



**ASX ANNOUNCEMENT**

**9 AUGUST 2011**

**PRESENTATION ON THE KUUSAMO GOLD PROJECT, FINLAND**

The attached presentation will be given to Australian and European institutions, brokers and analysts in Outokumpu, Finland on Tuesday 9 August 2011 and provides an update on the Kuusamo Gold Project.

The attached presentation differs from the release made this morning to comply with Clause 18 of the JORC Code. The updated presentation provides further information on the exploration target size.

For and on behalf of  
**Dragon Mining Limited**

**Peter G Cordin**  
Executive Chairman

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# **KUUSAMO GOLD PROJECT**

## **NEXT PRODUCTION CENTRE**

*AUGUST 2011*

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# Notations

*The information in this presentation that relates to exploration targets refers to targets that are conceptual in nature, where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

*The information on exploration targets in this presentation are based on a conceptual range of targets as follows:*

**(1) Juomasuo-Hangaslampi Gold Camp**

Tonnage range: 4,050,000 tonnes to 5,900,000 tonnes  
Grade range: 5.5 g/t gold to 6.5 g/t gold  
Ounces: 750,000 ounces to 1,100,000 ounces

**(2) Juomasuo Deposit**

Tonnage range: 3,300,000 tonnes to 4,400,000 tonnes  
Grade range: 5.5 g/t gold to 6.0 g/t gold  
Ounces: 600,000 ounces to 800,000 ounces

**(3) Hangaslampi Deposit**

Tonnage range: 750,000 tonnes to 1,500,000 tonnes  
Grade range: 6.0 g/t gold to 6.5 g/t gold  
Ounces: 150,000 ounces to 300,000 ounces

*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 Fellow of the Australian Institute of Geoscientists. Any statement herein, direct or implied, as to a potential gold deposit is conceptual in nature and a reference to the targeted gold potential and not to any JORC compliant Mineral Resource. Mr Edwards is a full time employee of Dragon Mining 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 Neale Edwards consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*

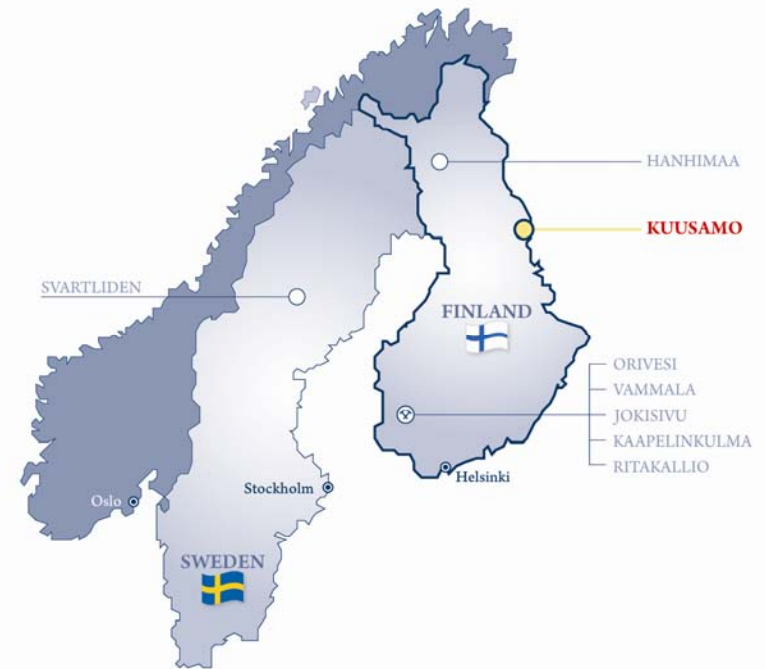


# Kuusamo Gold Project

## Next Production Centre



- Outstanding project.
- High grade open pitable resource - 383,500 ounces @ **5.4 g/t gold**.
- Potential for million ounce gold camp\*.
- Aggressive exploration strategy focussed on northern area.
- 3 rigs active with plans to drill up to 100,000 metres of new drilling to confirm depth and strike extensions.

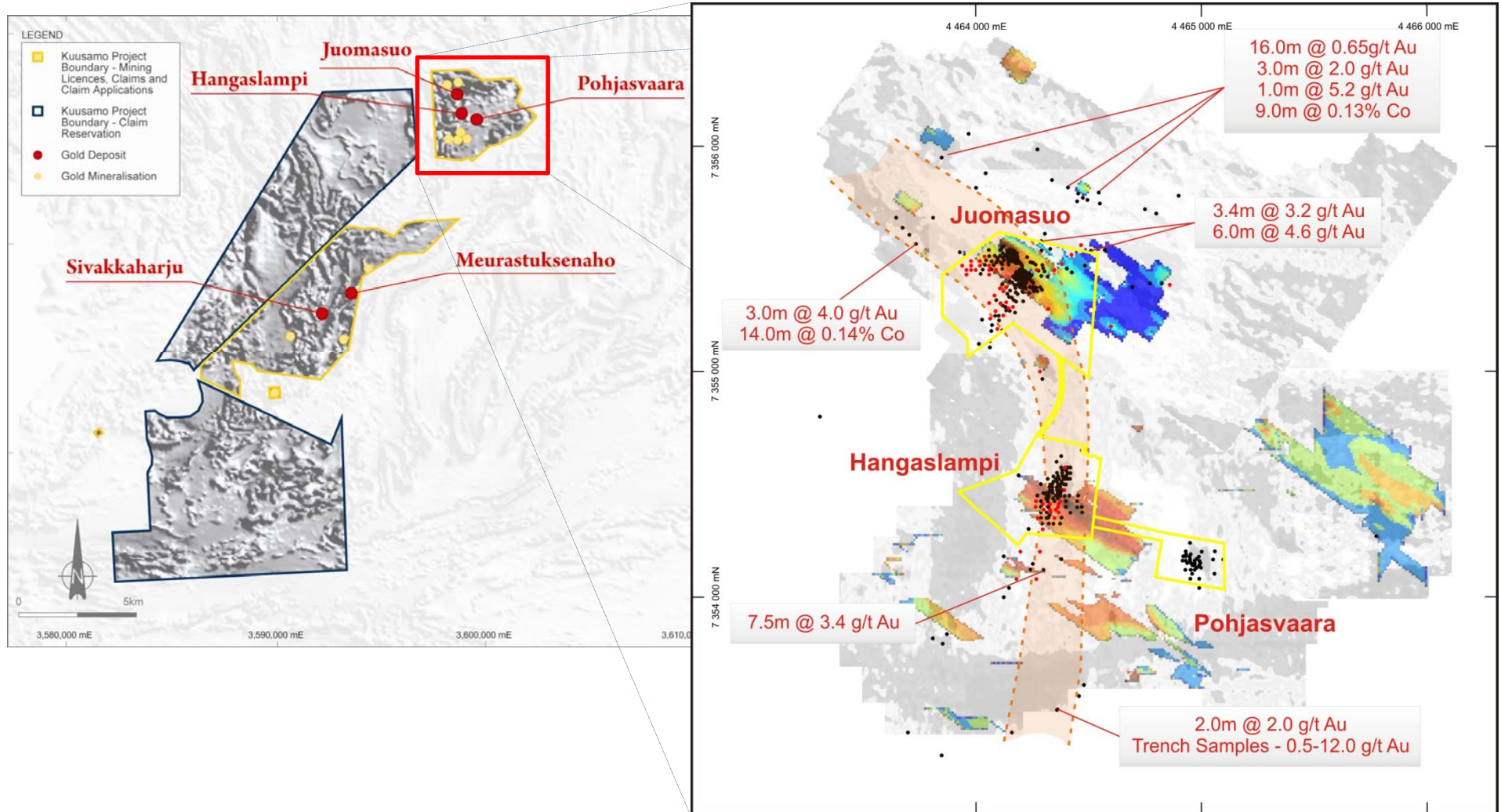


\* Refer to Slide – Notations (1)



# Kuusamo Gold Project

## Emerging Gold Camp

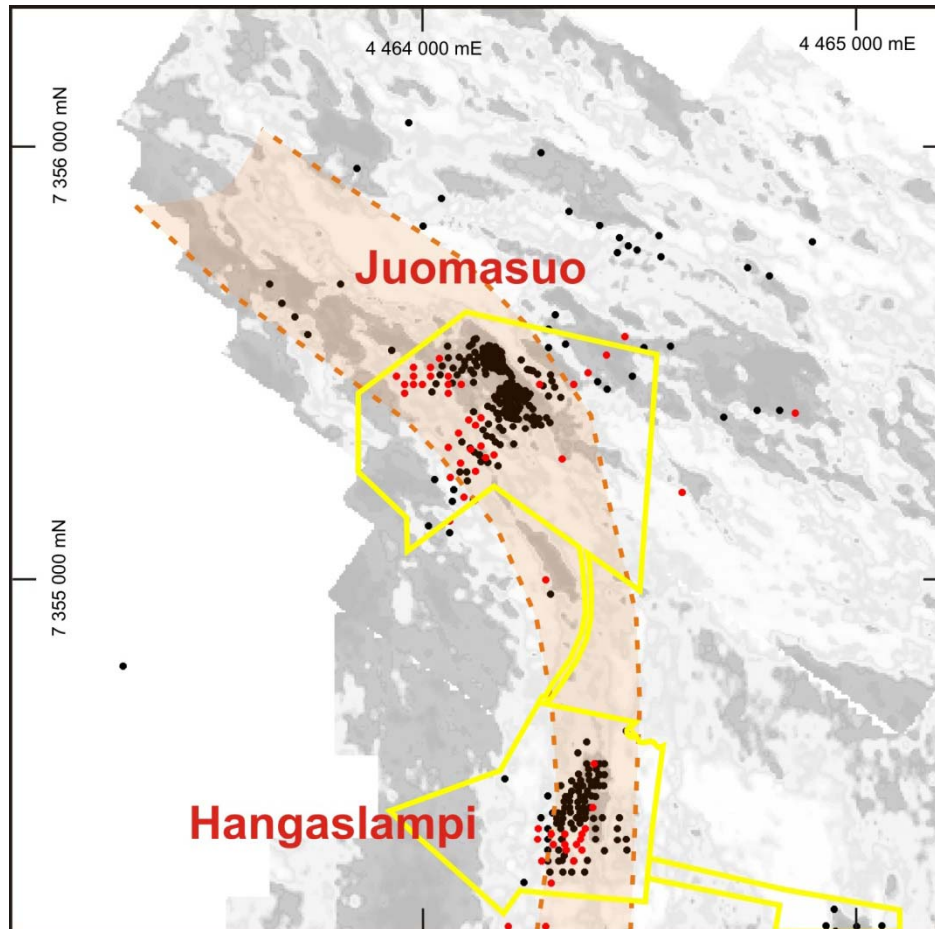


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# Kuusamo Gold Project

## Juomasuo Deposit



- High grade resource – 1,400,000t @ **5.7 g/t gold** (259,300 ounces).
- Multiple, sub-parallel, steeply dipping lodes.
- Significant cobalt intercepts, elevated levels of REE and sporadic elevated levels of copper and uranium.
- 298 historic drill holes for 17,191m.
- **Bonanza historic intercepts:**
  - **19.20m @ 179.52 g/t gold**
  - **3.70m @ 426.98 g/t gold**
  - **19.60m @ 63.70 g/t gold**
  - **4.12m @ 265.50 g/t gold**
  - **8.00m @ 48.85 g/t gold**



# Kuusamo Gold Project

## Juomasuo Deposit

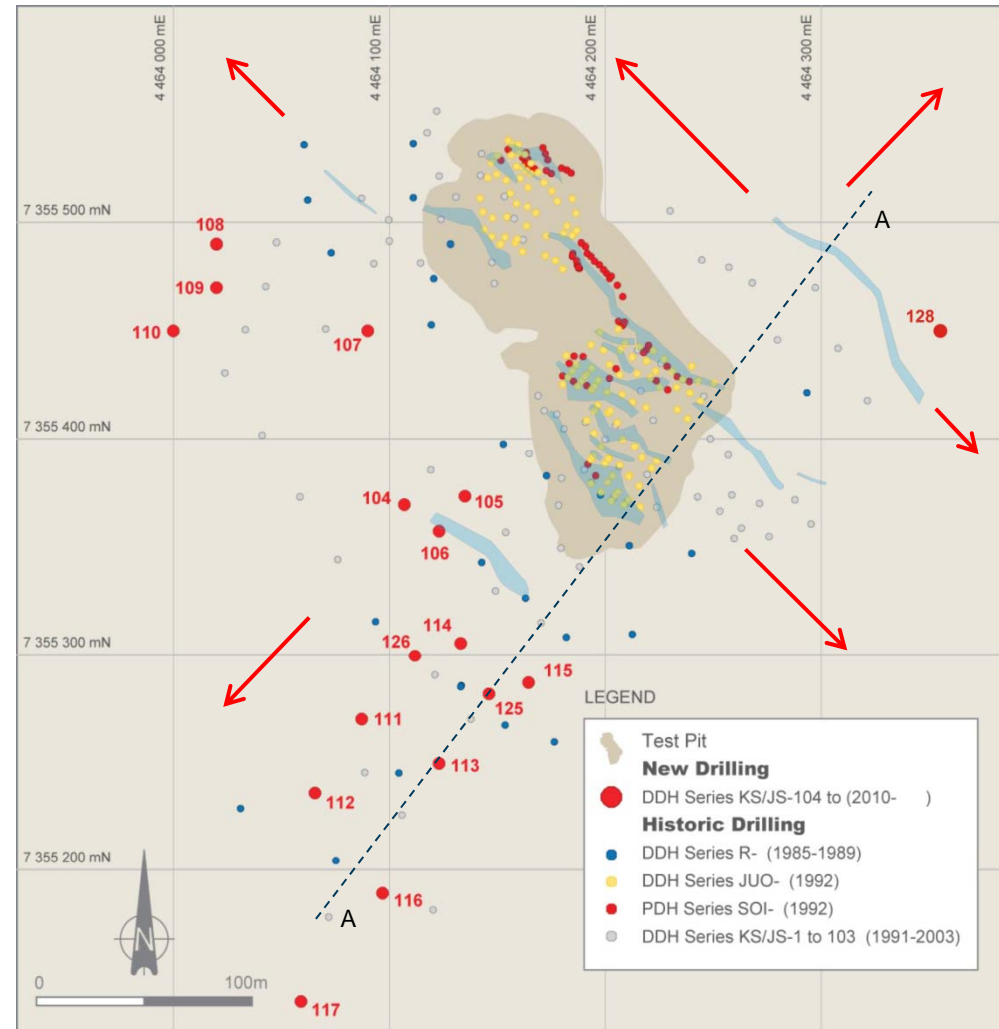
➤ 36 holes, 9,705.2 metres completed.

➤ New intercept highlights:

- **14.55m @ 4.81 g/t gold**
- **11.85m @ 5.30 g/t gold**
- **5.30m @ 12.97 g/t gold**
- **13.65m @ 3.13 g/t gold**
- **7.30m @ 8.18 g/t gold**
- **9.95m @ 3.81 g/t gold**
- **3.55m @ 10.39 g/t gold**
- **34.90m @ 9.30 g/t gold**

➤ Open along strike and with depth.

➤ Potential for additional lateral lodes.



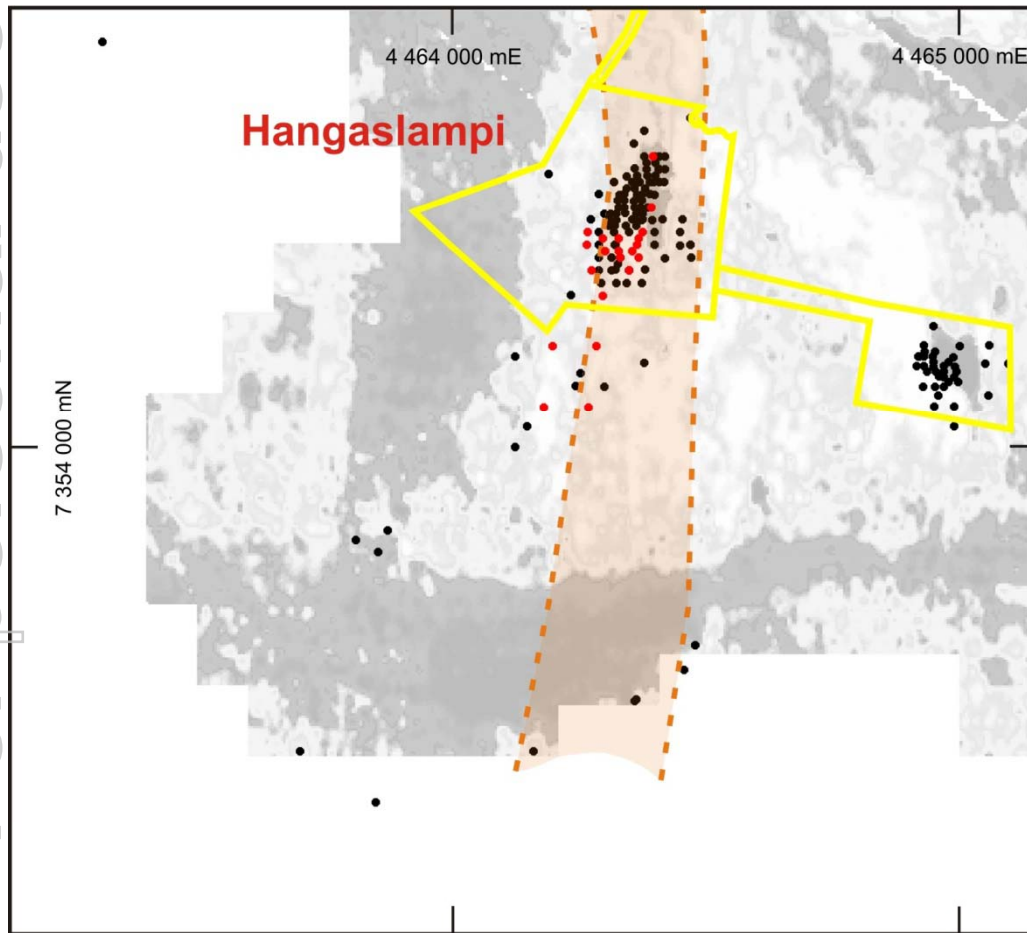






# Kuusamo Gold Project

## Hangaslampi Deposit



- 1,000 metres south of Juomasuo.
- High grade resource of 280,000t @ **6.2 g/t gold** (55,700 ounces).
- Set of moderately dipping lodes striking N-S.
- 60 historical drill holes for 8,346m.
- Exceptional historical intercepts, including:
  - **23.50m @ 13.25 g/t gold**
  - **26.95m @ 5.78 g/t gold**
  - **19.20m @ 7.00 g/t gold**
  - **21.05m @ 13.70 g/t gold**
  - **13.00m @ 20.41 g/t gold**

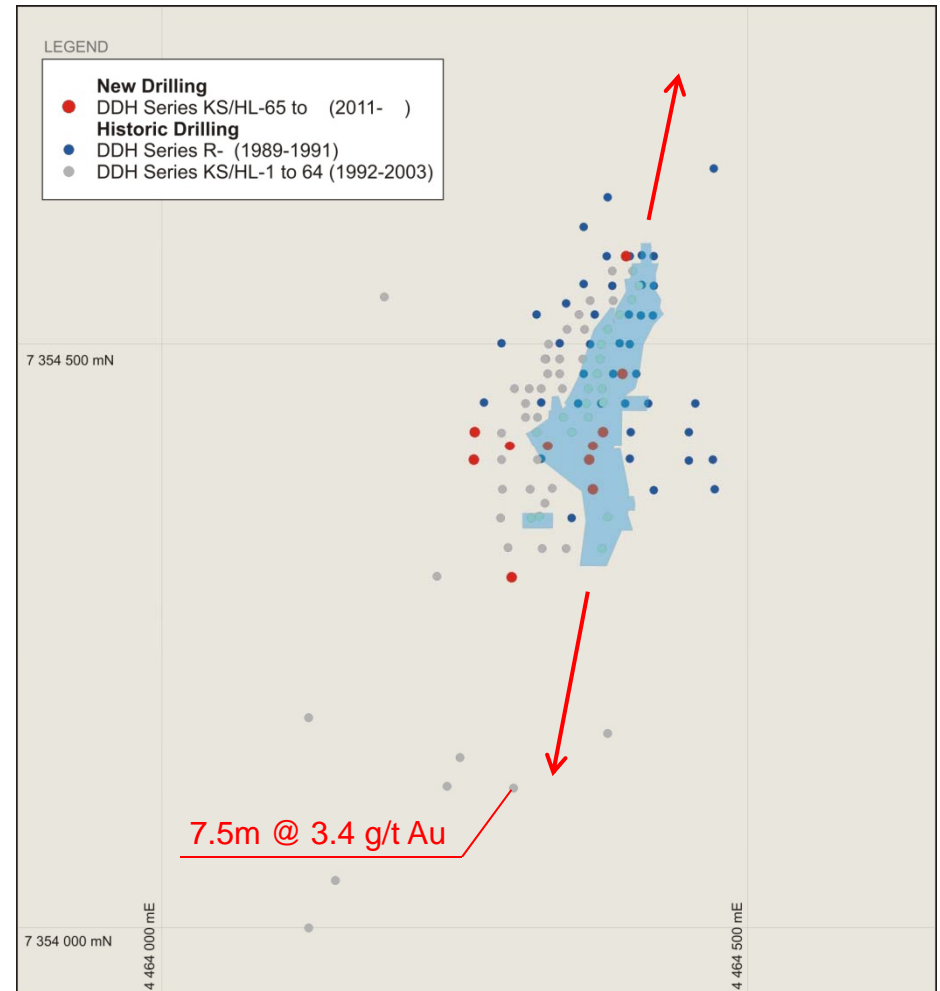


# Kuusamo Gold Project

## Hangaslampi



- Open along strike and with depth.
- New drilling commenced, 16 holes, 1,703 metres completed.

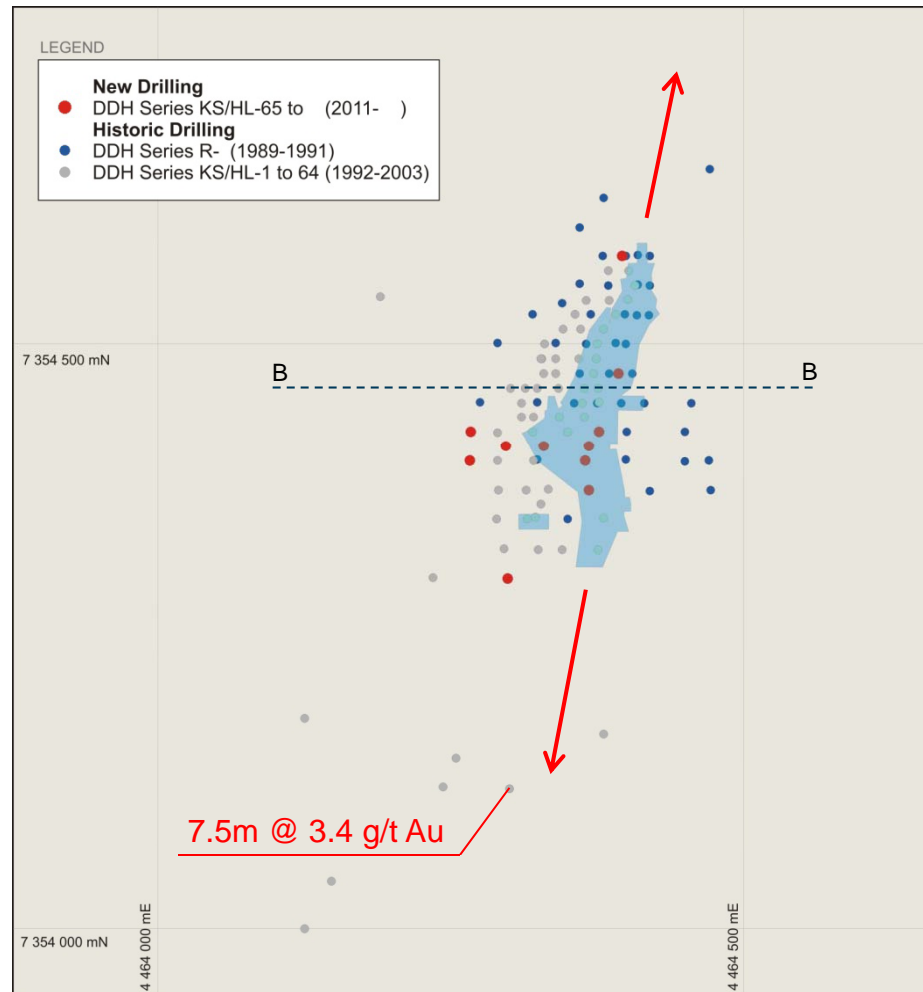
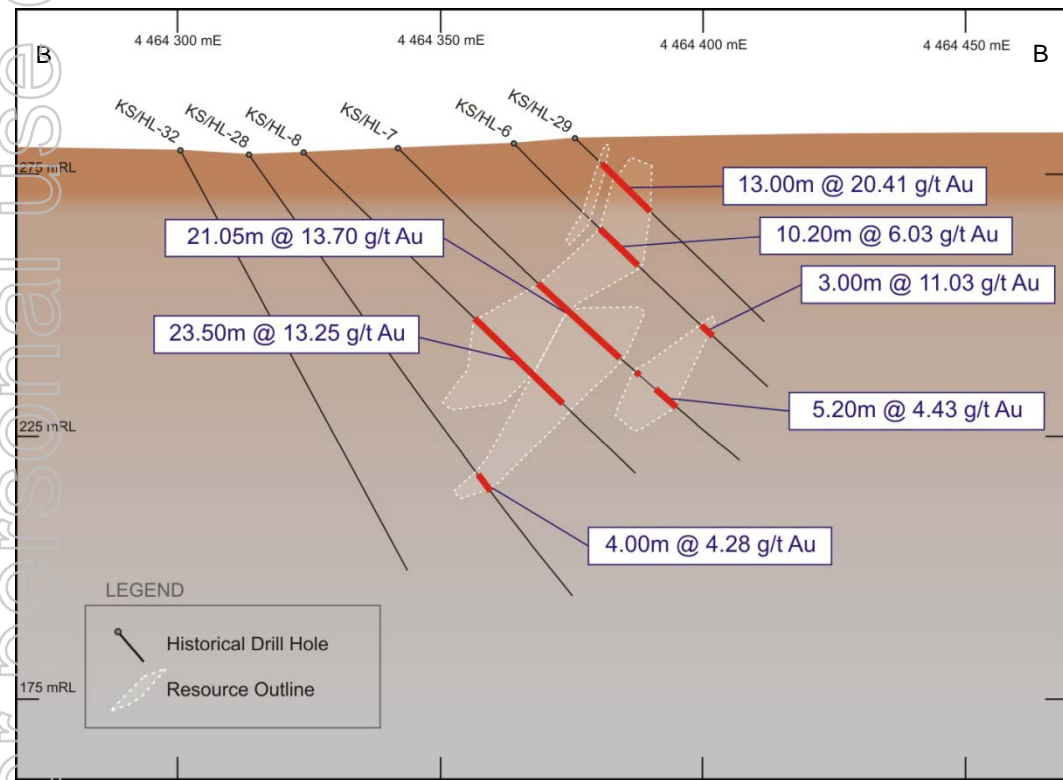




# Kuusamo Gold Project

## Hangaslampi

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**Target – 150,000 to 300,000 ounces\*.**

\* Refer to Slide – Notations (3)

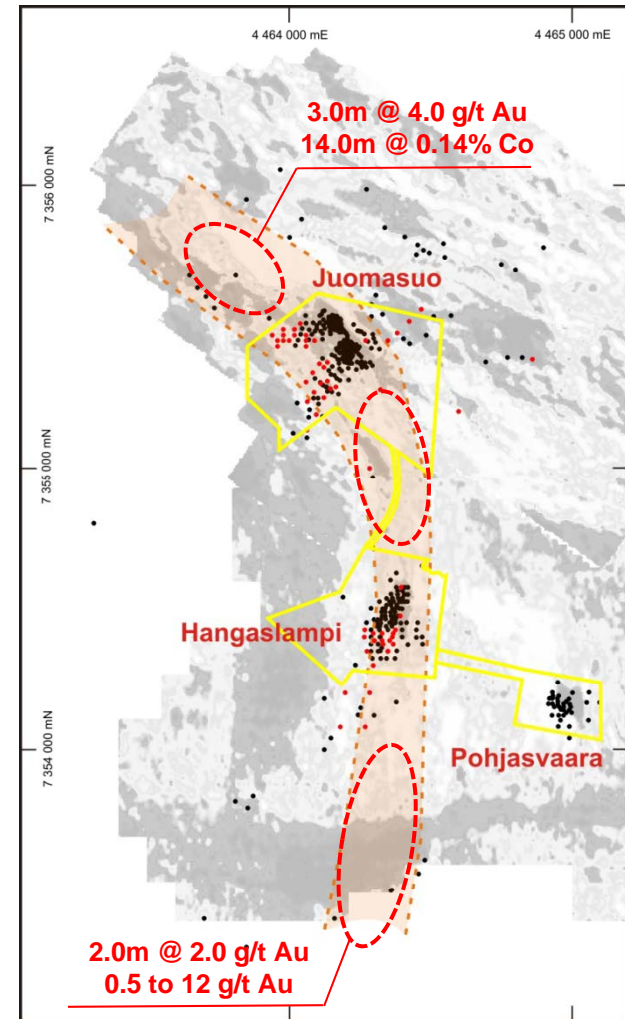


# Kuusamo Gold Project

## Northern Area Potential

### Stand Out Target Areas:

- Mineralisation between the Hangaslampi and Juomasuo deposits.
- Mineralisation north of Juomasuo.
- Mineralisation south of Hangaslampi.

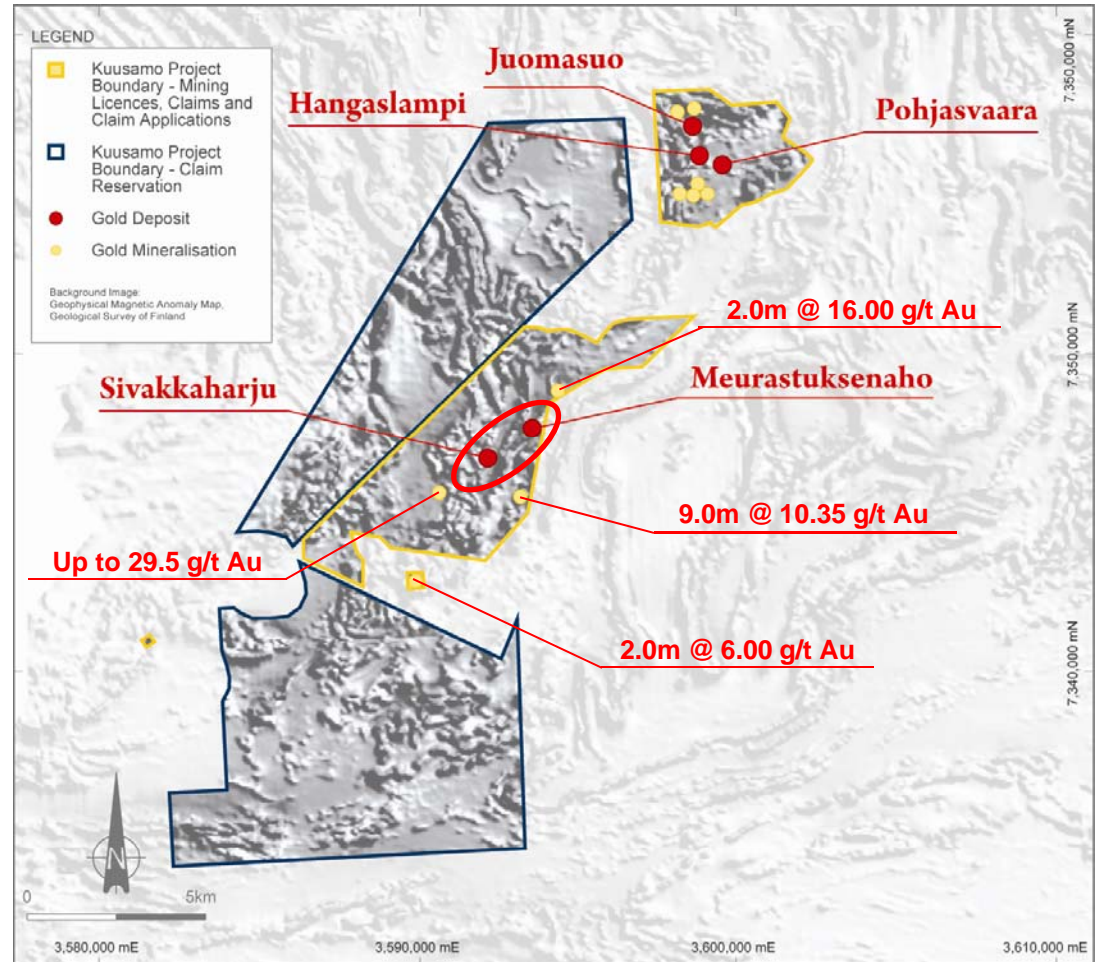




# Kuusamo Gold Project

## Regional Potential

- 200km<sup>2</sup> holding.
- Highly prospective.
- Excellent targets.
- Gold deposits Meurastuksenaho (42,400 ounces @ 3.6 g/t gold) and Sivakkaharju (11,300 ounces @ 7.5 g/t gold).
- Gold drill intercepts and rock samples.





# Kuusamo Gold Project

## Metallurgy and Flow Sheet Development

- Trial mining and processing of Juomasuo ore in 1990's.
- Gold recoveries from conventional flotation circuit up to 90%.
- Expect flow sheet to include comminution, flotation and leach circuit.
- Test work program in development.



# Kuusamo Gold Project

## Environment Impact Assessment

- Work conducted by leading European consultancy group, Ramboll.
- Already established good local community and municipal dialogue with open briefings.
- EIA program commenced November 2010.
- Draft scope proposal submitted for preliminary response – no critical issues.



# Kuusamo Gold Project

## Next Production Centre

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# Kuusamo Gold Project

## Appendix – Resource Inventory (31 December 2010)

	Tonnes	Gold (g/t)	Cobalt (%)	Gold (ozs)	Cobalt (t)
<b>Juomasuo</b>					
Measured	-	-	-	-	-
Indicated	491,000	7.5	0.14	119,100	700
Inferred	912,000	4.8	0.16	140,200	1,400
<b>Total</b>	<b>1,403,000</b>	<b>5.7</b>	<b>0.15</b>	<b>259,300</b>	<b>2,100</b>
<b>Hangaslampi</b>					
Measured	-	-	-	-	-
Indicated	219,000	6.8	0.07	47,800	160
Inferred	59,000	4.2	0.05	7,900	30
<b>Total</b>	<b>278,000</b>	<b>6.2</b>	<b>0.07</b>	<b>55,700</b>	<b>190</b>
<b>Pohjasvaara</b>					
Measured	-	-	-	-	-
Indicated	51,000	4.4	<b>0.08</b>	7,100	40
Inferred	45,000	5.4	<b>0.10</b>	7,700	50
<b>Total</b>	<b>95,000</b>	<b>4.9</b>	<b>0.09</b>	<b>14,800</b>	<b>80</b>
<b>Meurastuksenaho</b>					
Measured	-	-	-	-	-
Indicated	25,000	3.8	0.11	3,000	30
Inferred	341,000	3.6	0.25	39,400	840
<b>Total</b>	<b>366,000</b>	<b>3.6</b>	<b>0.24</b>	<b>42,400</b>	<b>870</b>
<b>Sivakkaharju</b>					
Measured	-	-	-	-	-
Indicated	-	-	-	-	-
Inferred	47,000	7.5	0.03	11,300	10
<b>Total</b>	<b>47,000</b>	<b>7.5</b>	<b>0.03</b>	<b>11,300</b>	<b>10</b>
<b>Project Total</b>					
Measured	-	-	-	-	-
Indicated	786,000	7.0	0.12	177,000	930
Inferred	1,404,000	4.6	0.17	206,500	2,330
<b>Total</b>	<b>2,189,000</b>	<b>5.4</b>	<b>0.15</b>	<b>383,500</b>	<b>3,250</b>



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