



## **DRAGON MINING LIMITED**

**Positioned For Growth**

Investor Presentation

October 2010

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# Scandinavian Gold Producer

## Svartliden Gold Mine (80%)

- 40,000 ounces
- Cash cost US\$550

## Vammala Production Centre

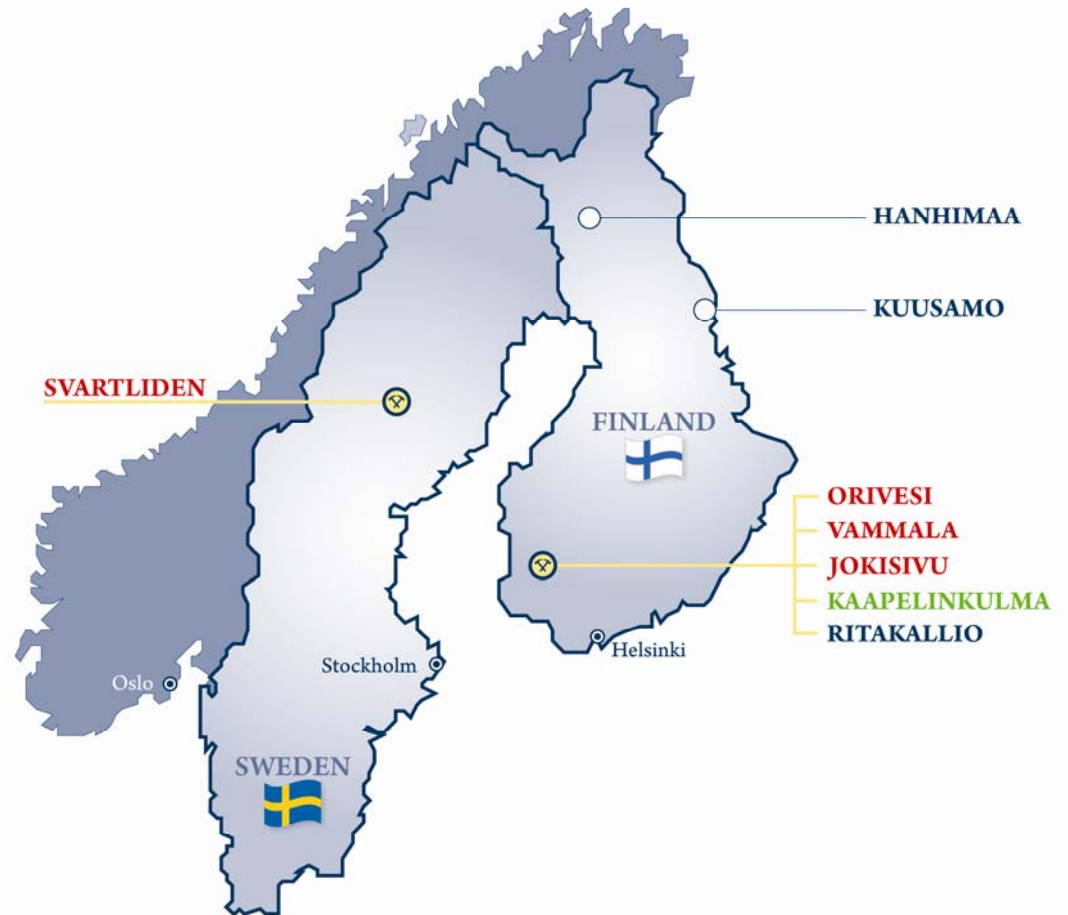
- 30,000 ounces
- Cash cost US\$650

## Growing Pipeline of Opportunities

- Kuusamo Gold Project

## Strong Financial Position (30 Sep 10)

- \$28.3m of liquid assets
- No debt, no hedging
- 2.3m Chalice shares (CHN)



**Production, Cashflow, Growth**



# Corporate Overview

## Issued Capital

- Ordinary Shares 737.8m
- Options (14c – 21c) 10.2m
- Market Cap A\$122m

## Substantial Shareholders

- Nicolas Mathys 17.7%
- Eurogold 17.3%



**Australian Securities Exchange Code: DRA**

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# Corporate Overview

## Directors



**Peter Cordin**  
*Executive Chairman*

Mr Cordin is a civil engineer with more than 35 years experience in the evaluation, development and operation of resource projects within Australia and overseas. He is a non executive director of Coal of Africa Ltd and Vital Metals Limited.



**Michael Naylor**  
*Finance Director*

Mr Naylor is a Chartered Accountant and Chartered Secretary with 14 years of mining and resource related financial experience in Australia, Canada, Europe and Africa. He formerly held a senior management position with a major international accounting firm in Perth and Toronto.



**Peter Gunzburg**  
*Non-Executive Director*

Mr Gunzburg has a Commerce Degree from the University of Western Australia and over 20 years experience as a stockbroker. He is the Chairman of Pie Networks and AIM listed Brinkley Mining Plc and also a Non-Executive Director of Fleetwood.



**Tapani Järvinen**  
*Non-Executive Director*

Mr Järvinen retired is currently a Board member of a number of Finnish companies including Outotec OY and Chairman of the Finnish – Latin American Trade Association, the Cleantech Finland Business Forum, Laatukeskus Excellence Finland Oy and the Industry Council of Technology Academy of Finland.



**Dr Markku Mäkelä**  
*Non-Executive Director*

Professor Mäkelä has over 38 years experience from a variety of scientific, operational and administrative activities in the economic geological and mining sector in Finland and abroad. He remains a member of the UN Committee on Energy and Natural Resources for Development. He is a Board member of Kopylovskoye AB.



**Christian Russenberger**  
*Non-Executive Director*

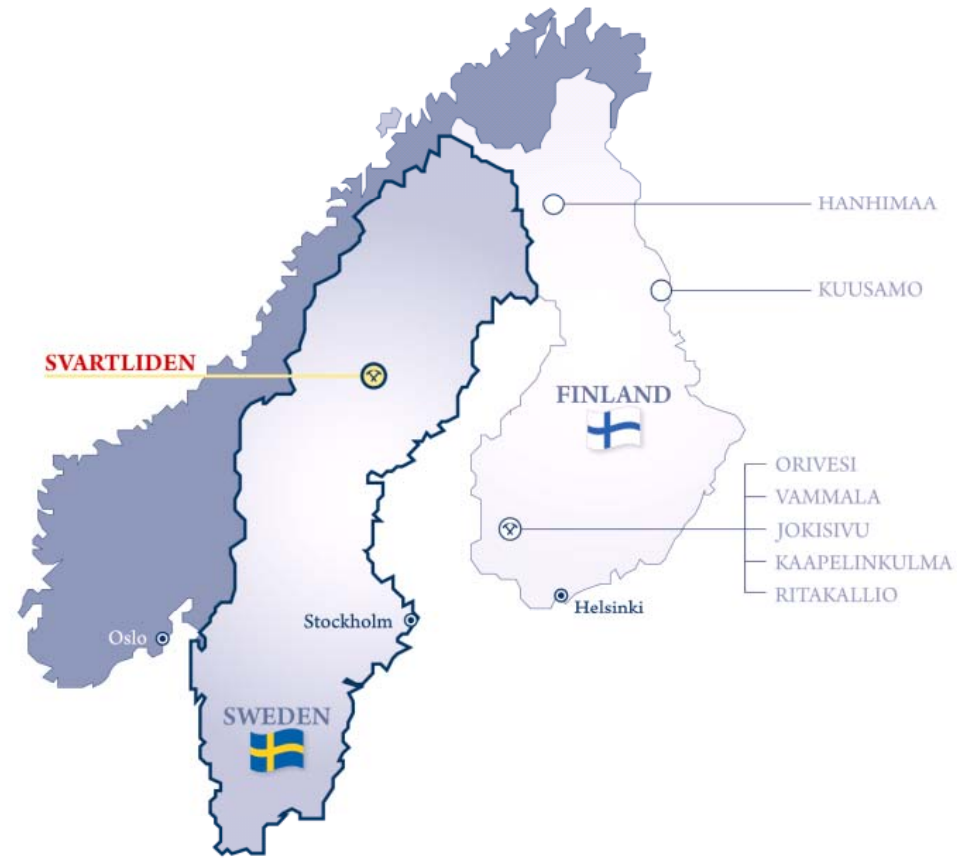
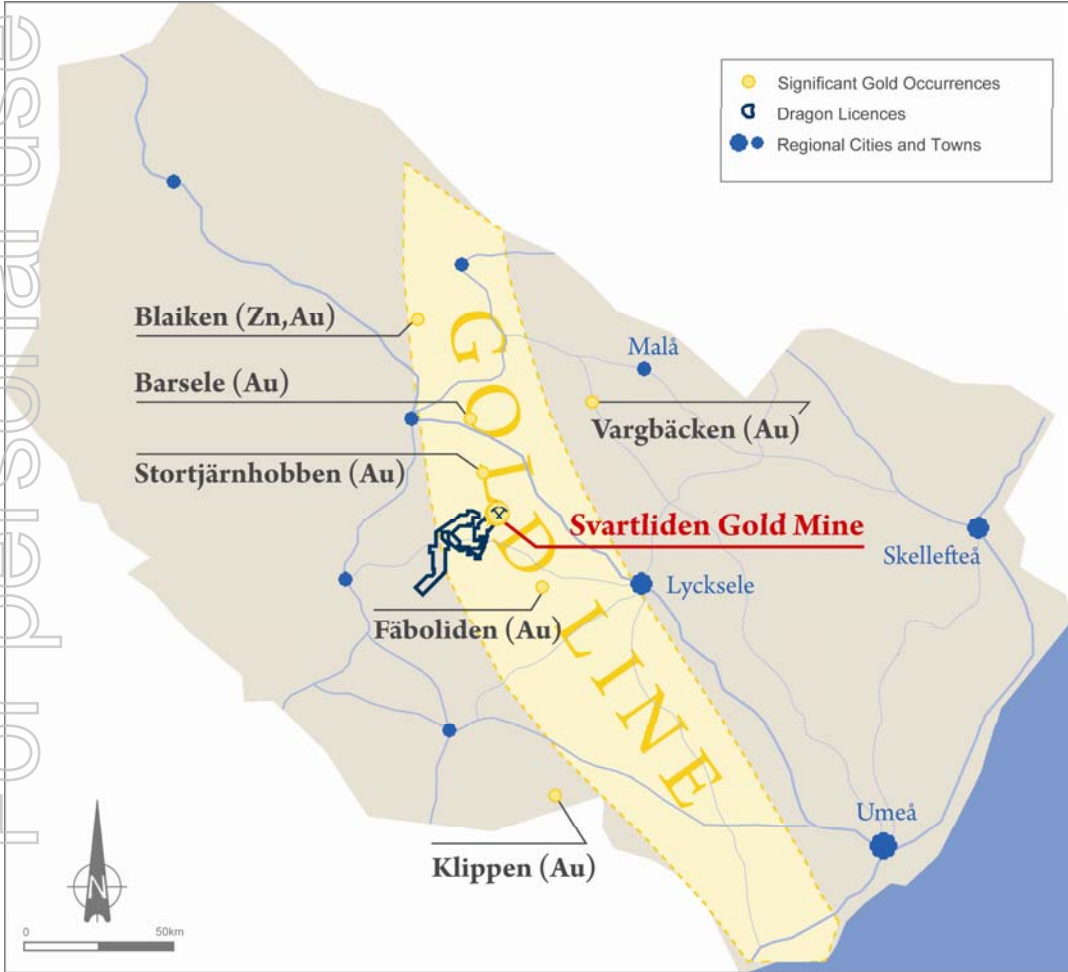
Mr. Russenberger is principal and director of CR Innovations AG, Switzerland, which specialises in strategic and financial consulting to private and public micro-cap companies. Previously he worked as a relationship manager and analyst for Swiss banks.





# Svartliden Gold Mine

## Location



**Production, Cashflow, Growth**

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# Svartliden Gold Mine

## Statistics to 30 September 2010

	Project to Date	YTD September 2010
Ore Processed	1,741,356 t	253,688 t
Average Head Grade	4.80 g/t	4.34 g/t
Average Recovery	90.67 %	91.84 %
<b>Gold Produced</b>	<b>243,436 oz</b>	<b>32,533 oz</b>

- September YTD 2010 Cash Cost **US\$544**
- September YTD 2010 Selling Price **US\$1,181**
- **Produce 40,000 ounces in 2010**





# Svartliden Gold Mine

## Mining and Loading



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# Svartliden Gold Mine

## Open Pit



Apr 08



Oct 09

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# Svartliden Gold Mine

## Tailings Dam



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# Svartliden Gold Mine

## Transitioning Underground in 2011



Aug 08



Jan 09

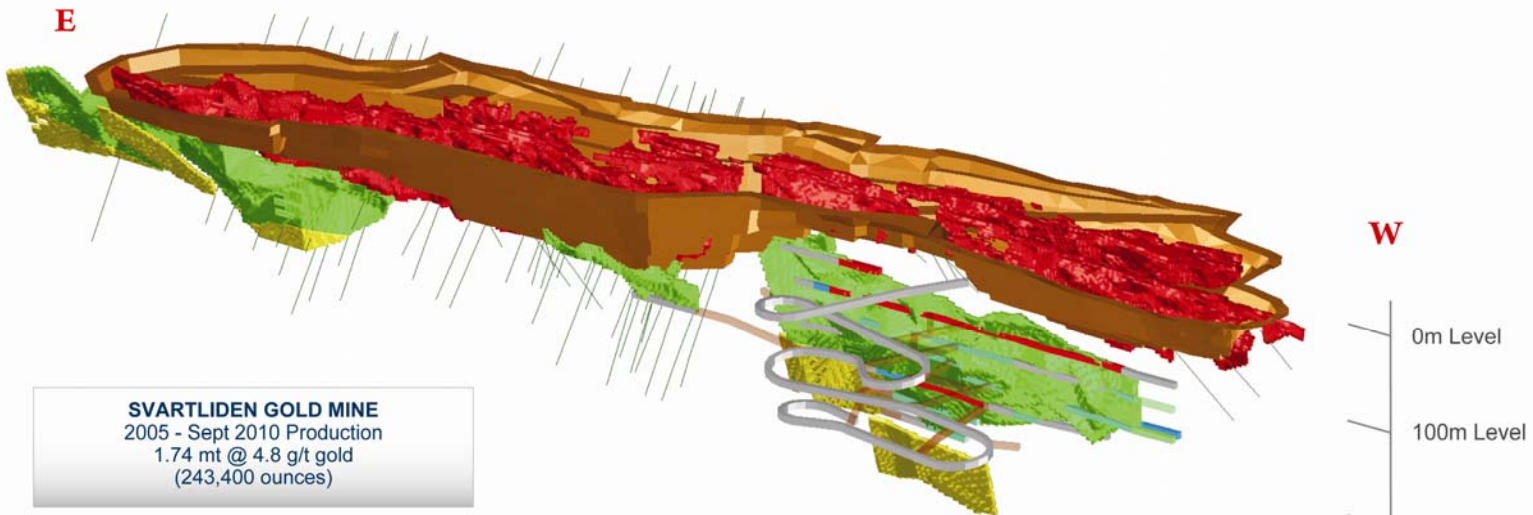
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# Svartliden Gold Mine

## Transitioning Underground in 2011



**SVARTLIDEN GOLD MINE**  
2005 - Sept 2010 Production  
1.74 mt @ 4.8 g/t gold  
(243,400 ounces)

**SVARTLIDEN OPEN PIT RESOURCE**  
Resources  
Measured - 246,000t @ 4.2 g/t Au  
Indicated - 359,000t @ 3.2 g/t Au  
Inferred - 79,000t @ 2.8 g/t Au  
Total - 684,000t @ 3.5 g/t Au  
(77,300 ounces)

**SVARTLIDEN UNDERGROUND RESOURCE**  
Resources  
Indicated - 272,000t @ 6.5 g/t Au  
Inferred - 73,000t @ 4.9 g/t Au  
Total - 345,000t @ 6.1 g/t Au  
(68,400 ounces)

### Proposed Underground Development

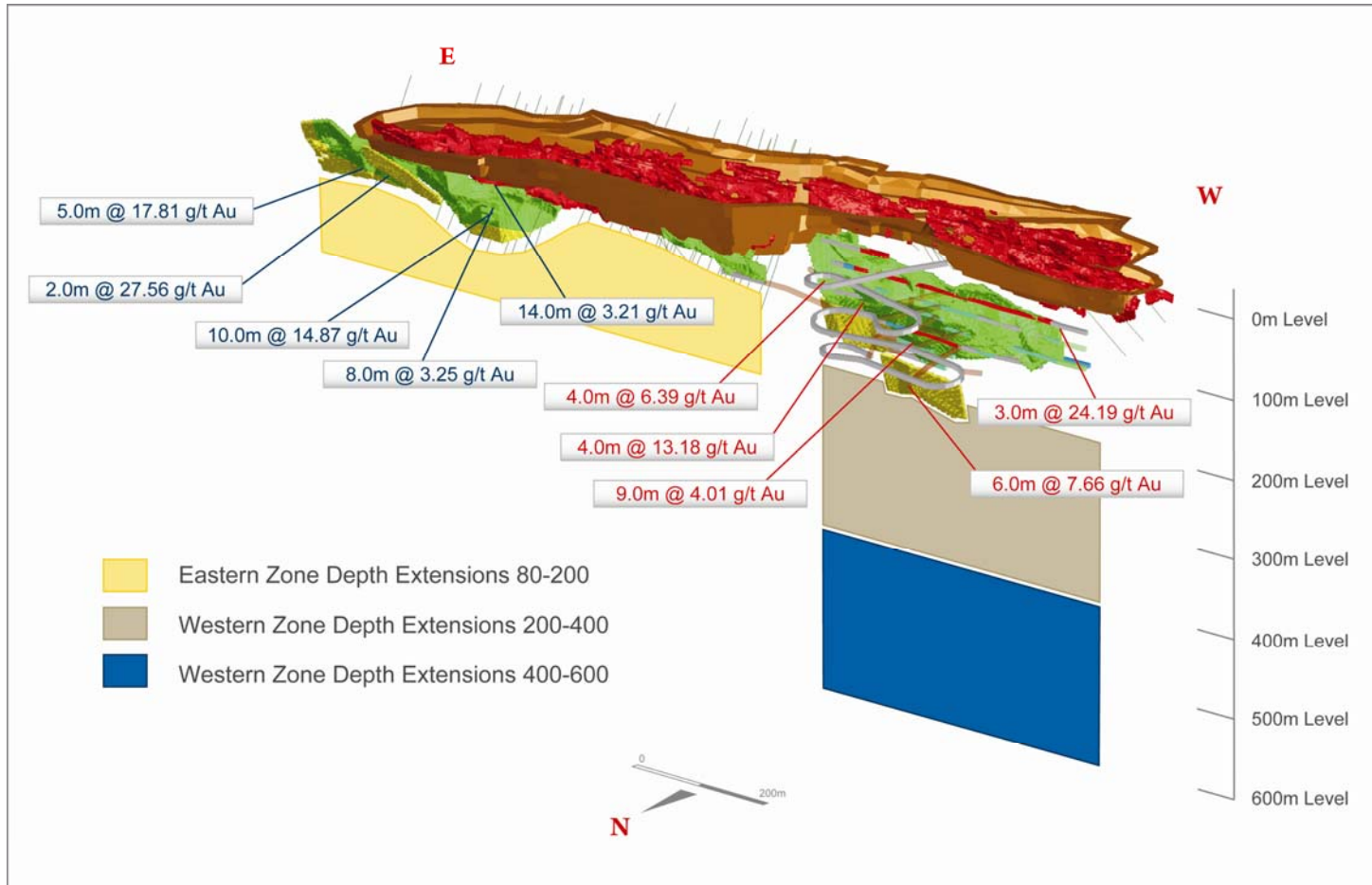


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# Svartliden Gold Mine

## Increase Mine Life



**Aggressive drilling program for additional 250,000 oz**

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# Svartliden Gold Mine

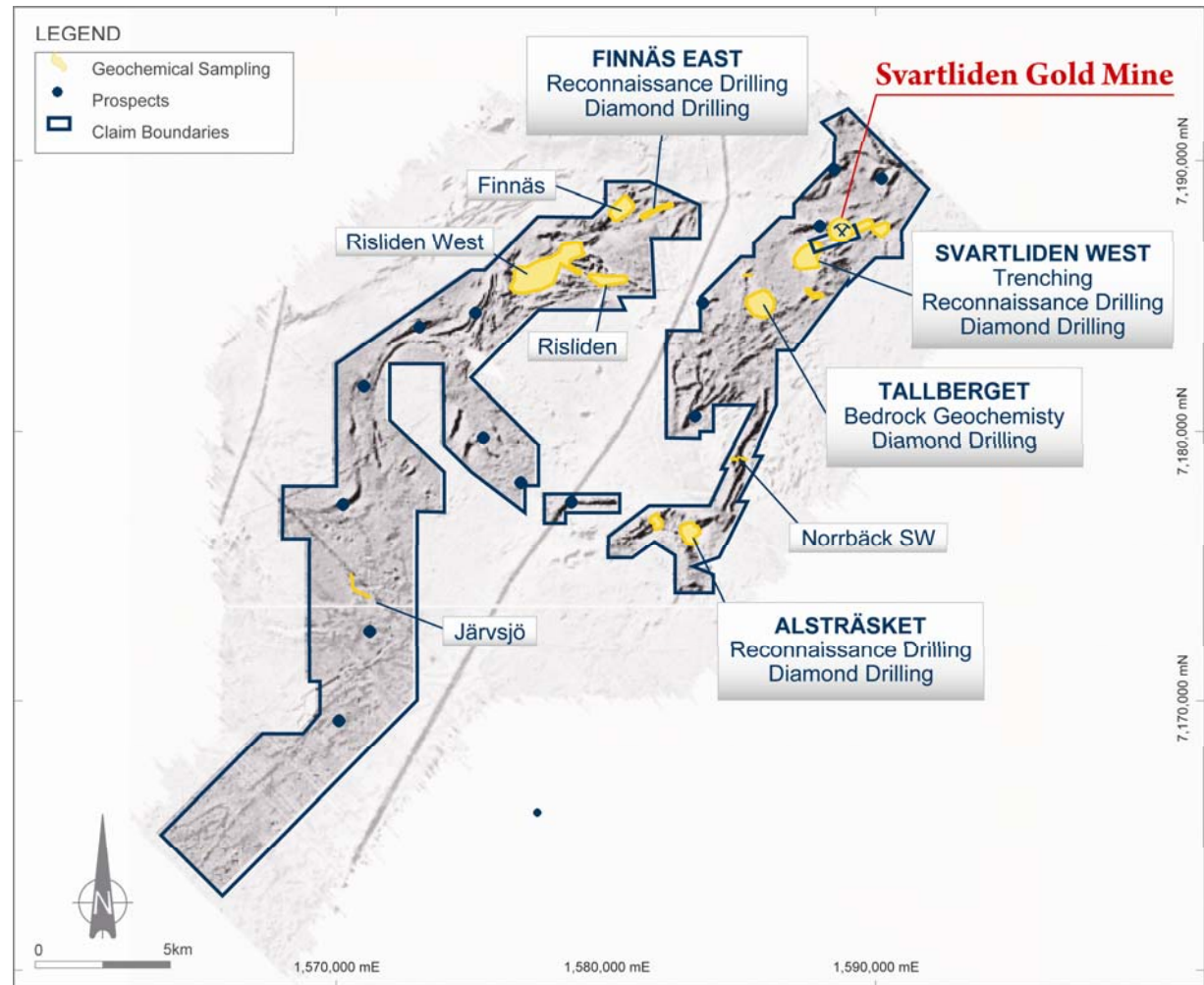
## Growth Opportunities



Potential to host a number of gold deposits

Extensive coverage by detailed airborne geophysics and regional geochemistry, identifying >30 areas of interest

Detailed geochemistry across four high priority prospects returned very encouraging results

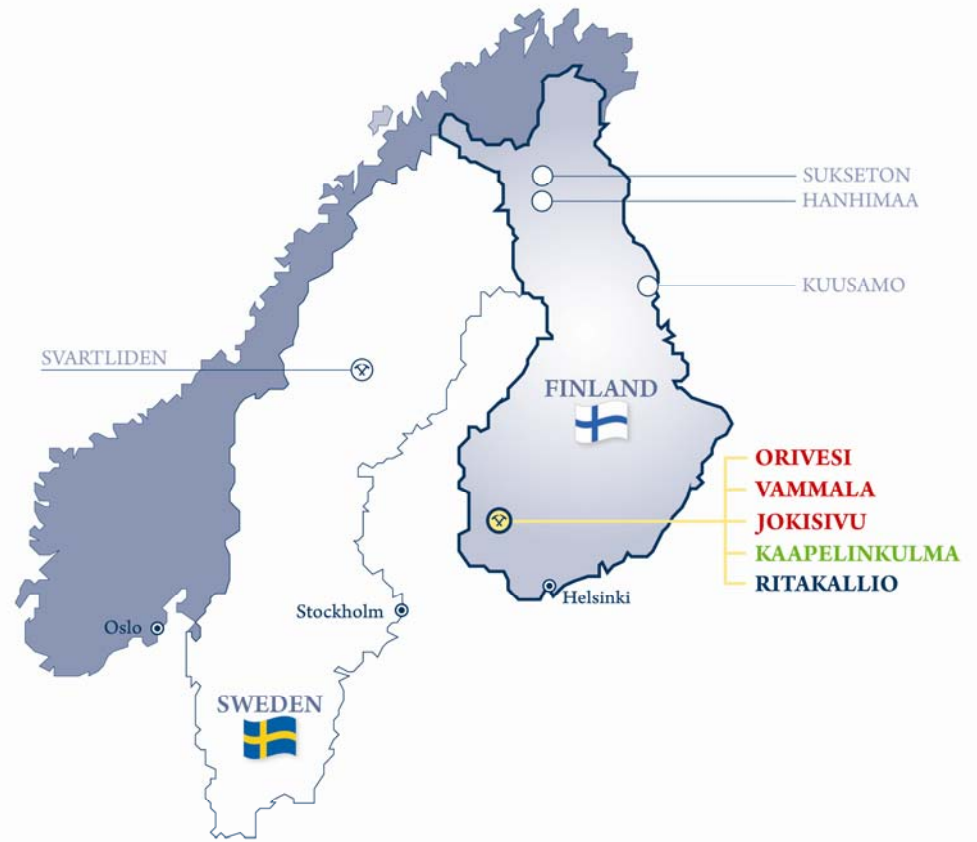
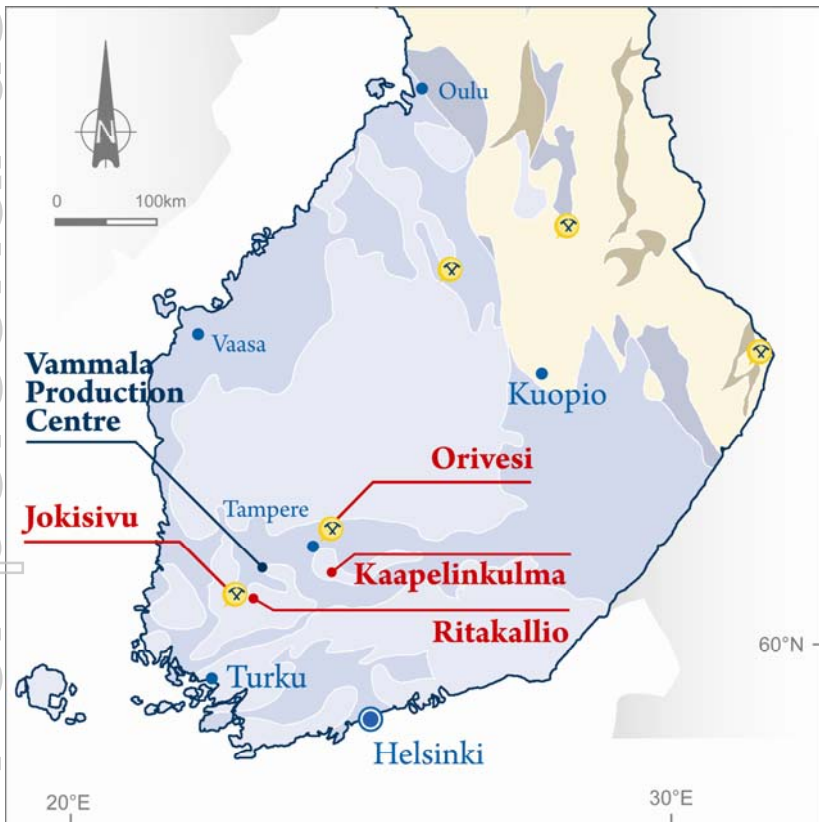






# Southern Finland

## Location



**Production, Cashflow, Growth**

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# Vammala Production Centre

## Statistics to 30 September 2010

	Project to Date	YTD September 2010
Ore Processed	619,832 t	182,088 t
Average Head Grade	5.72 g/t	4.90 g/t
Average Recovery	83.42 %	83.90 %
<b>Gold Produced</b>	<b>94,984 oz</b>	<b>24,125 oz</b>

- September YTD 2010 Cash Cost **US\$676**
- September YTD 2010 Selling Price **US\$1,205**
- **Produce 30,000 ounces in 2010**

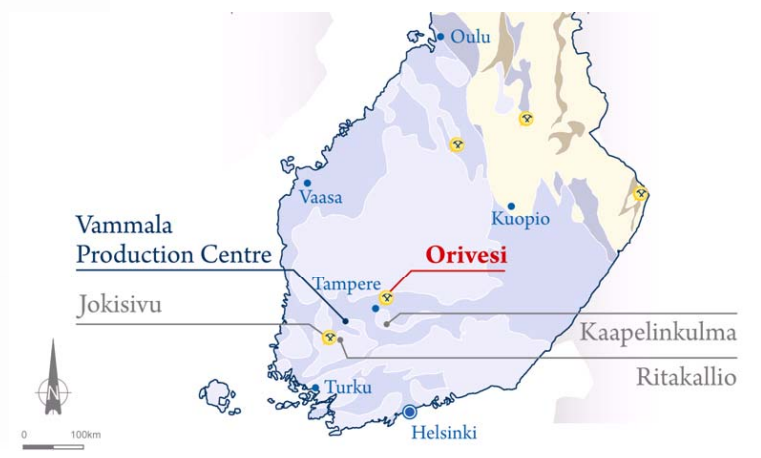
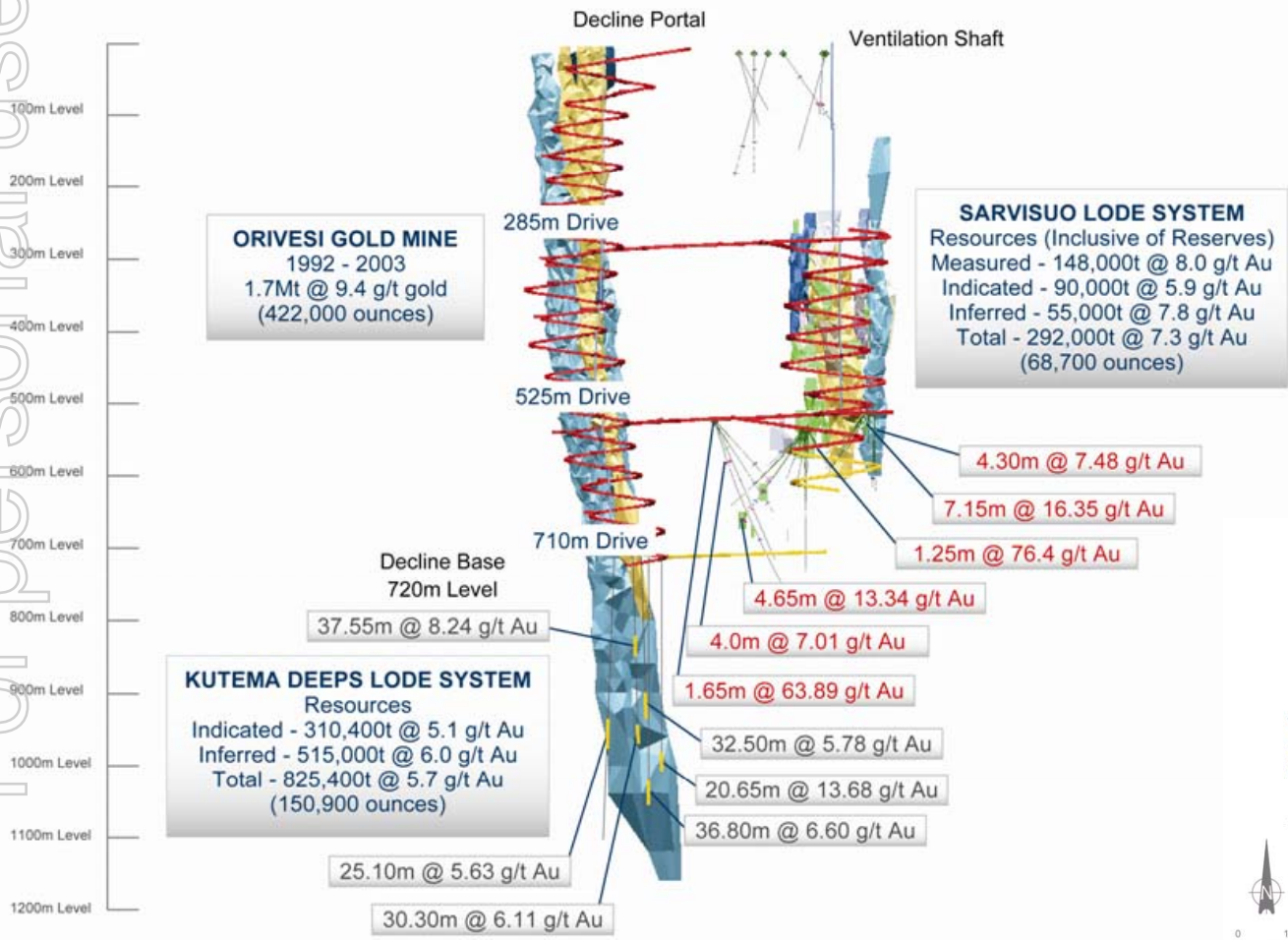


# Orivesi Gold Mine

## Extending Mine Life



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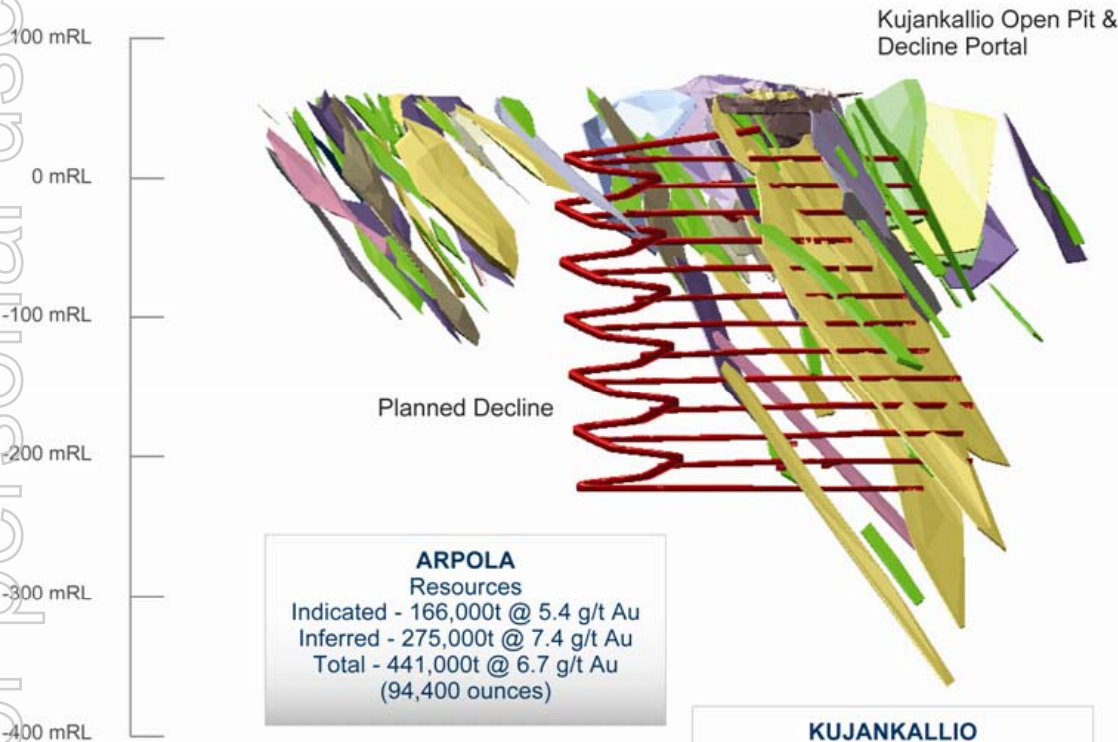


# Jokisivu Gold Mine

## Extending Mine Life

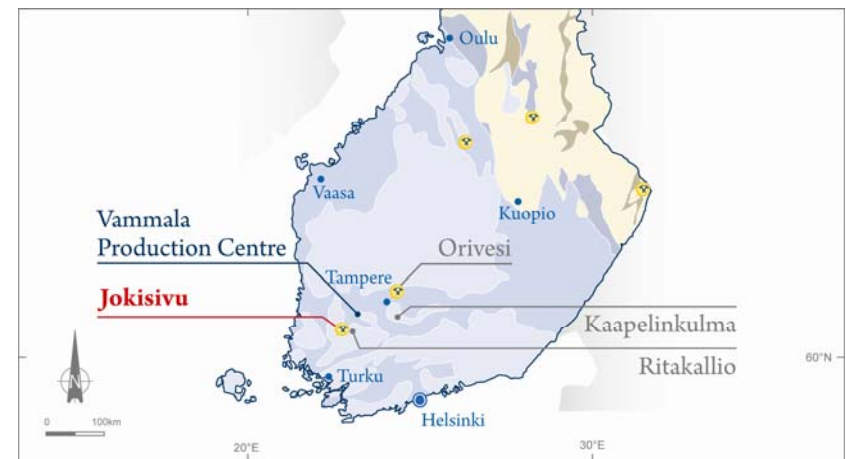


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**ARPOLA**  
Resources  
Indicated - 166,000t @ 5.4 g/t Au  
Inferred - 275,000t @ 7.4 g/t Au  
Total - 441,000t @ 6.7 g/t Au  
(94,400 ounces)

**KUJANKALLIO**  
Resources  
Indicated - 58,000t @ 5.3 g/t Au  
Inferred - 566,000t @ 5.5 g/t Au  
Total - 717,000t @ 6.6 g/t Au  
(261,900 ounces)



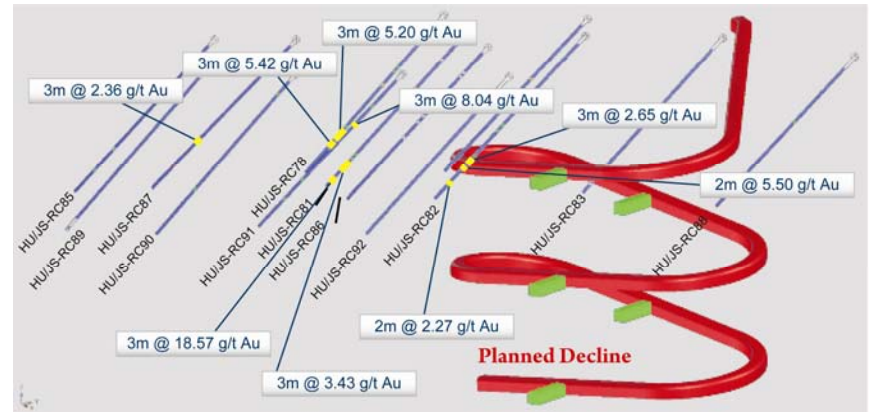
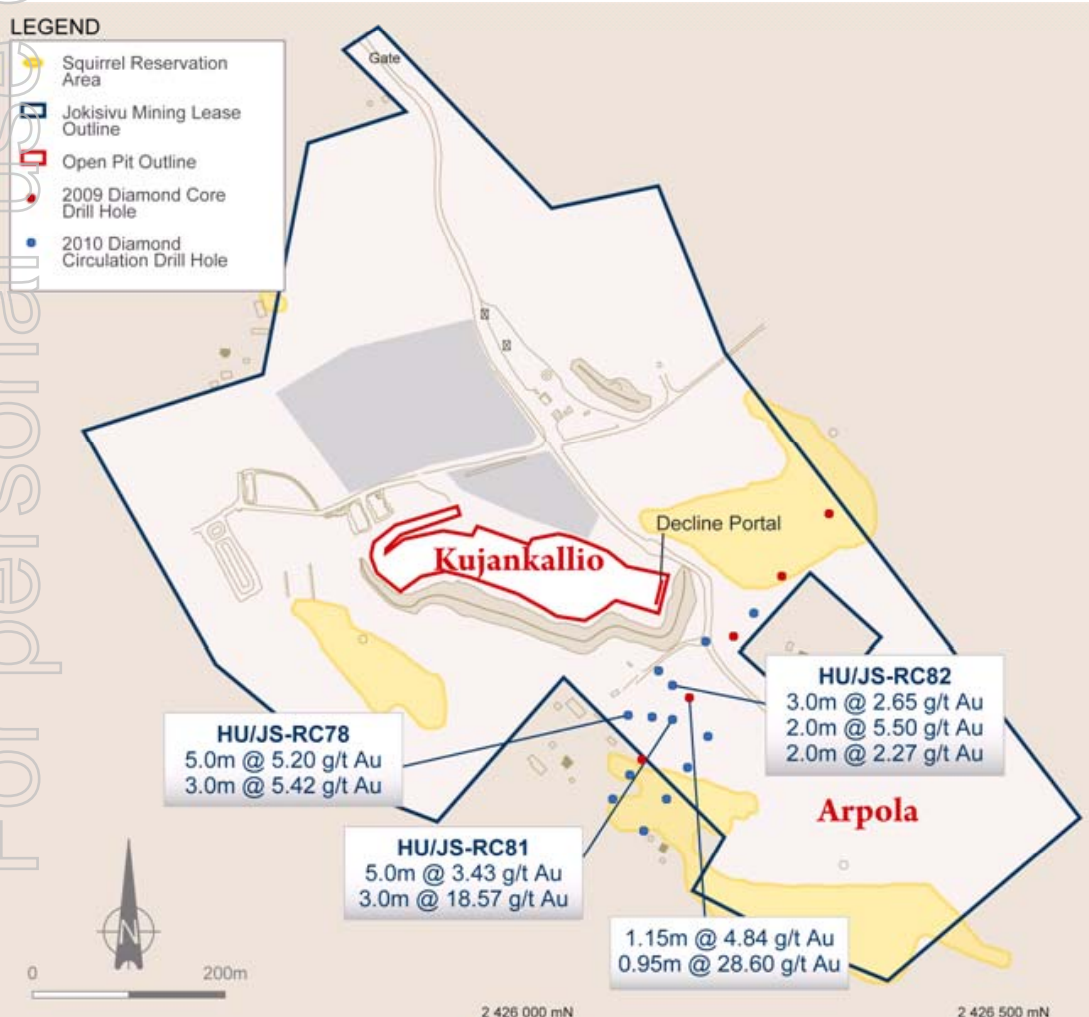


# Jokisivu Gold Mine



## LEGEND

- Squirrel Reservation Area
- Jokisivu Mining Lease Outline
- Open Pit Outline
- 2009 Diamond Core Drill Hole
- 2010 Diamond Circulation Drill Hole







# Orivesi Gold Mine

## Ore Loading for Transport to Vammala



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Aug 07





# Jokisivu Gold Mine

## Decline Portal Commenced



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# Vammala Production Centre

## Crushing Circuit



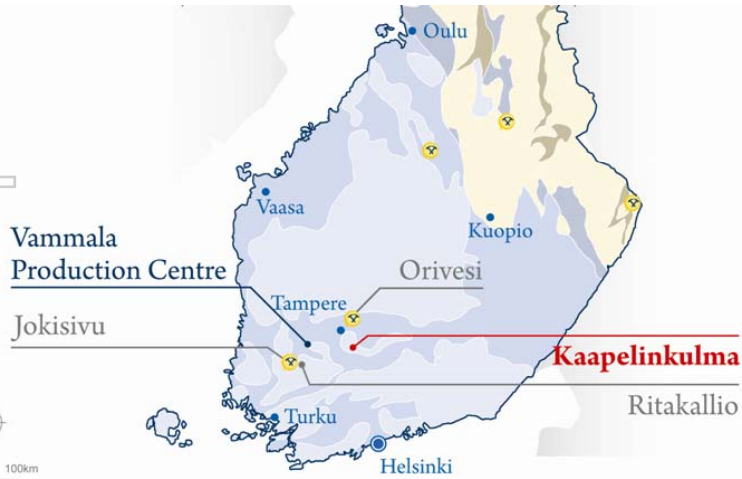
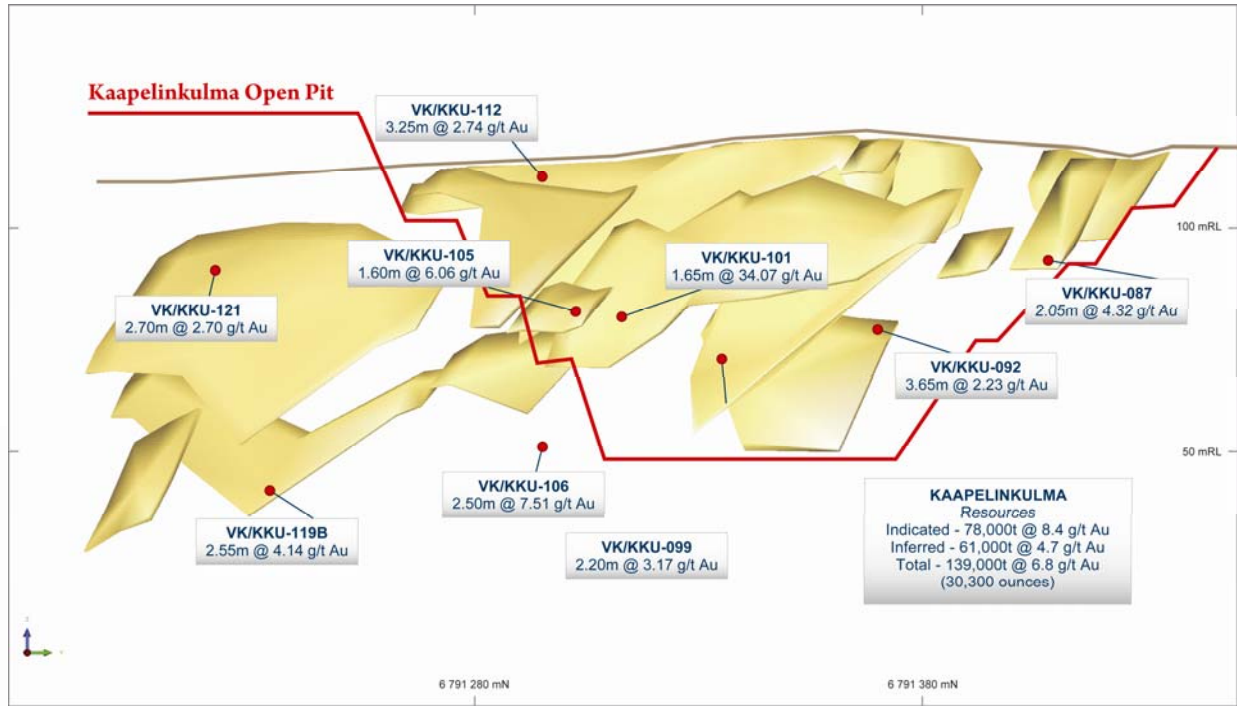
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# Kaapelinkulma Gold Project

## Production Growth

- New resource imminent from 4,200m of infill drilling
- Permitting progressing
- Production in 2012.



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# Kuusamo

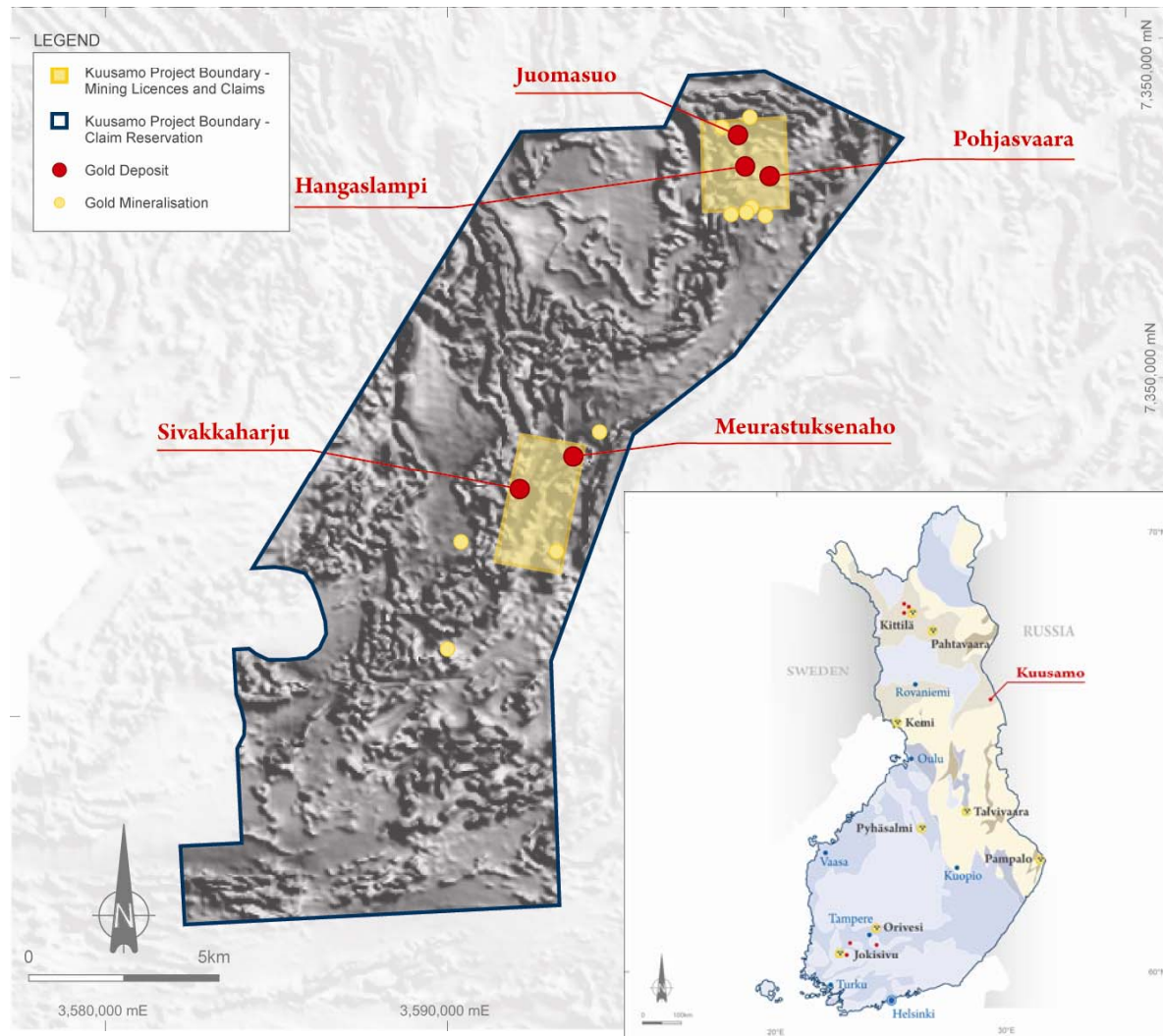
## Next Production Centre

Bonanza historical drill results from Juomasuo including:

- 19.20m @ 179.52 g/t
- 3.70m @ 426.98 g/t
- 19.60m @ 63.70 g/t
- 4.12m @ 265.50 g/t
- 8.00m @ 48.85 g/t

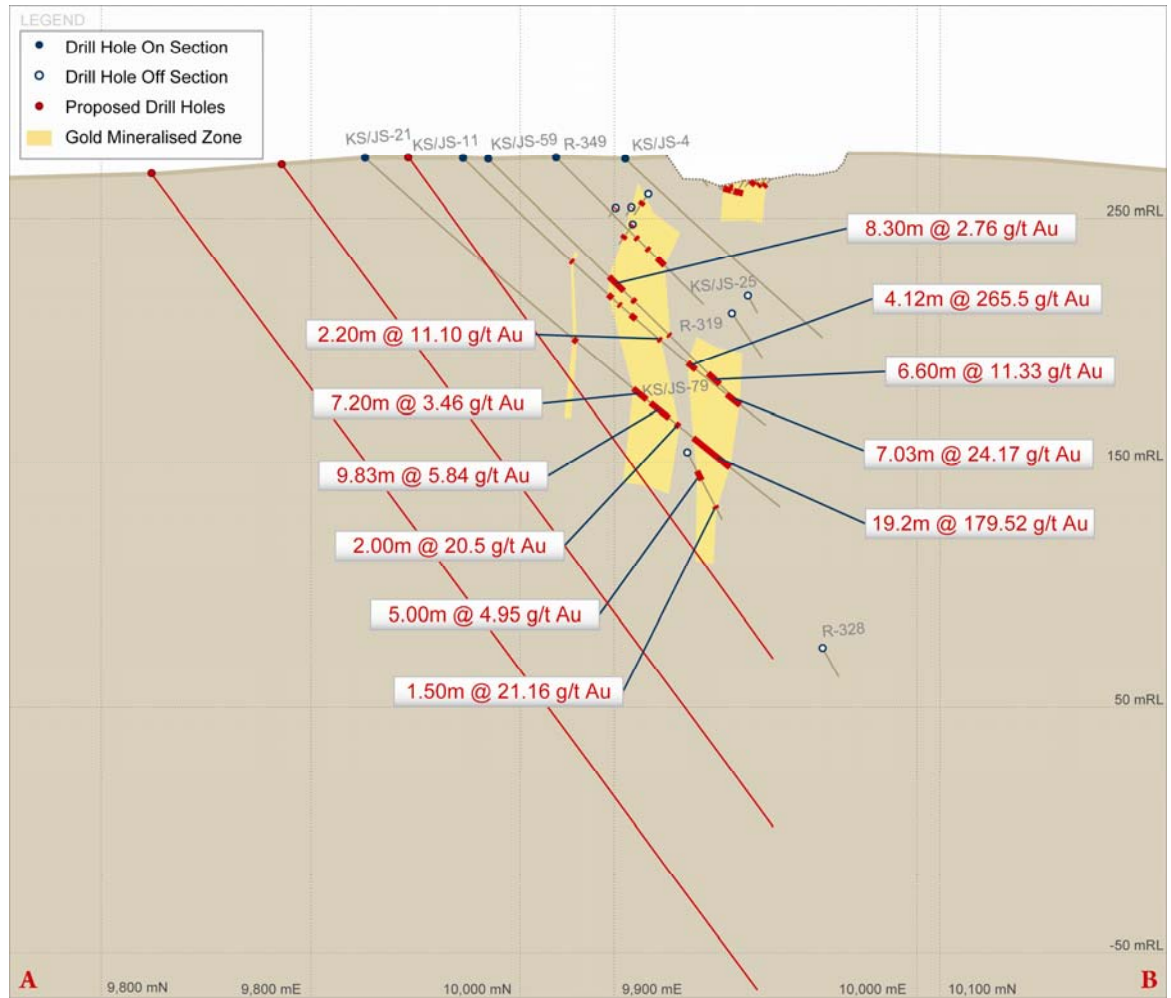
Resources of 178,800 ounces

3 year aggressive exploration program to significantly increase resources





# Kuusamo



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# Production Project Pipeline



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# Scandinavia



- Supportive Fiscal Regime
  - ✓ No mining royalties
  - ✓ Low corporate tax rate
    - Sweden – 26.3%
    - Finland – 26.0%
- Currently no tax on repatriation of funds to Australia
- Low country risk

# DRA – 40 Percent Interest



weld range  
METALS



- Substantial JORC compliant resource of chromium, iron and nickel
- Located in emerging Mid West Region of WA near established infrastructure
- Scoping Study concluded “the Project is feasible, has attractive returns and is viable under a number of different development scenarios”
- NPV of A\$681m (11% real discount rate)





# Investment Opportunity

- ✓ Two established and highly profitable production centres
- ✓ 1 million ounces of resources and drilling to expand reserves
- ✓ Growing 125,000 ounce gold producer 2013
- ✓ Cheap compared to peers on resource/ounce valuation
- ✓ Excellent near mine & regional exploration potential
- ✓ Strong cash balance, no debt, no hedging
- ✓ **Production, Cashflow, Growth**

# Appendices

## Gold Resource Inventory (31 Aug 10)

Project	Tonnes	Gold (g/t)	Gold (ounces)
<b>SVARTLIDEN</b>			
Measured	288,000	4.1	38,100
Indicated	917,000	3.8	110,800
Inferred	152,000	3.8	18,600
<b>Total</b>	<b>1,357,000</b>	<b>3.8</b>	<b>167,500</b>
<b>VAMMALA</b>			
Measured	206,000	7.2	47,900
Indicated	1,302,600	5.4	227,800
Inferred	1,645,000	6.5	342,200
<b>Total</b>	<b>3,153,600</b>	<b>6.1</b>	<b>617,900</b>
<b>KUUSAMO</b>			
Inferred	1,349,000	4.1	178,800
<b>Total</b>	<b>1,349,000</b>	<b>4.1</b>	<b>178,800</b>
<b>NORDIC</b>	<b>5,859,600</b>	<b>5.1</b>	<b>964,200</b>

*The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists who is full time employee of the company 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 a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.*