

QUARTER HIGHLIGHTS

OPERATIONS

- Significantly progressed development program in all three mines in Sweden and Finland.
- Quarterly gold production was down slightly to 13,790 ounces given development focus, with average cash cost of US\$1,469 per ounce (Note 1) due to continued waste stripping and development activities. Waste mining and development activities will continue through 2012 although cash costs per ounce are expected to reduce over the rest of the year as higher levels of production ore are mined and processed.
- Development progress at the mines was:
 - Orivesi decline extended to the 880m level with 34,482t of ore mined during the quarter. Production stopping is to commence during the September 2012 quarter
 - Jokisivu decline extended to 230m level, with 40,389t of ore mined during the quarter between the 105m and 125m levels
 - Svartliden decline advanced 249m (total of 971m), with first development ore reconciled positively with respect to grade and tonnes, and production mining from stopes planned to commence late in the December 2012 quarter
- Operating cash inflows of \$14.1 million continued to fund operating costs and overheads, as well as contributing to exploration costs
- Strengthened Board and management with the appointments of Managing Director, Chief Financial Officer, and Company Secretary

EXPLORATION

- Substantial exploration activity progressed during the quarter
- A number of promising gold intercepts were achieved:

Orivesi Gold Mine, Finland

- Results from first 2 of 17 underground diamond drilling holes targeting the Kutema lode system between the 880m and 960m levels received – best intercept of 16.35m @ 4.13 g/t gold was returned
- Drilling below the 720m level in the Sarvisuo West area returned a number of promising gold intercepts including 2.65m @ 18.42 g/t gold, 2.45m @ 9.44 g/t gold, 1.40m @ 17.45 g/t gold and the narrow, high grade intercept of 0.60m @ 183.00 g/t gold

Jokisivu Gold Mine, Finland

- Final results were received for the fourth program of underground drilling at Kujankallio, with the program returning intercepts including 6.80m @ 7.90 g/t gold, 8.95m @ 6.30 g/t gold, 8.25m @ 4.34 g/t gold, 3.85m @ 12.16 g/t gold, 1.50m @ 21.20 g/t gold and 6.95m @ 6.72 g/t gold

Kuusamo Gold Project, Finland

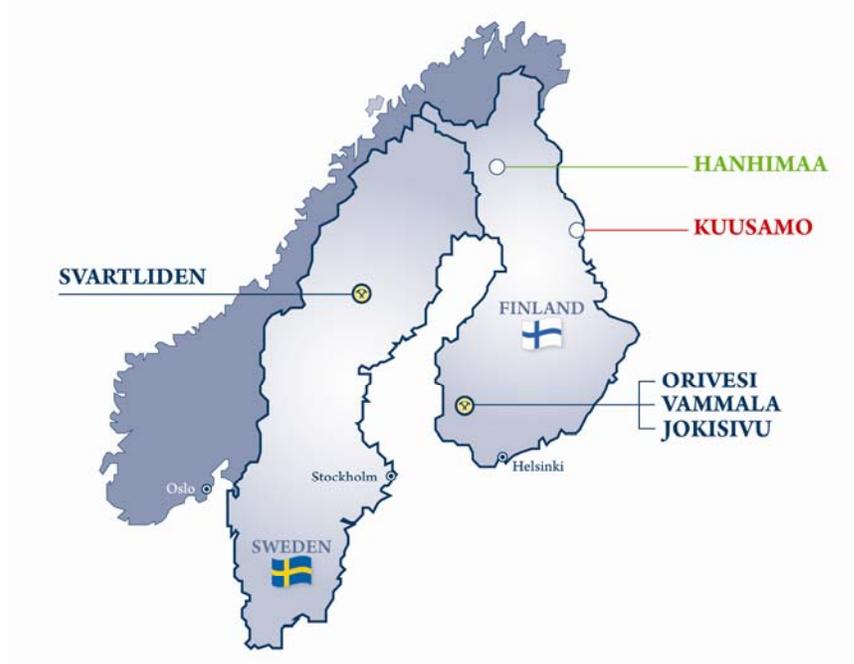
- Results have been received for the 29 hole, 7,770m Phase 8 and 9 programs, returning a series of encouraging intercepts including, 4.80m @ 4.70 g/t gold, 10.20m @ 9.53 g/t gold, 6.30m @ 4.12 g/t gold, 2.20m @ 13.98 g/t gold, 2.45m @ 13.19 g/t gold, 7.20m @ 8.76 g/t gold and 10.55m @ 16.54 g/t gold, 4.05m @ 11.69 g/t gold, 3.30m @ 6.58 g/t gold, 3.10m @ 5.21 g/t gold, 9.45m @ 4.11 g/t gold and two high grade zones of 1.70m @ 119.05 g/t gold and 1.80m @ 147.87 g/t gold.

Svartliden Gold Mine, Sweden

- Initial results received for the 6 hole diamond core drilling program designed to expand the Svartliden deposit westwards, yielding promising intercepts of 3.00m @ 5.11 g/t gold and 2.00m @ 14.24 g/t gold
- Completed third phase of drilling of the Far East target, returning a best intercept of 2.00m @ 8.74 g/t gold that occurred approx. 100 metres below the previously released intercept from the Phase 2 program of 6.00m @ 6.69 g/t gold
- Mineral Resource for the Hangaslampi deposit (Kuusamo Gold Project, Finland) was increased by 9% to 403,000 tonnes grading 5.1 g/t gold (66,100 ounces) at a 1 g/t gold cut-off (compared to January 2011 resource)
- Commenced detailed 3,764 line kilometre heli-borne geophysical survey encompassing the 11,715 hectare core holding at Kuusamo Gold Project, Finland.
- Conducted metallurgical test work on samples from the Juomasuo and Hangaslampi deposits (Kuusamo Gold Project, Finland) at the ALS Ammtec laboratory in South Australia and the GTK Outokumpu facility in Finland, with first results expected during the next quarter
- Signed Letter of Intent in May 2012 with Agnico-Eagle Mines Limited (NYSE:AEM) (TSX:AEM) (Agnico), whereby Agnico can earn up to a 70% interest in the Hanhimaa Gold Project, Finland, with the staged expenditure of €9 million over 6 years

Note 1: Cash cost per ounce of gold produced is calculated as cost of production relating to production gold sales excluding gold in circuit inventory movements divided by gold ounces produced. Costs of expensed exploration are not included in the calculation of the cash cost.

Location of Projects





OPERATIONS

FINLAND

Vammala Production Centre

Table 1 –Production Summary

| | Ore Mined (t) | Ore Milled (t) | Head Grade (g/t) | Recovery (%) | Plant Utilisation (%) | Total Gold Production (Ounces) | Cash Cost US/oz |
|------------------|---------------|----------------|------------------|--------------|-----------------------|--------------------------------|-----------------|
| Jun 2012 Quarter | 74,871 | 77,983 | 3.1 | 76.8 | 99.4 | 5,605 | 1,344 |
| Mar 2012 Quarter | 78,664 | 71,676 | 3.8 | 72.6 | 86.9 | 6,351 | 1,252 |

Production at Vammala was 5,605 ounces of gold from 77,983 tonnes of ore milled at a head grade of 3.1 g/t gold and an average cash cost of US\$1,344 per ounce, including refining costs of US\$280 per ounce. The higher cash cost in the June 2012 quarter was the result of processing predominately lower grade development ore sourced from development drives in the Orivesi and Jokisivu mines.

Mill feed composition at Vammala comprised 44,698 tonnes from the Orivesi mine at 3.58 g/t, 33,285 tonnes from the Jokisivu mine at 2.48 g/t. Total mill feed included 63% development ore.

The Vammala plant operated at near 100% utilisation levels during the June 2012 quarter. Six days production was lost due to maintenance, the raising of the tailings dam wall and mid-summer holidays. A three week planned shutdown of the mill commenced as scheduled on 24 June and is now complete.

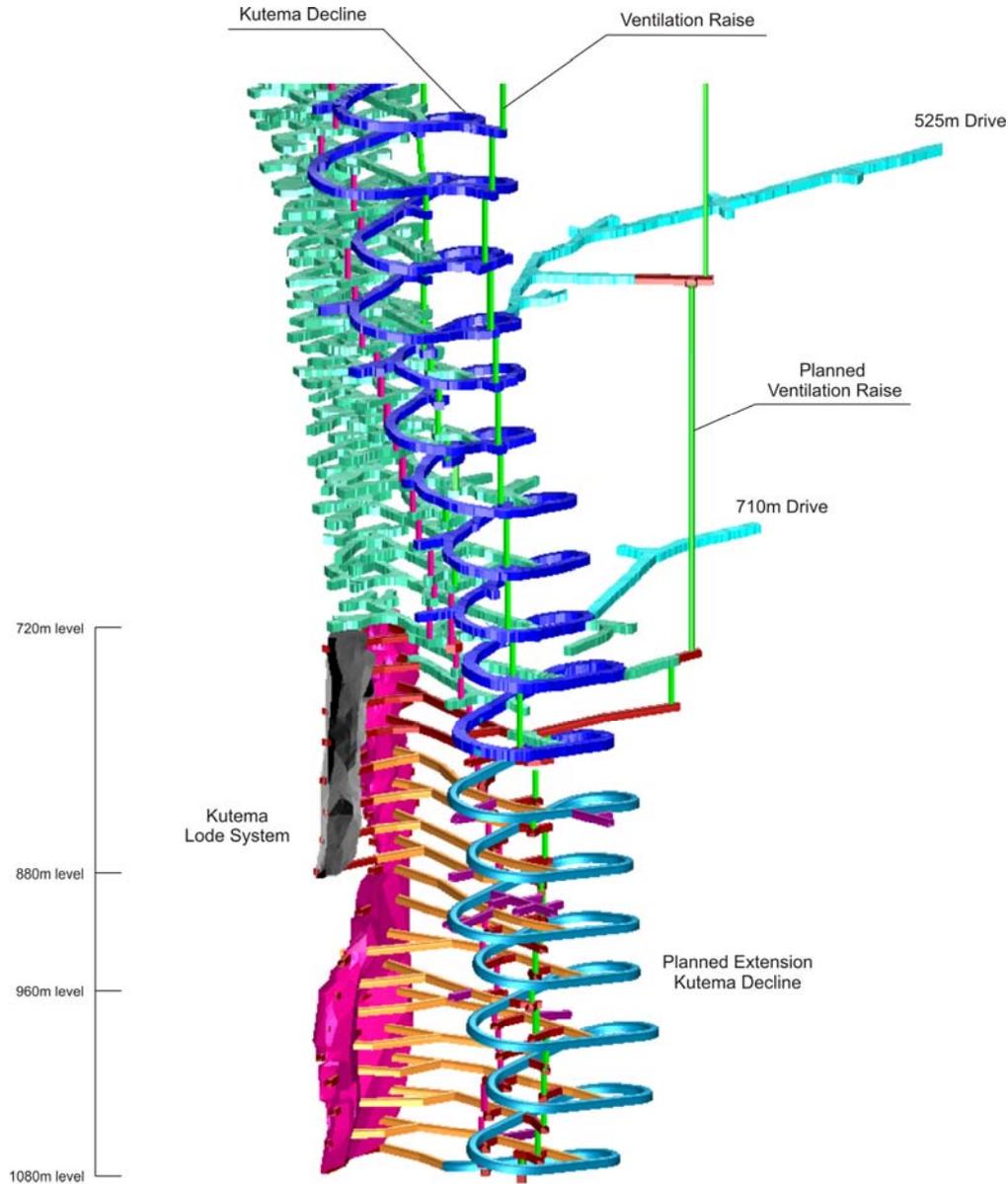
Four lost time injuries were reported during the quarter.



Orivesi Gold Mine

20,621 tonnes of development ore was mined from the Kutema lodes below the 720m level, whilst 11,837 tonnes was extracted from old Kutema pillars and 2,024 tonnes was mined from the Sarvisuo lodes. The Kutema decline advanced 178m to the 880m level and lateral development was also advanced, for a total development advance of 839m. Production stoping, originally expected to occur in the June 2012 quarter, will now commence during the September 2012 quarter.

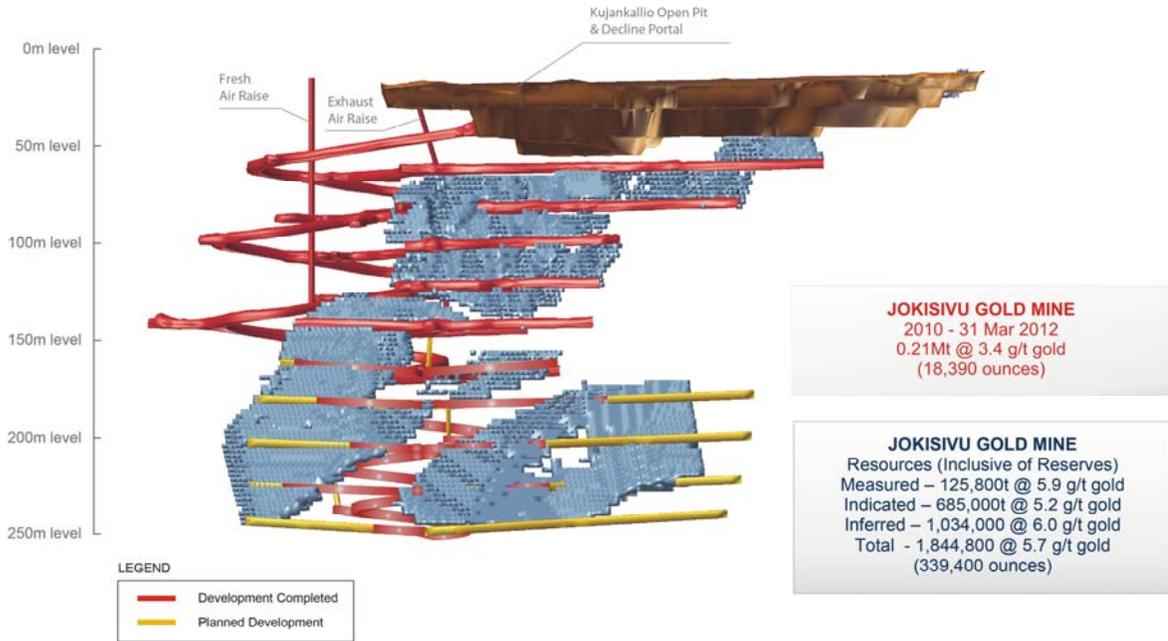
Orivesi Gold Mine showing the Kutema lodes and planned development below the 720m level





Jokisivu Gold Mine

Jokisivu Gold Mine showing the Kujankallio deposit with planned and completed development



23,590 tonnes of development ore with an average grade of 2.1 g/t gold was mined from the Kujankallio underground deposit, whilst 16,799 tonnes of ore grading 4.1 g/t gold was extracted from production stopes located between the 105m and 125m levels.

Mine development was extended to the 230m level by the end of the June 2012 quarter. Development of the decline advanced 208m, while total development advanced 797m. During the quarter initial results from development and a small amount of production ore mined reconciled unfavourably against Ore Reserves and a review is underway to improve mine output.



OPERATIONS

SWEDEN

Svartliden Gold Mine

Table 2 – Production Summary

| | Ore Mined (t) | Ore Milled (t) | Head Grade (g/t) | Recovery (%) | Plant Utilisation (%) | Total Gold Production (Ounces) | Production Cash Cost US/oz |
|------------------|---------------|----------------|------------------|--------------|-----------------------|--------------------------------|----------------------------|
| Jun 2012 Quarter | 55,508 | 82,162 | 3.4 | 90.9 | 99.2 | 8,185 | 1,555 |
| Mar 2012 Quarter | 71,616 | 73,474 | 4.4 | 92.6 | 96.3 | 9,690 | 729 |

Svartliden produced 8,185 ounces of gold from 82,162 tonnes of ore milled at an average head grade of 3.4 g/t gold at a production cash cost of US\$1555 per ounce (including US\$777 per ounce of cash waste movement costs, but excluding development ounces) during the June 2012 quarter. The high cash cost this quarter was due to the continuation of the waste cut backs at the eastern end of the pit. Underground development costs and revenue from development ore were capitalised.

15,965 tonnes of ore milled was from the open pit at 3.4 g/t gold and 35,690 tonnes at 4.0 g/t gold of development ore from the underground. To maximise the process plant's utilisation, 30,507 tonnes from the low grade stockpiles was added to the run of mine feed at 2.7 g/t gold .

Gold recovery was 90.9% and the process plants utilisation was 99.2%.

Ore mined from the open pit and underground was 55,508 tonnes at an average planned grade of 3.3 g/t gold. The quantity of ore mined during the quarter was low due to a pushback at the eastern end of the open pit, which restricted access for the mining of ore. A total of 697,503 tonnes of waste was mined with approximately 1.2 million tonnes remaining.

The commissioning of the water treatment plant to treat process water, to remove heavy metals and reduce nitrogen levels, to enable discharge into the Clear Water Dam in accordance with the Environmental Permit is ongoing. The water treatment plant represents a substantial and material commitment to the long term rehabilitation of the operation.

The Company received confirmation from the Land and Environmental Court of Sweden that a hearing date has been set in December 2012 for the new operating permit.

A request from the Environmental Prosecutor for the issue of a company fine of at least 1.5M SEK was submitted to the District Court for non-compliance of two conditions in the existing operating permit. The Company disputes the claim and will defend it.

There were no lost time injuries during the quarter.

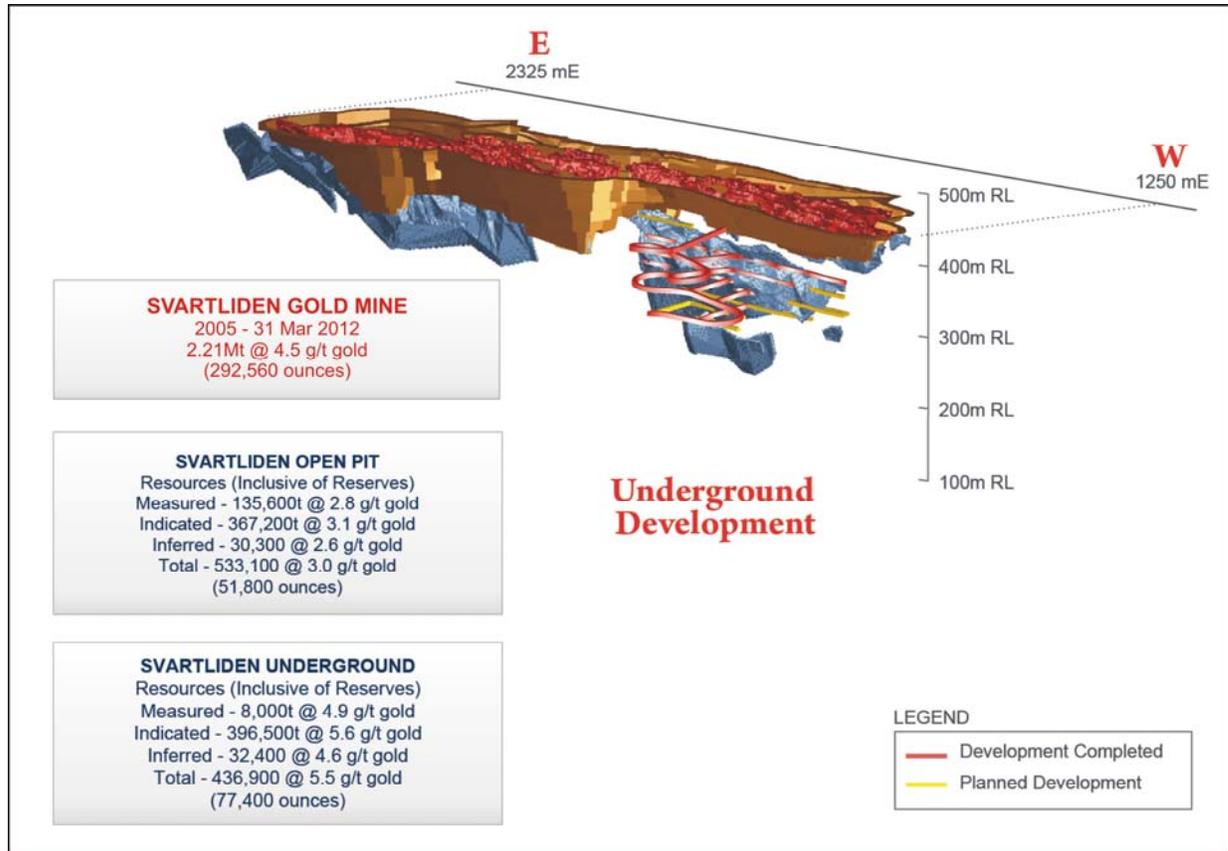


Underground Development

- The Svartliden decline advanced 249m for the quarter and has advanced 971m in total. The decline is on schedule and within budget and the first development ore has reconciled positively with respect to grade and tonnes. Production mining from stopes is planned to commence late in Q4 2012.

The Svartliden decline advanced 249m for the quarter and has advanced 971m in total. The decline is on schedule, within budget and the first development ore has reconciled positively with respect to grade and tonnage. Production mining from stopes is planned to commence late in the December 2012 quarter.

Svartliden Gold Mine - Underground development





EXPLORATION

SOUTHERN FINLAND

Orivesi Gold Mine

An update of the Mineral Resource for the Kutema lode system below the 720 m level has been completed, returning **562,100 tonnes @ 5.5 g/t** gold for **100,000 ounces** at a 2 g/t gold cut-off (Table 1).

Table 1 – Kutema Mineral Resource below the 720m level, April 2012. Reported at a 2 g/t gold cut-off. (Notation 1)

| | Tonnes | Gold (g/t) | Gold (ozs) |
|--------------|----------------|------------|----------------|
| Measured | - | - | - |
| Indicated | 316,200 | 4.5 | 45,600 |
| Inferred | 245,900 | 6.9 | 54,400 |
| Total | 562,100 | 5.5 | 100,000 |

The resource update was completed using Inverse Distance to Power 2 (ID2) grade interpolation, constrained by resource outlines based on a combination of gold grade, lithology and structure. Block dimensions used in the model were 5m NS x 10m EW x 10m vertical. A high grade cut of 50 g/t gold was deemed as appropriate based on the distribution of values for Object 1 and mining history. The updated Mineral Resource complies with recommendations in the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

The resource update of the Kutema lode system below the 720m level was completed by independent consultants, Runge Limited, and incorporated results from 9 additional underground diamond core holes drilled since the 2007 resource. The resource update represents a decrease of 48% in tonnes and 40% in ounces from the August 2007 resource, whilst gold grade has increased 14%.

The decrease is the result of a re-interpretation of the Kutema lodes into multiple, sub-vertical pipe-like lodes that are more representative of the mineralisation style at Kutema. The decrease predominantly occurs within the Inferred portion of the deposit, below the 860m level.

With the completion of the resource update, drilling of the Kutema lode system between the 880m and 960m levels has commenced, with 6 holes / 1,144.6 metres completed. The 17 hole, 3,100 metre program has been designed to raise the confidence level of the Kutema Mineral Resource below the 880m level, in readiness for mining studies. Results have been received for 2 of the 6 holes drilled, returning a best intercept of **16.35m @ 4.13 g/t** gold (Appendix 1). Results for the remaining 4 holes drilled are pending.

Six holes (1,341.10 metres) of a 16 hole (3,280 metre) program that is testing the Sarvisuo West area below the 720m level were also drilled. Results from the 6 holes have yielded a number of encouraging intercepts including **2.65m @ 18.42 g/t** gold, **2.45m @ 9.44 g/t** gold, **1.40m @ 17.45 g/t** gold and the narrow, high grade **0.60m @ 183.00 g/t** gold (Appendix 2).

Assay results were received for the final 2 holes of the 25 hole program that targeted the extensions and in-filled areas of known mineralisation between the 640m and 720m levels in the Sarvisuo West area. Results for these 2 holes are provided in Appendix 3.

Jokisivu Gold Mine

Final results were received for the fourth program of underground drilling, an 18 hole (1,820.60 metres) in-fill campaign from the 145m level that targeted the Main Zone and footwall zones at Kujankallio. Better results received include **6.80m @ 7.90 g/t** gold, **8.95m @ 6.30 g/t** gold, **8.25m @ 4.34 g/t** gold, **3.85m @ 12.16 g/t** gold, **1.50m @ 21.20 g/t** gold and the previously released **6.95m @ 6.72 g/t** gold (Appendix 4).

A fifth phase of underground drilling is now underway from the 200m level at Kujankallio, with 10 holes, 2,578.35 metres completed. The 12 hole, 2,850 metre in-fill program is targeting the Main Zone and the nearby hanging wall zones between the 185m and 245m levels. Results have been received from 1 hole, returning a narrow, low grade intercept (Appendix 5). Assays for the other 9 holes drilled are pending.



The drilling of a 38 hole, 4,455 metre in-fill surface diamond core drill program at Arpola has been completed. Results have been received for the initial 9 holes, returning a number of narrow, low to moderate grade intercepts (Appendix 6).

NORTHERN FINLAND

Kuusamo Gold Project

Drilling in the Kuusamo North area continued with 23 diamond core drill holes, 7,232.70 metres completed during the quarter. Drilling was directed at the Juomasuo deposit and represented the final series of holes in the Phase 8 and 9 program and the initial holes in the Phase 10 program.

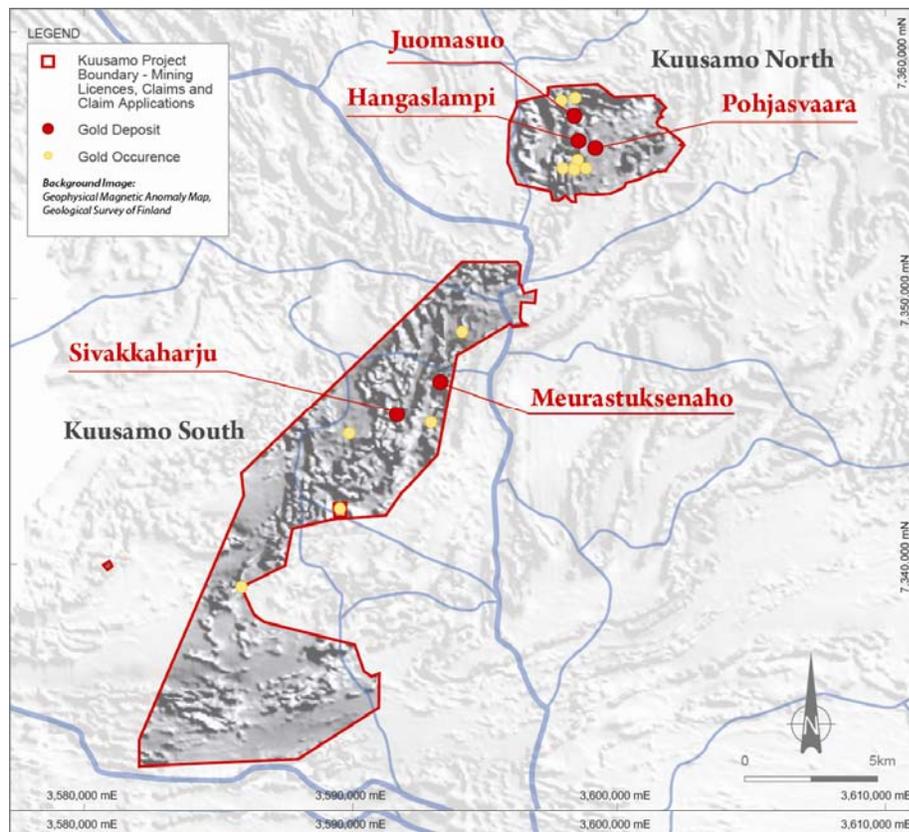
Results have been received for the 29 hole, 7,770 metre Phase 8 and 9 programs, returning a series of encouraging intercepts including, **4.80m @ 4.70 g/t gold**, **10.20m @ 9.53 g/t gold**, **6.30m @ 4.12 g/t gold**, **2.20m @ 13.98 g/t gold**, **2.45m @ 13.19 g/t gold**, **7.20m @ 8.76 g/t gold** and **10.55m @ 16.54 g/t gold**, **4.05m @ 11.69 g/t gold**, **3.30m @ 6.58 g/t gold**, **3.10m @ 5.21 g/t gold**, **9.45m @ 4.11 g/t gold** and two high grade zones of **1.70m @ 119.05 g/t gold** and **1.80m @ 147.87 g/t gold** (Appendix 7).

Final assays remain pending for a mineralised interval from drill hole KS/JS-194 (172.00 to 173.45m) that has been shipped to ALS Minerals in Vancouver, Canada for specialised sample preparation and analysis.

The Phase 8 and 9 programs were designed to target the strike and depth extensions of identified lodes of the Juomasuo deposit to a depth of 250 metres below surface. The results received have confirmed that mineralisation extends both along strike and below the existing gold resource model at grades comparable with the upper portions of the Juomasuo deposit.

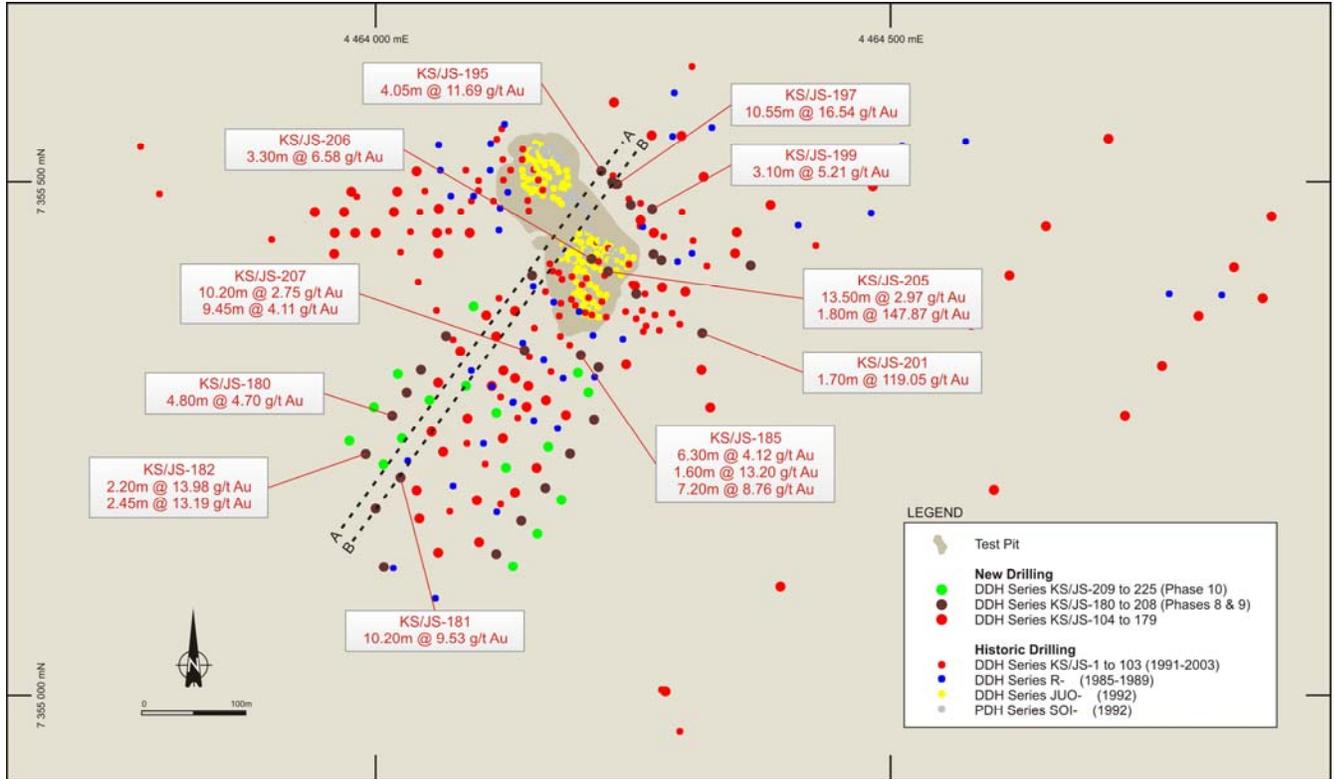
Drilling is now advancing the 17 hole, 6,130 metre Phase 10 program at Juomasuo that has been designed to further test several lodes and their strike and depth extensions. Thirteen holes, 4,662.10 metres have been completed. Results are pending.

Kuusamo gold project

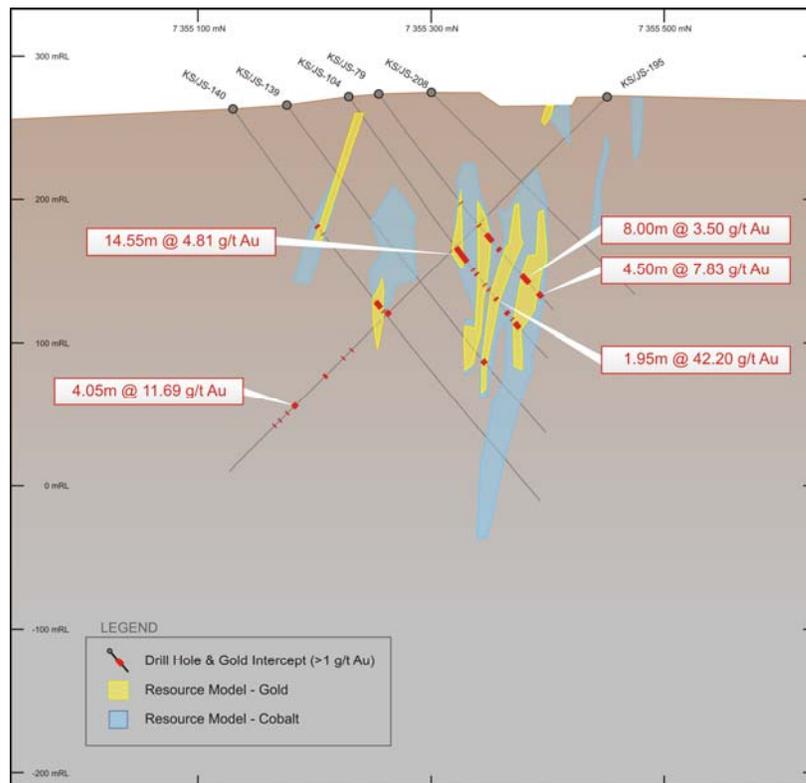




Juomasuo drill hole location plan

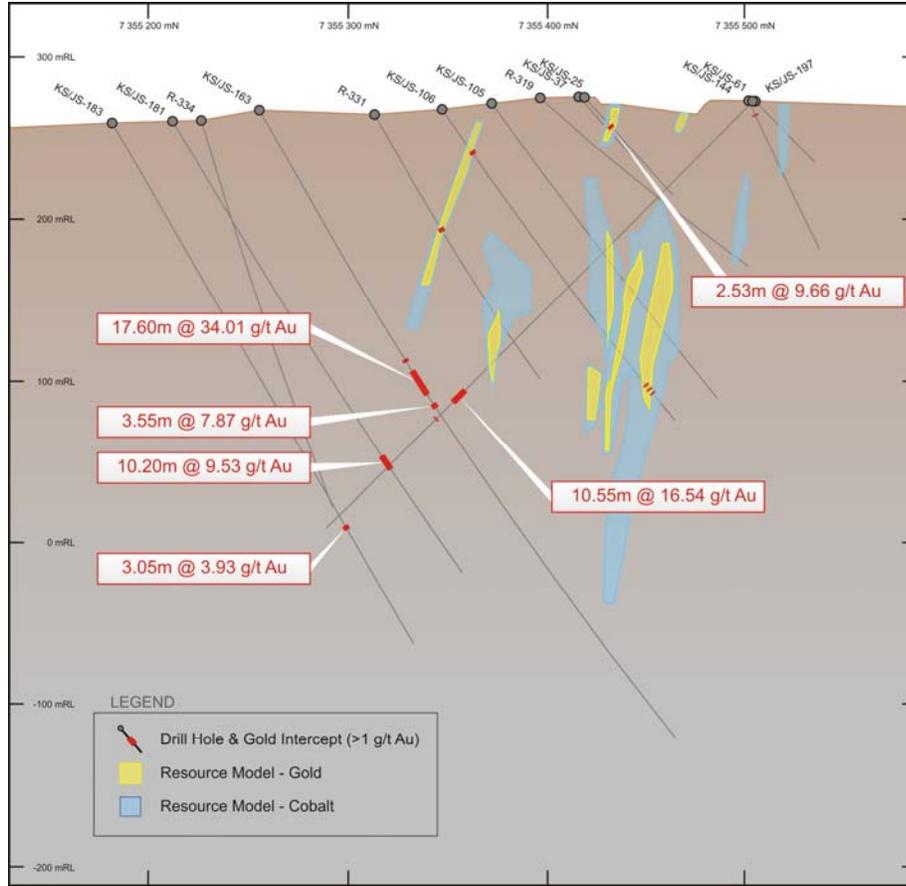


Juomasuo cross section A-A





Juomasuo cross section B-B



An update of the Mineral Resource for the Hangaslampi deposit has been completed by independent consultants Runge Limited (Table 2).

The updated resource for gold totals **403,000 tonnes grading 5.1 g/t gold for 66,100 ounces** at a 1 g/t gold cut-off. This updated resource represents a 9% increase in tonnes and ounces from the January 2011 resource of 369,000 tonnes grading 5.1 g/t gold for 60,500 ounces. In addition and separate to the Hangaslampi gold resource, a cobalt resource of **180,000 tonnes grading 0.09% cobalt** exists.

The Hangaslampi deposit represents a moderately dipping, medium to high grade body of mineralisation that remains open along strike towards the north and south as well as down dip. Both recent and historical drilling has focussed on the near surface portions of this deposit, the majority of the updated resource occurring within 80 metres of the natural surface level.

Table 2 – Hangaslampi Gold and Cobalt Mineral Resources. (Notation 2)

| | Tonnes | Gold (g/t) | Cobalt (%) | Gold (ozs) | Cobalt (t) |
|---|----------------|-------------|-------------|---------------|------------|
| Gold Resource – Reported at 1 g/t gold | | | | | |
| Measured | - | - | - | - | - |
| Indicated | 341,000 | 5.3 | 0.06 | 57,500 | 220 |
| Inferred | 62,000 | 4.3 | 0.06 | 8,600 | 40 |
| Total | 403,000 | 5.1 | 0.06 | 66,100 | 260 |
| Cobalt Resource – Reported at 0.05% cobalt | | | | | |
| Measured | - | - | - | - | - |
| Indicated | 161,000 | 0.20 | 0.09 | 800 | 150 |
| Inferred | 18,000 | 0.30 | 0.14 | 200 | 30 |
| Total | 180,000 | 0.20 | 0.09 | 1,000 | 180 |



The update of the Hangaslampi Mineral Resource was defined from a database that contained 155 diamond core drill holes / 14,591.7 metres. The resource update was completed using Ordinary Kriging (OK) grade interpolation, constrained by resource outlines on mineralisation envelopes prepared using a nominal 0.5 g/t gold cut-off grade and a minimum down hole length of 2 metres for the gold resource and a nominal 1% sulphur and 0.01% cobalt cut-off grade for the cobalt resource. Block dimensions used in the model were 6m NS x 2m EW x 5m vertical. Statistical analysis determined that high grade cuts of 70 g/t gold for the gold resource and 0.5 % cobalt for the cobalt resource were appropriate. The Mineral Resources for gold and cobalt comply with recommendations in the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

A program of re-logging and re-assaying of historic drill core from the Juomasuo deposit continued, with a total of 35 holes logged during the recent campaign. Assay results have now been received for all holes, returning gold values comparable with historic gold values.

A detailed 3,764 line kilometre heli-borne geophysical survey encompassing the 11,715 hectare core holding commenced in late June. Preliminary images will be received during the course of the survey, with further processing and interpretation to be undertaken at the completion of the survey.

In conjunction with exploration activities, independent consulting group Ramboll Finland Oy has continued with the Environmental Impact Assessment (EIA). The EIA is an interactive process with the local people, municipality and associations and is supervised by a steering group that comprises individuals representing various organisations and interested parties.

A major component of the EIA, the environmental baseline study that included investigations on ground and surface water, the nature and bird life, has been completed. Noise modelling and other community related tasks are expected to be completed during the next quarter. The scope for a background radiation study was approved by the Radiation & Nuclear Safety Authority and is due to commence.

Metallurgical test work on samples from the Juomasuo and Hangaslampi deposits was conducted at the ALS Amteclaboratory in South Australia and the GTK facility in Outokumpu, Finland. First results are expected during the next quarter.

Hanhimaa Gold Project

A Letter of Intent was signed in May 2012 with Agnico-Eagle Mines Limited (NYSE:AEM) (TSX:AEM) (Agnico), whereby Agnico can earn up to a 70% interest in the Hanhimaa Gold Project with the staged expenditure of €9 million over 6 years.

The Hanhimaa Gold Project is located in northern Finland and covers a portion of the highly prospective Central Lapland Greenstone Belt. The 360.2 km² near contiguous holding encompasses the north-south trending Hanhimaa Shear Zone, 10 kilometres west of Agnico's Kittila Gold Mine.

Under the agreed terms, Agnico will expend €5 million within 3 years of the commencement date to earn a 51% interest in the Hanhimaa Gold Project. Upon earning the 51% interest Agnico can then elect to earn an additional 19% by expending a further €4 million within 3 years of completion of the initial earn-in phase. Agnico will be the manager during the earn-in and can withdraw at any time following expenditure of €1.5 million.

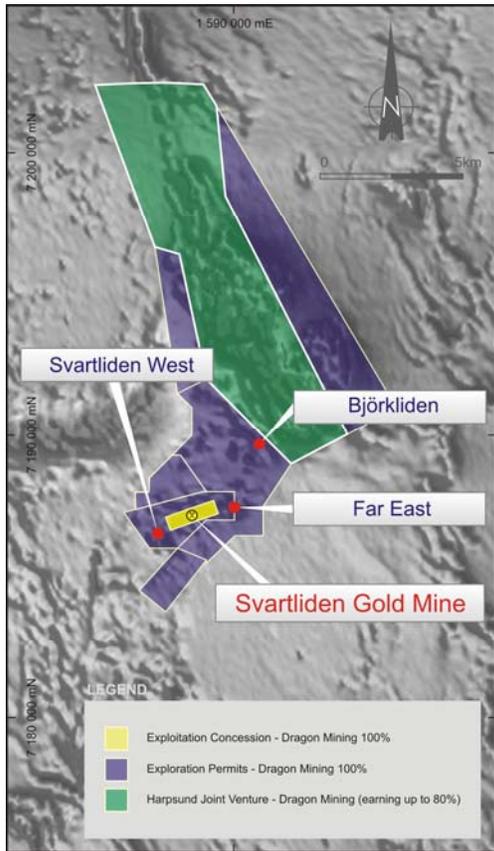
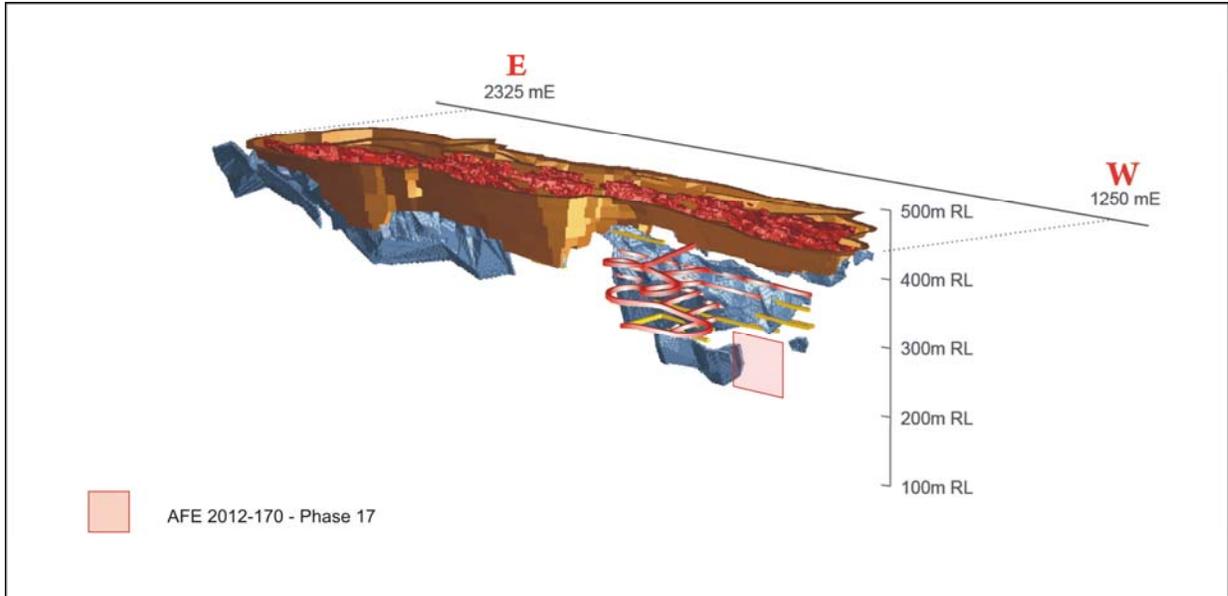
SWEDEN

Svartliden Gold Mine

A 6 hole, 1,355 metre program designed to expand the Svartliden resource and underground development westwards was completed. Assay results have been received from 4 holes, yielding highlight intercepts of **3.00m @ 5.11 g/t** gold and **2.00m @ 14.24 g/t** gold (Appendix 8). Results are pending for 2 holes.



Svartliden Gold Mine – 2012 Target panel



The 4 hole, 2,145.20 metres Phase 3 program of diamond core drilling in the Far East area was completed during the quarter. This program was designed to further evaluate the depth and strike extensions of identified mineralisation. The program has returned a best intercept of **2.00m @ 8.74 g/t** gold, approximately 100 metres below the previously released intercept from the Phase 2 program of 6.00m @ 6.69 g/t gold (Appendix 9).

The Far East target is located approximately 800 metres east of the Svartliden gold mine. A 10,250 metre follow-up program of diamond core drilling has now commenced to further advance this target.

The drilling of a 6 hole and 1 re-entry hole program in the Svartliden West (Ekorrliden) area was completed during the quarter. This program was designed to test the westerly extensions of the Svartliden host geological sequence at depth. Results have been received for 1 hole, returning an encouraging intercept of **6.00m @ 2.72 g/t** gold (Appendix 10). The results for the remaining holes are pending.

A 9 hole, 1,550.75 metre program of drilling has also been completed in the Björkliden area approximately 3,500 metres northeast of the Svartliden open-pit. Results have been received from all holes, returning a best intercept of **1.00m @ 34.50 g/t** gold (Appendix 11).

Location of the near mine targets, Far East, Svartliden West (Ekorrliden) and Björkliden.

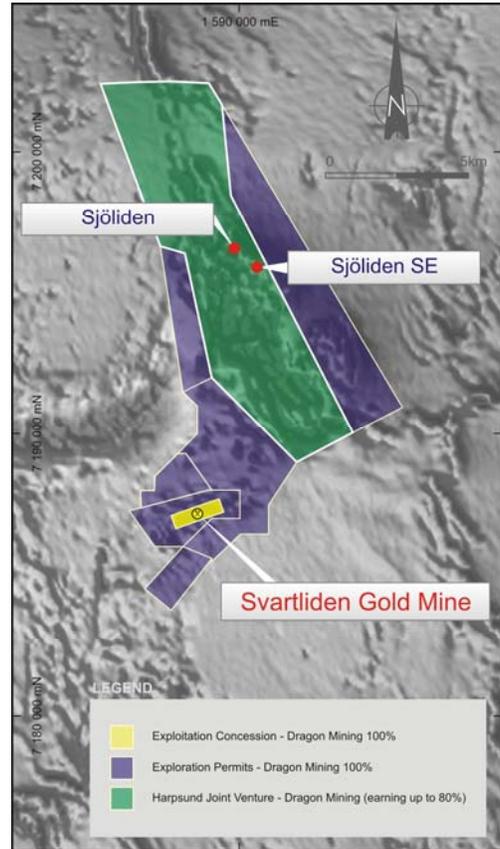


Harsund Joint Venture (Earning 80% interest)

The first results have been received for the 18 hole, 1,128.65 metre program of drilling that was completed at the Sjöleden and Sjöleden SE targets on the Harsund Joint Venture area. Results have been received from 5 holes, returning a best intercept of **1.00m @ 3.54 g/t** gold (Appendix 12). Assays for 13 holes are pending.

The Harsund Joint Venture area is located immediately adjacent to Dragon Mining's Exploration Permit holding at Svartliden, and is situated 4 kilometres northeast of the Svartliden Gold Mine. The Company entered into a Joint Venture Agreement with listed Swedish exploration company Botnia Exploration AB (Botnia) to earn up to 80% in Botnia's Exploration Permits in this area.

Location of the Sjöleden and Sjöleden SE targets on the Harsund Joint Venture.





CORPORATE

Cash Balances and Movements

As at 30 June 2012 Dragon Mining held \$14.4 million in cash, \$8.1 million in bullion and net gold concentrate receivables, and had a \$3.9 million cash deposit lodged with a Swedish authority as a rehabilitation bond.

The reduction in cash holdings over the June 2012 quarter was due to the continuation of development activities and the lower than expected revenues due to the delay in commencement of production stopping at Orivesi and the higher percentage of development ore processed at Jokisivu.

The principle movements in the cash balances during the quarter were attributable to:

| | Q2 |
|--|---------------|
| Operating Cash flows | \$(m) |
| Net cash inflows from operations | 14.1 |
| Cash outflows for rehabilitation bonds, overhead and operational support costs | (12.3) |
| Exploration | (5.3) |
| Net operating cash flows | (3.5) |
| Investing Cash flows | |
| Development expenditure | (4.2) |
| Capital purchases | (0.7) |
| Other | (0.2) |
| Net investing cash flows | (5.1) |
| Financing Cash flows | |
| Repayment on loan facility | (0.8) |
| Drawdown/(Repayment) of gold concentrate factoring facility | (1.6) |
| Foreign exchange gains on cash balances held in foreign currency | 0.4 |
| Other | (0.3) |
| Net financing cash flows | (2.3) |
| Decrease of cash | (10.9) |

Gold Sales

8,197 ounces of gold production from Svartliden was sold at an average price of US\$1,572 per ounce. 1,600 ounces of gold were delivered into the gold hedge at an average forward price of US\$1,394, and 6,597 ounces of gold was delivered into spot at an average price of US\$1,616 per ounce. The hedge program in respect of Swedish gold production was completed during the quarter.

5,880 ounces of gold concentrate from Vammala Production Centre was sold at an average price of US\$1,590 per ounce (gross of refining costs). The proceeds from these sales were then delivered into the hedge book resulting in a price received of US\$1,504 per ounce.

INVESTMENTS

Weld Range Metals Limited (Dragon 39.95%)

Weld Range Metals continue to work constructively with the Wajarri Yamatji people to develop the valuable iron, chromium, nickel and PGM resources.

Chalice Gold Mines Limited

Agreement was reached in April 2012 with Chalice Gold Mines for the payment of \$1.5 million to Dragon Mining in full consideration for settling the current entitlement to a trailing payment of \$4 million in the event that a one million ounce Ore Reserve is delineated at the Zara Project.



The payment is subject to completion of the sale of the Zara Project by Chalice Gold Mines to China SFECO Group and is expected to be received during the September 2012 quarter.

Listed Investments

Dragon Mining holds 2,000,000 shares in Chalice Gold Mines with a market value of approximately \$0.45 million.

Debt

A repayment of €0.6 million was made on 2 April 2012 against the Nordea loan and the balance remaining at 30 June 2012 was €1.9 million (A\$2.3 million). An additional debt repayment of €0.6 million was made on 2 July 2012.

The variable interest is currently 2.2% pa, calculated quarterly in arrears.

Hedging

The Nordea loan was subject to completion of a minimum euro denominated gold hedging programme of 30,000 ounces (10,000 ounces in 2011 and 20,000 ounces in 2012).

The hedging program consists of flat forward gold USD gold hedges with a back to back USD/EUR flat forward currency swap. At 30 June 2012, 10,800 ounces of gold remained to be delivered under the hedge facility at a price of US\$1504/oz. In respect of the USD/EUR forwards, US\$19.2 million remains to be delivered at an average USD/EUR rate of 1.421. At 30 June 2012, the mark to market loss from this combined forward arrangement was A\$2.3 million.

Factoring

As there is a minimum six week delay between shipment of gold concentrate produced at the Vammala Production Centre and payment by the refiner, the Company has a receivables facility (factoring) with Nordea Bank in Finland. Loan funds can be received for up to 75% of the gold concentrate value delivered and invoiced. At 30 June 2012 A\$0.6 million had been financed.

Strengthened Board and management

Appointment of Managing Director

On 1 June 2012 Mr Kjell Larsson was appointed Managing Director and is based in Finland. Mr Larsson holds a Master of Science in Mining Engineering from the Luleå University in Sweden and has held senior management roles in the mining industry in Sweden and Canada. Mr Larsson was previously the Company's Chief Operations Officer (appointed in October 2011). His appointment reflected the transition of the Company into its next growth phase.

Appointment of Chief Financial Officer

On 16 July 2012, Mr Mark Cheng was appointed Chief Financial Officer. Mr Cheng has over 20 years experience in a wide variety of businesses, with the last 10 years focused on mining or mining related companies, and is highly experienced in establishing processes and systems for growing companies.

Appointment of Company Secretary

On 22 June 2012 Chris Bath was appointed Company Secretary.



Competent Person's Statements:**Notation 1**

The information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Green BSc (Hons), a Member of the Australian Institute of Geoscientists, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Aaron Green consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notation 2

The information in this report that relates to Mineral Resources 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 full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Trevor Stevenson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

General

The information in this announcement that relates to Exploration Results and Mineral Resources 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 mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Matti Talikka consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.


Appendix 1 – Results from the underground diamond core drilling program from the 800m level targeting the Kutema lode system at the Orivesi Gold Mine.

| Hole | North | East | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|-----------|-----------|-------------|---------|------------|----------|--------------|------------|
| KU-1280 | 6838420.4 | 2508571.0 | 338.3 | -36.5 | 170.1 | 64.65 | 0.45 | 3.44 |
| | | | | | | 68.70 | 1.10 | 1.24 |
| | | | | | | 96.80 | 16.35 | 4.13 |
| KU-1281 | 6838420.8 | 2508571.1 | 350.5 | -30.8 | 149.7 | 80.00 | 1.00 | 1.41 |
| | | | | | | 86.50 | 0.50 | 1.87 |
| | | | | | | 94.00 | 3.45 | 3.14 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 2 – Results from the underground diamond core drilling program from the 710m level targeting below the 720m level in the Sarvisuo West area at the Orivesi Gold Mine.

| Hole | North | East | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|-----------|-----------|-------------|---------|------------|--------------------------|--------------|------------|
| KU-1318 | 6838449.7 | 2508772.3 | 358.4 | -36.3 | 239.8 | 75.95 | 1.05 | 1.42 |
| | | | | | | 142.00 | 1.50 | 1.18 |
| | | | | | | 160.50 | 1.35 | 2.37 |
| KU-1319 | 6838449.7 | 2508772.5 | 358.5 | -13.7 | 189.4 | 62.65 | 1.50 | 2.10 |
| | | | | | | 140.65 | 1.40 | 17.45 |
| | | | | | | 146.25 | 0.60 | 183.00 |
| KU-1320 | 6838449.8 | 2508773.1 | 6.0 | -36.3 | 238.3 | 124.00 | 1.00 | 3.22 |
| | | | | | | 155.50 | 2.50 | 4.96 |
| | | | | | | 160.00 | 2.30 | 1.88 |
| KU-1321 | 6838449.7 | 2508773.2 | 13.4 | -33.3 | 218.2 | 142.65 | 1.15 | 2.48 |
| | | | | | | 146.50 | 2.65 | 18.42 |
| KU-1322 | 6838449.7 | 2508772.4 | 17.6 | -34.8 | 205.2 | No Significant Intercept | | |
| KU-1323 | 6838449.7 | 2508774.6 | 358.1 | -31.6 | 250.2 | 74.50 | 0.95 | 1.35 |
| | | | | | | 161.70 | 0.50 | 7.11 |
| | | | | | | 167.65 | 1.15 | 6.69 |
| | | | | | | 184.25 | 2.45 | 9.44 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 3 – Results for the final two underground diamond core drill holes completed from the 710m level targeting between the 640m and 720m levels in the Sarvisuo West area at the Orivesi Gold Mine.

| Hole | North | East | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|---------|----------|-------------|---------|------------|---------------------------|--------------|------------|
| KU-1304 | 5428.56 | 11066.28 | 358.0 | 24.0 | 180.10 | No significant intercepts | | |
| KU-1305 | 5428.56 | 11066.28 | 358.0 | 17.0 | 182.60 | 61.85 | 1.05 | 8.45 |
| | | | | | | 139.15 | 0.85 | 3.73 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 4 – Final results for the fourth underground diamond core drilling program undertaken from the 65m level at Kujanakallio, Jokisivu Gold Mine. June results highlighted in red.

| Hole | North | East | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|-----------|-----------|-----------|-------------|---------|------------|----------|--------------|------------|
| HU/JS-475 | 6779504.3 | 2425982.9 | 37.0 | -17.0 | 106.55 | 71.35 | 1.45 | 4.34 |
| | | | | | | 87.10 | 1.45 | 2.02 |
| HU/JS-476 | 6779507.0 | 2425978.7 | 44.0 | 33.0 | 75.20 | 26.65 | 1.05 | 2.35 |
| | | | | | | 61.50 | 4.60 | 1.93 |
| HU/JS-477 | 6779507.0 | 2425978.7 | 44.0 | 20.0 | 77.20 | 56.90 | 1.50 | 1.60 |
| | | | | | | 66.35 | 5.70 | 2.45 |
| HU/JS-478 | 6779508.9 | 2425975.4 | 25.0 | 6.0 | 75.10 | 19.60 | 0.55 | 1.85 |
| | | | | | | 64.30 | 1.45 | 1.18 |



| | | | | | | | | |
|-----------|-----------|-----------|-------|-------|--------|--------|------|-------|
| | | | | | | 67.10 | 1.05 | 1.57 |
| HU/JS-479 | 6779508.6 | 2425975.2 | 28.0 | 38.0 | 75.05 | 62.60 | 2.05 | 12.03 |
| HU/JS-480 | 6779508.9 | 2425975.6 | 17.0 | -26.0 | 120.45 | 22.90 | 0.90 | 2.58 |
| | | | | | | 47.80 | 6.80 | 7.90 |
| | | | | | | 56.55 | 0.95 | 4.50 |
| | | | | | | 88.00 | 0.55 | 8.06 |
| HU/JS-481 | 6779512.8 | 2425970.0 | 16.0 | -1.0 | 75.05 | 27.95 | 0.25 | 1.59 |
| | | | | | | 47.65 | 6.95 | 6.72 |
| | | | | | | 67.25 | 0.70 | 1.46 |
| HU/JS-482 | 6779512.3 | 2425970.0 | 13.0 | 39.0 | 65.10 | 57.50 | 1.85 | 5.00 |
| HU/JS-483 | 6779512.8 | 2425969.7 | 356.0 | -1.0 | 80.15 | 10.40 | 1.60 | 1.83 |
| | | | | | | 28.00 | 2.05 | 6.59 |
| | | | | | | 33.70 | 1.25 | 7.55 |
| | | | | | | 57.90 | 0.65 | 2.13 |
| | | | | | | 71.55 | 0.90 | 9.05 |
| HU/JS-484 | 6779518.3 | 2425956.0 | 342.0 | 13.0 | 80.05 | 0.00 | 2.50 | 2.07 |
| | | | | | | 5.00 | 2.15 | 3.12 |
| | | | | | | 8.90 | 4.20 | 3.56 |
| | | | | | | 37.75 | 4.30 | 2.31 |
| | | | | | | 60.00 | 1.80 | 2.57 |
| HU/JS-485 | 6779518.1 | 2425956.0 | 349.0 | -10.0 | 90.15 | 0.00 | 0.95 | 6.35 |
| | | | | | | 5.35 | 3.40 | 6.22 |
| | | | | | | 31.95 | 1.20 | 1.00 |
| | | | | | | 47.80 | 1.65 | 11.80 |
| | | | | | | 53.40 | 1.50 | 2.87 |
| HU/JS-486 | 6779500.7 | 2425978.2 | 177.0 | 9.0 | 170.05 | 12.40 | 1.50 | 1.64 |
| | | | | | | 43.05 | 1.05 | 3.16 |
| | | | | | | 54.70 | 3.00 | 3.79 |
| | | | | | | 78.60 | 3.00 | 2.07 |
| | | | | | | 94.10 | 1.50 | 4.07 |
| | | | | | | 152.50 | 1.50 | 2.05 |
| | | | | | | 160.35 | 1.45 | 1.28 |
| HU/JS-487 | 6779503.0 | 2425974.7 | 188.0 | 6.0 | 160.00 | 37.65 | 1.40 | 3.17 |
| | | | | | | 54.50 | 1.30 | 1.09 |
| | | | | | | 65.85 | 0.90 | 8.48 |
| | | | | | | 90.80 | 0.35 | 7.36 |
| | | | | | | 128.85 | 1.50 | 1.43 |
| | | | | | | 151.50 | 0.75 | 1.53 |
| HU/JS-488 | 6779505.2 | 2425971.3 | 200.0 | 0.0 | 120.10 | 4.50 | 1.00 | 1.58 |
| | | | | | | 76.55 | 1.45 | 4.10 |
| HU/JS-489 | 6779508.4 | 2425965.2 | 213.0 | 11.0 | 155.10 | 47.60 | 0.95 | 3.37 |
| HU/JS-490 | 6779509.6 | 2425960.8 | 222.0 | 0.0 | 100.10 | 25.50 | 1.50 | 4.06 |
| | | | | | | 30.00 | 3.00 | 1.20 |
| | | | | | | 34.50 | 3.60 | 5.25 |
| | | | | | | 52.55 | 8.95 | 6.30 |



| | | | | | | | | |
|-----------|-----------|-----------|-------|-----|--------|-------|------|-------|
| | | | | | | 67.50 | 2.40 | 1.45 |
| HU/JS-491 | 6779511.0 | 2425955.0 | 235.0 | 0.0 | 100.05 | 3.20 | 0.80 | 2.10 |
| | | | | | | 10.90 | 1.25 | 1.15 |
| | | | | | | 16.00 | 1.50 | 21.20 |
| | | | | | | 32.70 | 8.25 | 4.34 |
| | | | | | | 66.50 | 1.50 | 1.32 |
| | | | | | | 80.00 | 1.50 | 1.08 |
| | | | | | | 89.45 | 1.50 | 1.29 |
| HU/JS-492 | 6779514.9 | 2425952.3 | 247.0 | 0.0 | 95.15 | 2.65 | 3.85 | 12.16 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 5 – Results for the fifth phase of underground diamond core drilling undertaken from the 200m level at Kujankallio, Jokisivu Gold Mine.

| Hole | North | East | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|-----------|-----------|-----------|-------------|---------|------------|----------|--------------|------------|
| HU/JS-547 | 6779475.0 | 2426074.5 | 43.0 | -10.0 | 250.60 | 148.85 | 2.40 | 1.02 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 6 – Results from in-fill surface diamond core drilling at Arpola, Jokisivu Gold Mine.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|-----------|-----------|-----------|-----------|-------------|---------|------------|----------|--------------|------------|
| HU/JS-493 | 6779271.6 | 2426147.4 | -15.1 | 195.0 | -51.0 | 90.70 | 5.90 | 1.50 | 2.25 |
| | | | | | | | 38.90 | 1.30 | 1.93 |
| | | | | | | | 46.55 | 1.00 | 1.55 |
| | | | | | | | 66.50 | 1.50 | 1.48 |
| | | | | | | | 78.00 | 1.60 | 2.95 |
| | | | | | | | 89.80 | 0.90 | 44.00 |
| HU/JS-494 | 6779311.9 | 2426154.2 | -16.0 | 195.0 | -56.0 | 130.00 | 79.90 | 1.70 | 2.65 |
| | | | | | | | 84.10 | 1.50 | 1.64 |
| | | | | | | | 96.10 | 1.45 | 4.10 |
| HU/JS-495 | 6779327.4 | 2426156.8 | -16.0 | 195.0 | -56.0 | 145.00 | 8.60 | 1.45 | 1.24 |
| | | | | | | | 58.70 | 1.50 | 1.26 |
| | | | | | | | 78.50 | 3.85 | 1.11 |
| | | | | | | | 103.10 | 1.45 | 1.02 |
| | | | | | | | 106.95 | 1.50 | 1.28 |
| | | | | | | | 140.80 | 1.00 | 1.28 |
| HU/JS-496 | 6779343.6 | 2426159.6 | -15.7 | 195.0 | -56.0 | 159.70 | 127.50 | 0.95 | 1.12 |
| HU/JS-497 | 6779257.6 | 2426114.4 | -15.4 | 216.0 | -56.0 | 70.00 | 5.35 | 1.10 | 1.80 |
| | | | | | | | 7.90 | 1.20 | 1.26 |
| | | | | | | | 16.10 | 1.05 | 2.25 |
| | | | | | | | 42.10 | 3.15 | 1.29 |
| HU/JS-498 | 6779279.8 | 2426131.4 | -13.8 | 216.0 | -58.0 | 96.40 | 5.25 | 1.15 | 3.58 |
| | | | | | | | 22.80 | 4.45 | 1.50 |
| HU/JS-499 | 6779299.7 | 2426146.7 | -15.2 | 216.0 | -61.0 | 109.20 | 52.90 | 1.95 | 2.04 |
| HU/JS-500 | 6779198.6 | 2426170.0 | -17.0 | 180.0 | -55.0 | 55.00 | 4.00 | 8.55 | 2.96 |
| | | | | | | | 19.05 | 0.95 | 1.46 |
| | | | | | | | 24.15 | 0.50 | 1.00 |
| | | | | | | | 25.65 | 2.35 | 1.14 |
| | | | | | | | 32.30 | 1.00 | 3.44 |
| | | | | | | | 43.80 | 1.40 | 1.52 |
| | | | | | | | 50.50 | 1.30 | 10.55 |



| | | | | | | | | | |
|-----------|-----------|-----------|-------|-------|-------|-------|-------|------|------|
| HU/JS-501 | 6779226.1 | 2426170.0 | -15.9 | 180.0 | -54.0 | 69.80 | 25.10 | 0.45 | 6.07 |
| | | | | | | | 41.75 | 0.75 | 1.20 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at the ALS Minerals facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 7 – Phase 8 and 9 diamond core drill results Juomasuo gold deposit, Kuusamo Gold Project.

| Hole ID | Northing | Easting | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Au (g/t) | Co (ppm) | Cu (ppm) | U (ppm) | TREO (ppm) |
|-----------|-----------|-----------|-----------|-------------|---------|------------|--|--------------|----------|----------|----------|---------|------------|
| KS/JS-180 | 7355272.8 | 4464016.8 | 261.4 | 36.0 | -60 | 449.1 | 101.20 | 3.00 | 2.60 | 282 | 0 | 27 | 113 |
| | | | | | | | 196.90 | 3.80 | 1.23 | 1,289 | 344 | 72 | 193 |
| | | | | | | | 205.40 | 4.80 | 4.70 | 1,783 | 149 | 74 | 295 |
| KS/JS-181 | 7355211.9 | 4464023.9 | 260.8 | 34.9 | -60 | 331.8 | 243.90 | 10.20 | 9.53 | 973 | 30 | 619 | 401 |
| | | | | | | | Includes 0.30m @ 226.0 g/t gold from 244.65 metres | | | | | | |
| KS/JS-182 | 7355231.1 | 4463999.3 | 260.2 | 36.0 | -60 | 331.6 | 223.30 | 2.20 | 13.98 | 502 | 125 | 100 | 149 |
| | | | | | | | 228.00 | 1.30 | 1.27 | 837 | 266 | 27 | 144 |
| | | | | | | | 247.35 | 2.45 | 13.19 | 850 | 59 | 644 | 332 |
| | | | | | | | 257.00 | 3.60 | 1.71 | 1,788 | 5 | 163 | 379 |
| KS/JS-183 | 7355181.6 | 4463999.8 | 260.2 | 35.6 | -60 | 370.7 | 287.10 | 3.05 | 3.93 | 2,555 | 161 | 108 | 926 |
| KS/JS-184 | 7355126.5 | 4464008.8 | 260.4 | 36.6 | -60 | 421.6 | No significant gold intercepts | | | | | | |
| KS/JS-185 | 7355330.9 | 4464199.0 | 271.2 | 33.4 | -50 | 270.9 | 59.60 | 6.30 | 4.12 | 553 | 0 | 60 | 140 |
| | | | | | | | 71.90 | 1.25 | 5.80 | 1,865 | 287 | 658 | 350 |
| | | | | | | | 113.80 | 1.60 | 13.20 | 687 | 221 | 876 | 326 |
| | | | | | | | 186.70 | 3.00 | 1.17 | 293 | 1,123 | 13 | 121 |
| | | | | | | | 192.70 | 7.20 | 8.76 | 4,247 | 1,708 | 7 | 427 |
| KS/JS-186 | 7355318.0 | 4464215.4 | 271.0 | 38.1 | -50 | 271.5 | 188.60 | 2.00 | 1.53 | 1,015 | 1,043 | 14 | 580 |
| KS/JS-187 | 7355265.6 | 4464210.6 | 268.4 | 31.9 | -60 | 301.9 | No significant gold intercepts | | | | | | |
| KS/JS-188 | 7355226.8 | 4464183.1 | 267.6 | 40.8 | -60 | 385.9 | 331.25 | 1.00 | 2.12 | 999 | 900 | 5 | 296 |
| KS/JS-189 | 7355202.1 | 4464165.1 | 266.7 | 36.5 | -60 | 370.6 | No significant gold intercepts | | | | | | |
| KS/JS-190 | 7355168.3 | 4464139.3 | 271.6 | 36.4 | -60 | 400.7 | 193.10 | 3.85 | 1.75 | 1,033 | 119 | 48 | 498 |
| KS/JS-191 | 7355136.5 | 4464116.8 | 265.3 | 33.8 | -60 | 442.4 | 233.70 | 2.20 | 2.60 | 829 | 43 | 567 | 275 |
| KS-JS-192 | 7355348.9 | 4464067.9 | 268.3 | 33.0 | -55 | 289.6 | No significant gold intercepts | | | | | | |
| KS-JS-193 | 7355316.4 | 4464044.4 | 264.2 | 34.8 | -55 | 351.9 | 39.70 | 4.00 | 2.25 | 169 | 2 | 13 | 573 |
| | | | | | | | 98.00 | 1.10 | 1.08 | 1,170 | 14 | 9 | 309 |
| | | | | | | | 104.60 | 1.40 | 3.02 | 513 | 3 | 8 | 151 |
| | | | | | | | 172.80 | 0.95 | 2.60 | 339 | 388 | 231 | 382 |
| | | | | | | | 183.70 | 1.00 | 2.14 | 486 | 124 | 659 | 619 |
| KS-JS-194 | 7355294.0 | 4464029.9 | 261.2 | 32.6 | -57 | 370.6 | 152.10 | 8.20 | 2.86 | 239 | 190 | 24 | 141 |
| | | | | | | | 163.30 | 1.00 | 2.17 | 276 | 77 | 3 | 28 |
| | | | | | | | 170.85 | 1.15 | 1.08 | 383 | 11 | 10 | 242 |
| | | | | | | | 200.35 | 1.00 | 2.13 | 1,130 | 457 | 1,000 | 2,479 |
| | | | | | | | 204.30 | 0.90 | 1.28 | 276 | 279 | 1,700 | 505 |
| KS/JS-195 | 7355510.4 | 4464219.2 | 272.8 | 215.5 | -45 | 370.6 | 213.15 | 3.85 | 1.30 | 491 | 49 | 273 | 362 |
| | | | | | | | 250.25 | 1.00 | 9.79 | 1,180 | 7 | 87 | 338 |
| | | | | | | | 258.30 | 1.00 | 5.75 | 137 | 186 | 12 | 102 |
| | | | | | | | 275.70 | 2.10 | 4.26 | 1,865 | 372 | 192 | 381 |
| | | | | | | | 304.70 | 4.05 | 11.69 | 717 | 240 | 2,100 | 1,692 |
| | | | | | | | 313.75 | 0.95 | 2.94 | 1,030 | 415 | 712 | 443 |
| | | | | | | | 320.55 | 1.10 | 4.13 | 733 | 163 | 13 | 53 |
| | | | | | | | 325.60 | 1.00 | 1.48 | 337 | 5 | 2,900 | 434 |
| KS/JS-196 | 7355500.0 | 4464230.0 | 273.2 | 358.6 | -50 | 99.9 | No significant gold intercepts | | | | | | |



| | | | | | | | | | | | | | |
|-----------|-----------|-----------|-------|-------|-----|-------|---|-------|--------|-------|-------|-------|-------|
| KS/JS-197 | 7355497.8 | 4464235.0 | 273.0 | 214.2 | -45 | 370.2 | 249.80 | 10.55 | 16.54 | 889 | 4 | 249 | 423 |
| | | | | | | | 275.00 | 1.00 | 1.10 | 195 | 69 | 5 | 119 |
| KS/JS-198 | 7355477.2 | 4464247.1 | 274.3 | 36.5 | -65 | 121.8 | 11.40 | 1.95 | 2.32 | 1,829 | 912 | 265 | 898 |
| KS/JS-199 | 7355473.2 | 4464268.1 | 273.4 | 37.3 | -45 | 81.2 | 21.35 | 1.05 | 1.58 | 227 | 8 | 79 | 317 |
| | | | | | | | 37.70 | 3.10 | 5.21 | 2,019 | 381 | 460 | 651 |
| KS/JS-200 | 7355418.1 | 4464364.1 | 275.6 | 36.2 | -45 | 195.1 | No significant gold intercepts | | | | | | |
| KS/JS-201 | 7355352.2 | 4464317.1 | 276.2 | 33.6 | -45 | 151.0 | 83.00 | 1.70 | 119.05 | 632 | 226 | 1,624 | 676 |
| | | | | | | | Includes 0.85m @ 237.0 g/t gold from 83.85 metres | | | | | | |
| KS/JS-202 | 7355423.5 | 4464277.3 | 276.4 | 36.0 | -45 | 127.4 | 62.60 | 0.90 | 8.57 | 1,780 | 242 | 2,400 | 875 |
| KS/JS-203 | 7355428.9 | 4464269.0 | 276.1 | 18.8 | -45 | 109.9 | 77.25 | 1.15 | 1.11 | 3,290 | 848 | 153 | 2,135 |
| KS/JS-204 | 7355390.1 | 4464253.0 | 276.7 | 35.0 | -45 | 150.7 | 91.00 | 1.80 | 1.30 | 1,114 | 857 | 77 | 419 |
| | | | | | | | 106.30 | 1.60 | 1.91 | 798 | 165 | 252 | 293 |
| KS/JS-205 | 7355412.1 | 4464225.1 | 268.7 | 36.6 | -45 | 160.2 | 0.70 | 0.45 | 1.58 | 103 | 3 | 3 | 50 |
| | | | | | | | 17.50 | 13.50 | 2.97 | 3,026 | 295 | 12 | 167 |
| | | | | | | | 85.10 | 1.80 | 2.85 | 1,247 | 618 | 2,044 | 596 |
| | | | | | | | 95.65 | 1.80 | 147.87 | 4,399 | 1,438 | 4,867 | 1,555 |
| | | | | | | | 102.20 | 4.00 | 1.03 | 439 | 200 | 6 | 121 |
| KS/JS-206 | 7355424.0 | 4464209.0 | 269.0 | 36.8 | -45 | 162.7 | 4.70 | 2.30 | 1.70 | 2,511 | 240 | 13 | 238 |
| | | | | | | | 24.05 | 3.30 | 6.58 | 1,590 | 634 | 40 | 235 |
| KS/JS-207 | 7355341.2 | 4464148.5 | 268.4 | 37.5 | -50 | 289.5 | 6.90 | 1.30 | 5.76 | 514 | 1 | 5 | 316 |
| | | | | | | | 96.70 | 1.10 | 1.69 | 3,590 | 18 | 11 | 260 |
| | | | | | | | 99.90 | 10.20 | 2.75 | 2,934 | 58 | 284 | 245 |
| | | | | | | | 120.40 | 9.45 | 4.11 | 2,461 | 283 | 75 | 249 |
| | | | | | | | 136.20 | 1.15 | 3.91 | 275 | 116 | 1,100 | 200 |
| KS/JS-208 | 7355408.3 | 4464152.0 | 275.6 | 37.4 | -45 | 202.4 | No significant gold intercepts | | | | | | |

Preparation of half core samples was completed at the ALS Minerals facility in Outokumpu, Finland, and analysis completed at ALS Minerals in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. The TREO values have been calculated as the sum of all REE as REE₂O₃, with the exception of Ce (CeO₂), Pr (Pr₆O₁₁) and Tb (Tb₄O₇). Intercepts reported at a 1 g/t gold cut-off.

Appendix 8 – Results from Phase 17 diamond core drilling of the western depth extensions of the Svartliden gold deposit.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|---------|---------|-----------|-------------|---------|------------|----------|--------------|------------|
| SV12630 | 7187015 | 1588180 | 425.2 | 283 | -45 | 165.15 | 127.00 | 2.00 | 14.24 |
| SV12631 | 7187015 | 1588180 | 425.2 | 308 | -57 | 151.30 | 102.00 | 1.00 | 1.57 |
| | | | | | | | 129.00 | 1.00 | 1.00 |
| SV12632 | 7187015 | 1588180 | 425.2 | 334 | -58 | 155.70 | 120.00 | 3.00 | 5.11 |
| SV12633 | 7186920 | 1588257 | 456.0 | 341 | -42 | 276.75 | 228.00 | 2.00 | 1.58 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

Appendix 9 – Phase 3 diamond core drilling of the Far East target, Svartliden Gold Mine.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|-----------|-----------|-----------|-------------|---------|------------|--------------------------|--------------|------------|
| SV11620 | 7187463.9 | 1590017.9 | 482.0 | 330 | -75 | 480.80 | 429.00 | 2.00 | 8.74 |
| SV11621 | 7187381.6 | 1590059.1 | 493.2 | 330 | -75 | 584.10 | 524.00 | 3.00 | 2.65 |
| SV11623 | 7187563.9 | 1590190.9 | 482.0 | 330 | -75 | 505.20 | 446.00 | 1.00 | 4.18 |
| SV11624 | 7187484.2 | 1590231.4 | 486.8 | 330 | -75 | 575.10 | No significant intercept | | |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.



Appendix 10 – Initial result from diamond core drilling of the Svartliden West (Ekorliden) target.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|-----------|-----------|-----------|-------------|---------|------------|----------|--------------|------------|
| SV12628 | 7186380.8 | 1587834.8 | 503.0 | 288 | -66 | 326.2 | 56.00 | 6.00 | 2.72 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

Appendix 11 – Results from diamond core drilling of the Bjorkliden area, Svartliden Gold Mine.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|--------|-----------|-----------|-----------|-------------|---------|------------|--------------------------|--------------|------------|
| BJ0002 | 7190661.4 | 1590146.7 | 426.8 | 238 | -45 | 199.00 | No significant intercept | | |
| BJ0003 | 7190689.8 | 1590194.2 | 427.5 | 238.0 | -45 | 199.20 | No significant intercept | | |
| BJ0004 | 7190833.9 | 1590421.1 | 425.8 | 241.0 | -45 | 168.15 | No significant intercept | | |
| BJ0005 | 7190869.8 | 1590487.0 | 422.6 | 241 | -45 | 168.85 | No significant intercept | | |
| BJ0008 | 7190278.2 | 1590624.1 | 420.6 | 215 | -45 | 181.70 | 106.00 | 1.00 | 2.57 |
| BJ0009 | 7190349.4 | 1590668.5 | 421.2 | 215.0 | -45 | 151.10 | 92.00 | 1.00 | 1.09 |
| BJ0010 | 7190230.0 | 1590539.0 | 428.9 | 215 | -45 | 150.80 | 97.00 | 1.00 | 34.50 |
| BJ0011 | 7190762.1 | 1590310.5 | 430.0 | 241 | -45 | 139.00 | No significant intercept | | |
| BJ0012 | 7190795.9 | 1590363.4 | 430.0 | 241.0 | -45 | 192.95 | No significant intercept | | |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

Appendix 12 – Results from diamond core drilling of the Sjölden and Sjölden SE targets on the Harpsund Joint Venture.

| Hole | North | East | Elevation | Azimuth (°) | Dip (°) | Length (m) | From (m) | Interval (m) | Gold (g/t) |
|---------|-----------|-----------|-----------|-------------|---------|------------|---------------------------|--------------|------------|
| SJ11605 | 7196617.3 | 1589993.2 | 321.3 | 254 | -50 | 61.25 | No significant intercepts | | |
| SJ11606 | 7196624.3 | 1590019.3 | 317.2 | 254 | -50 | 67.40 | 55.00 | 1.00 | 1.41 |
| SJ11612 | 7196606.9 | 1589958.3 | 322.7 | 74 | -58 | 70.25 | 61.00 | 1.00 | 3.54 |
| SJ11613 | 7195975.5 | 1590538.6 | 330.2 | 300 | -50 | 50.00 | No significant intercepts | | |
| SJ11615 | 7195925.0 | 1590556.3 | 333.2 | 300 | -50 | 55.30 | 5.00 | 1.00 | 1.01 |

Analysis of half core was completed at ALS Minerals in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Minerals facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.