experience at the Svartliden Mine. • Bulk density is measured. Moisture is accounted for in the measuring process. It is assumed there are minimal void spaces in the rocks at Svartliden. • All material at the Svartliden deposit is fresh rock and has been assigned the value of 3.08t/m^3.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The estimate was classified as Measured, Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. The Measured portion of the deposit was defined for the main mineralised zones where there was extensive open pit or underground level development and grade control drilling. The Indicated portion of the estimate included areas where the drill spacing was less than 25m by 25m and lode continuity was good. The remainder of the deposit defined by drilling at greater than 25m spacing and where lode continuity was less certain was classified as Inferred Mineral Resource. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. The drilling and sampling processes used by Dragon are 'best practice' and certified laboratories have been used for Au analyses of samples. The input data is considered reliable and suitable for use in the estimate. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made*	• The Svartliden Mineral Resource estimate has been reported with a high degree of confidence. The lode geometry and continuity has been verified through sampling and mapping of surface bedrock, and through infill drilling orientated to optimally intersect the lodes. Dragon has been mining the Svartliden deposit for a number of years and has a good understanding of the geology and mineralisation controls. • The Mineral Resource statement relates to global estimates of tonnes and grade and has been estimated to include depletion due to mining operations. • Results from geological mapping undertaken along underground development drives have

Criteria	JORC Code explanation	Commentary
	and the procedures used. • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	confirmed the lode geometry and position.

Section 4: Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource for the deposit was reported in the April 2014 Mineral Resource statement. • The Mineral Resource is inclusive of these Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was undertaken at the Svartliden Mine by Mr Trevor Stevenson and Mr Joe McDiarmid in October 2013.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Svartliden was an operating mine with only stockpiles remaining to be processed. 2.5Mt of ore has been mined from the deposit and processed through a conventional carbon in leach (CIL) plant with a design capacity of 300,000 tonnes per annum. • The level of knowledge associated with the Reserve estimate is at least equivalent to that of a Pre-Feasibility Study.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A calculated cut-off grade of 1.45 g/t for gold was used.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected*	• As the mining operations have been completed and only stockpile material is left, no further ore loss and dilution is necessary to apply. For the purposes of estimating ore cut-off grade, the following factors were used based on current mining operations reconciliations and the following: - Gold metal price US$1,250/ounce - Total Ore treatment of 346 SEK/t - Exchange Rate of USD/SEK 6.5 - Gold processing recovery 91.3% - Processing throughput 300ktpa • All other mining factors are not applicable in this case as the Ore Reserves only apply to the stockpiles.

Criteria	JORC Code Explanation	Commentary
	mining methods.	
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Material from the Svartliden Mine is processed through a conventional carbon in leach (CIL) plant with a design capacity of 300,000 tonnes per annum. This plant has been used throughout the mine's life.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• In December 2012 a new Operating Permit was received by Dragon for the Svartliden Mine. The permit allowed unrestricted underground mining and adjusted discharge conditions. • The Svartliden Water Treatment Plant (SWTP) is used to discharge treated water from the tailings storage facility to a nearby clear water dam.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Existing site infrastructure in place includes haul roads, a conventional CIL plant, stockpiles, offices, tailings dam and associated facilities.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Only sustaining capital has utilised calculated from historic information. • The operational costs have been based on historical costs. • No allowances was required for deleterious elements. • A gold price was provided by Dragon and validated by RPM using published metal price forecasts. • An exchange rate of USD/SEK 6.5 was provided by Dragon and validated by internal RPM data bases. • No transport charges where used as it was not applicable. • No treatment and refining charges were used as it was not applicable. • A Swedish mineral royalty of 0.05% of the value of the gold produced was applied.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter*	• A gold price of US$1,250 was provided by Dragon and validated by RPM using published metal price forecasts.

Criteria	JORC Code Explanation	Commentary
	returns, etc. • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• An exchange rate of USD/SEK 6.5 was provided by Dragon and validated by internal RPM data bases.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The demand for gold is considered in the gold price used. • It was considered that gold will be marketable for beyond the processing life of 1.5yrs. • As the processing life is only 1.5yrs it was not applicable to review the Price and Volume forecasts. • The commodity is not an industrial metal.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• Considering that this Mine has been viable and operating since 2005 and it only requires that the stockpiles be mined and the inputs into the economic modelling are based on this historic information RPM believes that the confidence of the economic modelling would be appropriate for classifying Reserves. • The NPV is most sensitive to the gold price. A change of -10% to +10% in the gold price results in a change in NPV value (at a discount rate of 10%pa) by -30% to +30%.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Operations have been in place since 2005 and enjoys a good relationship with the local community.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Ingress of water and geotechnical issues are addressed by site. • All legal and marketing arrangements are in good standing. • Government agreements and approvals are in line with current operations.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Ore Reserve is classified as Proved in accordance with the JORC Code. • The Ore Reserve classification is considered appropriate given the fact that the source, size and content of the stockpiles are well understood. • No Measured Mineral Resources were downgraded to Probable Ore Reserves. No Inferred Mineral Resources were included in the Ore Reserve estimate.
Audits or	• *The results of any audits or reviews of Ore*	• RPM has completed an internal review of the Ore

Criteria	JORC Code Explanation	Commentary
reviews	*Reserve estimates.*	Reserve estimate and confirmed its accuracy.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Stockpile measurements are difficult to confirm, RPM considers the estimates are adequate for this statement. • The Ore Reserve report is a global assessment of the Svartliden Gold Mine based on the assumption that processing will continued on site. • The accuracy and confidence limits are based on the current surveys and cut-off grade analysis employed in the economic evaluation. Material changes to the economic assumptions including the operating assumption and the revenue factors may materially impact the accuracy of the estimate. • The Ore Reserve has utilised all parameters provided by site as made available.