

## Quarter Overview

- **One Lost Time Injury ("LTI") was recorded** during the quarter. The Group's 12 month rolling LTI frequency rate, per million work hours was 3.81 (Q4 2017: zero).
- **Cash at bank decreased by A\$5.2 million** to A\$1.5 million (Q4 2017: A\$6.7 million). The Company also has A\$4.0 million in undrawn funds remaining in its unsecured Loan Facility with AP Finance Limited (Q4: 2017: A\$6.0 million).
- **A Group C1 Cash Cost of US\$1,147/oz** was achieved at the Vammala Production Centre ("Vammala") during the quarter (average gold sales price US\$1,302). This was higher than the C1 Cash Cost in the previous quarter (US\$601) and was driven by decreased throughput and lower than average grades from the Orivesi Gold Mine ("Orivesi") and the Jokisivu Gold Mine ("Jokisivu").
- **Gold production of 5,735 ounces** was 36% lower than the previous quarter (Q4 2017: 8,997 ounces). It included 1,428 ounces produced from Orivesi and 4,307 ounces produced from Jokisivu.
- **Ore Reserves were updated** during the quarter. The update has lifted the total Proved and Probable Ore Reserves for the Group as at 30 September 2017 to 2,315 kt grading 3.1 g/t gold for 232 kozs (Appendix 5), the highest total Ore Reserve tonnage level recorded by the Company since commencing activities in the Nordic Region in 2000.
- **The appeal against the Fäboliden Test Mining Permit** was rejected by the Swedish Land and Environmental Court following the end of the quarter. Further details are available on page 8.
- **A draft Prospectus was re-submitted to the Stock Exchange of Hong Kong ("HKEx")** for the Public Offer being made in conjunction with the Company's proposed listing on the HKEx. Further details are available on page 8.
- **The Orivesi Environmental Permit** appeal remains with the Vaasa Administrative Court. The permitting decision is expected to be published in Q2 of 2018.
- **Work to update the Svartliden Rehabilitation Plan** was finalised and submitted to the Environmental Court on 7 April 2017. Comments from the Environmental Protection Agency ("EPA") and the County Administration Board ("CAB") were received. Further information has been requested by the EPA and the CAB and will be submitted by end of May 2018.

## Quarter at a Glance

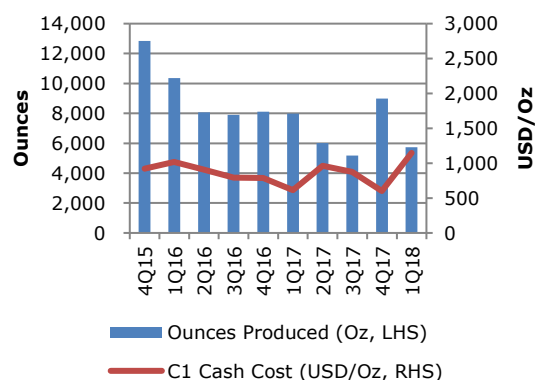
**Gold Production** 5,735 ounces

**C1 Cash Cost US/oz** US\$1,147

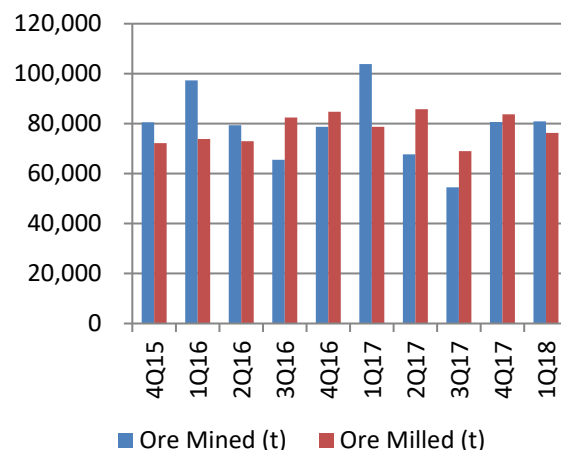
**Safety Performance** 1 LTI

**Cash at bank** A\$1.5m  
(Quarter end)

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



**Ore Mined vs Ore Milled**





## Operations Review

The Group's gold production for the first quarter of 2018 was 5,735 ounces at a C1 Cash Cost of US\$1,147/oz. The Company continues to focus on development activities in the upper parts of Orivesi, with high grade stopping ore tonnes are scheduled for Q3 2018.

Gold production for the quarter was 36% lower than the previous quarter. This was due to a lower ore throughput rate and lower grades from both Orivesi and Jokisivu.

The Svartliden Production Centre ("Svartliden") in northern Sweden continues to process only

internal concentrates from Finland. The Board continues to support the operation of the Svartliden plant at below breakeven to ensure retention of staff for the start-up of ore processing from Faboliden. 100% of Jokisivu and almost all of the Orivesi flotation concentrate was processed at Svartliden. A small portion of flotation concentrate was delivered to the Boliden Harjavalta smelter southern Finland, in addition to a shipment of gravity gold concentrate to the Argor-Heraeus refinery in Switzerland.

## Vammala Production Centre, Southern Finland

Quarter	Ore Mined (WMT)	Ore Milled (DMT)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	C1 Cash Cost <sup>1</sup> USD/oz sold
Jun 2017	67,767	85,723	2.6	82.2	99.6	6,020	961
Sep 2017	60,267	69,023	2.8	87.3	80.0	5,187	876
Dec 2017	80,662	83,746	3.1	86.0	99.0	8,997	601
<b>Mar 2018</b>	<b>80,913</b>	<b>76,324</b>	<b>2.7</b>	<b>86.1</b>	<b>94.0</b>	<b>5,735</b>	<b>1,147</b>

<sup>1</sup>The Vammala Production Centre C1 Cash Cost definition is as set out by Mackenzie Wood and excludes off site treatment and refining costs.

### Safety

During the quarter, one LTI occurred at the Company's Finnish operations. Each operation recorded continuous LTI free days of: Vammala Plant (32), Jokisivu (830), Orivesi (1,214), and Kaapelinkulma (456).

A total of seven reportable incidents were noted during the quarter; Orivesi (1), Vammala Plant (2), Jokisivu (3) and Kaapelinkulma (1).

The Crisis Management Team ("CMT") held practice drill exercises at Vammala and CMT procedures were updated as a result.

### Production

Gold production for the quarter from Vammala was 5,735 ounces. Mill feed at Vammala comprised 11,070 dry metric tonnes ("DMT") from Orivesi at a grade of 4.4 g/t gold and 65,254 DMT from Jokisivu at a grade of 2.4 g/t gold.

### Orivesi Gold Mine

Total ore mined from Orivesi was 8,927 wet metric tonnes ("WMT") at 3.6 g/t gold. 4,377 WMT of ore came from stopes in the Sarvisuo area, the remaining ore for the quarter came from development.

Seismicity has decreased significantly due to the cessation of mining in the deep parts of Kutema. The largest recorded event measured a magnitude of 1.3, and occurred near the 685m level. Some visual damage has been observed in the decline.

Development work advanced 440 metres during the quarter. Development work continued at Sarvisuo and reached the ore pipes between the 340m and 400m levels and the 130m and 150m levels. Positive exploration results from drilling during the quarter in the Sarvisuo and Sarvisuo West areas continued to be received.



### Jokisivu Gold Mine

A total of 71,986 WMT of ore grading 2.9 g/t gold was mined for the quarter from Jokisivu with stoping providing 41,722 WMT of ore and development 30,264 WMT of ore.

Development drifts, including the Kujankallio decline, advanced a total of 843 metres during the quarter. Deepening of the Jokisivu decline has advanced to the bottom of the next mining panel Kujankallio between the 340m and 420m levels.

Excavations for fresh air and exhaust raises between the 320m and 420m levels commenced.

### Vammala Plant

Ore milled during the quarter totalled 76,324 DMT with an average grade of 2.7 g/t gold during the quarter. Gold recovery averaged 86.1% and plant utilisation was 94.0%.

A planned maintenance stoppage of five days occurred in January 2018. The major works included relining of the rod mill, fixing of gravity circuit pump, changing a ferrule for the rod mill feed end and cleaning and maintaining of the flotation cells.

### Kaapelinkulma Gold Project

Refer to Advanced Projects on page 6 for update.

## Environment

### Vammala Plant

Supplementary work for the Environmental Permit application proceeded as planned. The consultant advising on the determination of the discharge limits of the process water, visited the site in January 2018 and delivered their final report in February 2018. Dust particle measurements were conducted at the crushing site, at the tailing storage facility ("TSF"), and at the properties of two nearby neighbors. Measurement results were used in dust modelling. According to the final report, all the detected results are in accordance with the current dust limits set in the Government Act. The Company expects to finalise its application during the following quarter, as agreed with the permitting authority, The Regional State Administrative Agency of Western and Inland Finland ("AVI Vaasa").

Due to an exceptionally wet autumn and cold mid-winter season, process water overflow was redirected to the Korvalamminoja ditch from the beginning of October 2017 until February 2018.

The annual water monitoring report has been completed and delivered to the controlling authority, the Centre for Economic Development, Transport and the Environment of Pirkanmaa ("PIR ELY") and the environmental authorities of Sastamala city, as required in the Vammala Environmental Permit.

### Orivesi Gold Mine

The Company continues to perform environmental improvement work. Sodium hydroxide units and pH control units have been equipped with remote access systems, both at surface and underground. Fiberclay will be used as an isolating layer in the construction works of the new extension of the waste rock stockpile. If the metal levels of the fibreclay sample are low, ca 3,500 tonnes of it will be delivered to the construction site during the next quarter.

### Jokisivu Gold Mine

The Southwest Finland Centre for Economic Development, Transport and the Environment ("VAR ELY"), has given their reply on the environmental effects concerning the planned widening of the waste rock area. In their reply, VAR ELY requested the updating of the Environmental Permit due to the enlargement of the waste rock and underground mining areas. The Company will provide the update over the next six months.

The annual water monitoring report was completed and delivered to the controlling authority, VAR ELY and the environmental authorities of the city of Huittinen, as required in the valid Environmental Permit.

### Kaapelinkulma Gold Project

The Company conducted baseline investigations, in accordance with the conditions of the Environmental Permit. Investigations included water levelling from the household/groundwater wells within 1km of the mine. Positive results were received from soil samples that were taken from the planned waste rock, settling pond and open pit areas to confirm the estimated constructability characteristics in these areas.



## Svartliden Production Centre, Sweden

Quarter	External Con Milled (t)	Head Grade (g/t)	Recovery (%)	External Gold Production (Ounces)	<sup>1</sup> Quarterly Profit/(Loss) AUD \$,000
Jun 2017	-	-	-	-	(753)
Sep 2017	-	-	-	-	(1,029)
Dec 2017	-	-	-	-	(1,817)
<b>Mar 2018</b>	-	-	-	-	<b>(1,723)</b>

<sup>1</sup>A strategic decision has been made to keep the Svartliden plant operating at below breakeven to ensure continuity of operational staff and operational readiness pending the development of Fäboliden. Thus, the Company does not consider the C1 Cash Cost an appropriate measure for Svartliden choosing instead to report the quantum of the strategic profit/(loss) incurred

### Safety

No LTI's occurred during the quarter and Svartliden is currently 729 days LTI free.

### Production

The processing of Vammala concentrates at Svartliden continues to provide benefit to the Company.

Concentrate throughput decreased by 15% during the quarter, to 1,059 DMT (Q4 2017: 1,240 DMT). At all times the Company continued to operate within its permit levels.

### Environment

All discharge limits have been met during the quarter. The water discharged from the Clear Water Pond ("CWP") has been well below Environmental Permit levels.

The Trial Period Report U2 ("Report") was submitted to the Swedish Land and Environmental Court post quarter end by the Company's legal adviser, Foyen Advokatfirma AB. The Report shows that the Company has appropriate protective measures to minimise the impact of any future discharge on the surrounding environment. The Company has proposed some new conditions, one of which is a new permit limit calculated on a monthly average (rather than the current 14-day average). The Company continues to operate in accordance

with the Environmental Permit that was partially ruled on in 2012 (case no. M 1704-10).

Work to update the Svartliden Rehabilitation Plan was finalised and submitted to the Environmental Court on 7 April 2017. Comments from the Environmental Protection Agency ("EPA") and the County Administration Board ("CAB") were received. Further information has been requested by the EPA and the CAB and will be submitted by end of May 2018.

During 2016, the Company received information from the CAB that a Nature Reserve Area ("NRA") may be established at the Paubäcken Creek. The Company, together with the local municipalities, and the Pauträsk village, submitted their opposition to the formation of the NRA. The CAB will inform of any decision before the NRA legislation changes.

During March, the Company attended the Southern Västerbotten Water Council (VRO 11) annual meeting for the Öreälven river catchment and presented the Fäboliden project. The point of the meeting was to discuss restoration projects for river systems such as Öreälven.

Work on the application for an Environment Permit for full scale mining at Fäboliden continued and the critical Natura 2000 risk assessment has now been legally reviewed. The Company is now working to speed up the ongoing review process and the technical group will put more resources into the remaining review work to improve the overall timeframe for lodgement of the application.



## Advanced Projects

During the quarter the Company drilled 54 diamond core holes for a total advance of 7,899.75 metres at Orivesi and Jokisivu. Drilling was completed with the objective of better defining the extent and geometry of known mineralised zones and providing information to support future mine planning and development.

Preparation to commence mining at the Kaapelinkulma Gold Project also advanced during the quarter.

### Southern Finland

#### Orivesi Gold Mine

35 diamond core holes, totalling 2,889.50 metres, were drilled over two campaigns at Orivesi during the quarter. They include:

- all 25 holes in a 25 hole underground diamond core campaign from the 340m level, targeting select mineralised pipes in the Sarvisuo West area that returned a series of high-grade intercepts from drilling completed in late 2017; and
- 10 holes in an 18 hole campaign from the 340m level that is targeting a series of other mineralised zones in the Sarvisuo West area, to the north and northeast of the zones targeted in the 25 hole campaign.

Results have been received for 14 holes from the completed 25 hole campaign yielding a series of significant intercepts including the robust 25.50 metres @ 33.20 g/t gold, 11.50 metres @ 14.33 g/t gold, 17.00 metres @ 9.08 g/t gold, 18.70 metres @ 4.71 g/t gold and 7.30 metres @ 13.77 g/t gold. The results received are providing confidence that the targeted mineralised zones extend deeper than currently defined, at grades commensurate with results from previous drilling. A list of all available results from this campaign is provided in Appendix 1. These results were previously released to the ASX on the 17 April 2018 – Update of Activities Completed in Southern Finland – Robust Results Received from Drilling at the Orivesi Gold Mine. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

Results are pending for all 10 holes completed in the ongoing 18 hole program.

During the quarter, results were also received for the final six holes of the 10 hole surface diamond core campaign that was drilled in late 2017, targeting near surface positions at Sarvisuo and Sarvisuo West. A number of intercepts have been received including 3.00 metres @ 4.83 g/t gold and 3.00 metres @ 9.27 g/t gold. A complete list of results from this campaign is provided in Appendix 2. These results were previously released to the ASX on the 17 April 2018 – Update of Activities Completed in Southern Finland – Robust Results Received From Drilling at the Orivesi Gold Mine. Results for the initial four holes were released to the ASX on the 22 December 2017 – Encouraging Drill Results Received from Southern Finland Projects. These releases can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

Results were also received during the quarter for the final four holes from the 12 hole underground diamond core campaign that was designed to target the Sarvisuo West area between the 340m and 420m levels. Better intercepts received during the period include 6.00 metres @ 5.99 g/t gold and 4.50 metres @ 17.15 g/t gold. A complete list of results from this campaign is provided in Appendix 3. These results were previously released to the ASX on the 17 April 2018 – Update of Activities Completed in Southern Finland – Robust Results Received from Drilling at the Orivesi Gold Mine. The initial eight holes were released to the ASX on the 22 December 2017 – Encouraging Drill Results Received from Southern Finland Projects. These releases can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

#### Jokisivu Gold Mine

Drilling resumed at Jokisivu during the quarter with the completion of 19 holes, 5,010.25 metres in a 27 hole campaign from the 350m level that has been designed to further evaluate the Kujankallio Main Zone between the 340m and 420m levels. Results have been received for three full holes and two part holes, returning a best intercept of 3.95 metres @ 4.24 g/t gold. A list of available results to date from this campaign is provided in Appendix 4. These results were previously released to the ASX on the 17 April 2018 – Update of Activities Completed in Southern Finland – Robust Results Received from Drilling at the Orivesi Gold Mine. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).





## Kaapelinkulma Gold Project

Preparation to commence mining at the Kaapelinkulma Gold Project ("Kaapelinkulma") continued to advance during the quarter with the establishment of a site office. Representatives from the Company also gave a presentation to members of the local community at the Valkeakoski Institute on 22 February 2018 outlining the planned mining operation at Kaapelinkulma. The meeting was attended by 80 people.

The mining authority, the Finnish Safety and Chemicals Agency ("Tukes") returned a decision in relation to the bond for the Kaapelinkulma project during the period. Tukes has indicated that mining can commence at any stage at Kaapelinkulma, in accordance with the conditions of the mining permit irrespective if an appeal is received against the bond decision. The Company remains committed to begin full scale mining at Kaapelinkulma at the cessation of mining high-grade ore from Orivesi, but as the Company has all Permits and agreements in place, it is in a position to commence mining at any stage.

## Northern Sweden

### Fäboliden Gold Project

Dragon Mining continued work on the development of the Fäboliden Gold Project ("Fäboliden") in northern Sweden.

## Ore Reserves

During the quarter an update of the Ore Reserves for the Company's Nordic Projects was completed. The update has lifted the total Proved and Probable Ore Reserves for the group as at 30 September 2017 to 2,315 kt grading 3.1 g/t gold for 232 kozs (Appendix 5), the highest total Ore Reserve tonnage level recorded by Dragon Mining since commencing activities in the Nordic Region in 2000. The Ore Reserve update was previously released to the ASX on the 23 February 2018 – Dragon Mining Updates Ore Reserves for Nordic Projects. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

The updated total Ore Reserve represents an overall increase of 29% in tonnage and 22% in ounces of gold, after depletion for mining to 30 September 2017, when compared to the Proved and Probable Ore Reserves as at 31 December 2016 of 1,790 kt grading 3.3 g/t gold for 189 kozs, which was released to the ASX on the 21 March 2017 – Ore Reserves Updated for Dragon Mining's Nordic Projects.

The updates have increased the mine life for the Jokisivu Gold Mine to four years, whilst successful drilling campaigns carried out at the Orivesi Gold Mine during 2017 has resulted in an additional year of Ore Reserves being defined. This has provided the Company with confidence that Ore Reserves in Finland are sustainable until mining starts at the Faboliden Gold Project and beyond. When including the Ore Reserves for the Faboliden Gold Project, where the Company is working towards environmental approval, the Company now has sufficient Ore Reserves for production through to at least 2024. The latest developments in the permitting process for Faboliden are given in the "Corporate" section below.

The Ore Reserves were finalised by independent mining consultants RPM Global in Western Australia and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). They are based on the Mineral Resource estimates that were released to the ASX on 11 January 2018 – Mineral Resources Updated for Dragon Mining's Nordic Projects and included in the Quarterly Activities Report for the Period Ending 31 December 2017 that was released to the ASX on the 31 January 2018.



### **Orivesi Gold Mine**

The updated Proved and Probable Ore Reserves for Orivesi totals 71 kt grading 5.5 g/t gold for 12.5 kozs as at 30 September 2017. This represents a 54% increase in tonnage and 58% increase in gold ounces after depletion for mining to 30 September 2017, when compared to the Ore Reserves as at 31 December 2016 of 46 kt grading 5.3 g/t gold for 7.9 kozs. The increases were generated following the completion of a series of successful drilling campaigns completed during 2017 in the Sarvisuo and Sarvisuo West areas that identified further gold mineralisation near surface and close to existing underground development. The Ore Reserves are estimated from underground stope and development designs and were based on the mines operating performance.

#### **- Jokisivu Gold Mine**

The updated Proved and Probable Ore Reserves for Jokisivu totals 1,013 kt grading 2.9 g/t gold for 95.2 kozs as at 30 September 2017. This represents a 103% increase in tonnes and a 65% increase in ounces after depletion for mining to 30 September 2017, when compared to the Ore Reserves as at 31 December 2016 of 500 kt grading 3.6 g/t gold for 57.6 kozs.

These increases have extended the mine life for Jokisivu to four years and are attributable to the undertaking of an underground optimisation study at Jokisivu, incorporating Measured and Indicated Mineral Resources from the two deposits Kujankallio and Arvola, and associated satellite deposits Osmo Zones and Basin Zones. The Ore Reserves are estimated from underground stope and development designs and were based on the mines operating performance.

#### **- Kaapelinkulma Gold Project**

The updated Proved and Probable Ore Reserves for Kaapelinkulma totals 71 kt grading 4.0 g/t gold for 9.0 kozs as at 30 September 2017. This represents a 10% decrease in tonnage and 1% increase in gold ounces when compared to the Ore Reserves as at 31 December 2016 of 79 kt grading 3.5 g/t gold for 8.9 kozs.

The decrease in tonnage is attributable to better definition of mineralised zones following the detailed reverse circulation drilling program that was completed in early 2017. The increase in gold ounces is attributable to an increase in grade. The Ore Reserves are part of an update to a Pre-Feasibility level study into the

development of the Kaapelinkulma Gold Project in southern Finland. The study is based on the establishment of an open-pit mining operation and the haulage of ore to Dragon Mining's Vammala Plant.

The Kaapelinkulma Ore Reserves demonstrate a base case operation, the Proved and Probable Ore Reserves representing a mining life of approximately twenty months based on a combined ore and waste movement of 45,000 tonnes per month.

#### **- Fäboliden Gold Project**

The Proved and Probable Ore Reserves for Fäboliden totals 1,160 kt grading 3.1 g/t gold for 115 kozs and remains unchanged since 31 December 2016. The Ore Reserves were previously released to the ASX on the 21 March 2017 - Ore Reserves Updated for Dragon Mining's Nordic Projects. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA).

The Ore Reserves form part of an update to a Pre-Feasibility level study into the development of the Fäboliden Gold Project in northern Sweden. The study based on the establishment of a multiple open-pit mining operation and the haulage of ore to Dragon Mining's Svartliden Plant.

The Fäboliden Ore Reserves demonstrate a base case operation, the Proved and Probable Ore Reserves representing a mining life of approximately five years based on the developed mining schedule, which includes a period of test mining.



## Corporate

### Unsecured Loan Facility with AP Finance

During the quarter, the Company made a A\$2.0 million drawdown from its A\$6 million unsecured Loan Facility with AP Finance Limited, leaving A\$4.0 million in undrawn funds remaining available. The funds were used to assist with development activities and provide additional working capital. The Loan Facility has a repayment date of 31 October 2019.

### Proposed Delisting from the ASX and Listing on the Stock Exchange of Hong Kong

The Company has previously announced that the ASX had approved its application to Delist from the ASX and at the Meeting of shareholders held on 2 May 2017 ("EGM"), shareholder approval was given for the Company to:

- Be removed from the Official List of the ASX;
- Issue up to 50,000,000 shares at an issue price of no less than \$0.35 per share, by means of a Public Offer; and
- Amend its constitution to facilitate a listing of the Company on the Stock Exchange of Hong Kong ("HKEx").

The ASX waiver of Listing Rule 14.7, to the extent permitting the above Public Offer, was granted on the condition that the relevant shares would be issued no later than 31 October 2017, and that deadline was subsequently extended by ASX to 31 March 2018. As that date has also expired, the Company is required to seek fresh shareholder approval for the above Public Offer. The relevant resolution is included in the Notice of meeting for the Company's upcoming Annual General Meeting on 29 May 2018.

On 1 December 2017, the Company announced that the CAB had granted the Faboliden Test Mining Permit ("Permit") subject to a number of conditions. On 29 December 2017, an appeal against the Permit was received by the CAB from Naturskyddsforeningen, a local nature conservation NGO in Lycksele. The Company and the CAB lodged responses to the appeal with the Swedish Land and Environmental Court, disputing the legal and technical basis for the appeal.

Following quarter end, the Company announced the Swedish Land and Environmental Court had found in favour of the Company and rejected the appeal. The decision by the Court can be appealed to the Land and Environmental Court of Appeal no later than 8 May 2018 subject to the grant of a leave to appeal.

The Company re-submitted its draft prospectus to the HKEx on 29 March 2018 and is assessing the implications of these developments on its proposed listing, and will update the market in due course.

### Cashflow Summary

At the end of the quarter, the Group had A\$1.5 million in the bank (Q4 2017: A\$6.7 million), and A\$4.0 million undrawn funds remaining in its unsecured Loan Facility with AP Finance Limited (Q4: 2017: A\$6.0 million).

Quarter Cash Flows	A\$(m)
<strong>Operating Cash Flows</strong>	
Revenue	8.4
Operating Costs	(8.5)
Cash outflows for taxation, rehabilitation bonds, overhead and operational support costs	(2.8)
Exploration	(0.1)
<strong>Net operating cash flows</strong>	<strong>(3.0)</strong>
<strong>Investing Cash Flows</strong>	
Development expenditure	(1.6)
Capital purchases	(1.5)
Other	-
<strong>Net investing cash flows</strong>	<strong>(3.1)</strong>
<strong>Financing Cash Flows</strong>	
Foreign exchange gains/(loss)	0.9
<strong>Net financing cash flows</strong>	<strong>0.9</strong>
<strong>Net decrease in cash at bank</strong>	<strong>(5.2)</strong>





#### Competent Persons Statements:

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*The information in this report that relates to Exploration Results were previously released to the ASX on 22 December 2017 – Encouraging Drill Results Received From Southern Finland Projects and 17 April 2018 – Update of Activities Completed in Southern Finland – Robust Results Received from Drilling at the Orivesi Gold Mine, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code: DRA). They fairly represent information and supporting documentation that was compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Written consent was previously provided by Mr Neale Edwards for the releases dated the 22 December 2017 and 17 April 2018.*

*The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results as released on the 22 December 2017 and 17 April 2018, and the assumptions and technical parameters underpinning the Exploration Results in the listed releases continue to apply and have not materially changed.*

*Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Exploration Results are presented in this report have not been materially modified from the releases dated the 22 December 2017 and 17 April 2018. Mr Neale Edwards has provided written consent approving the Exploration Results in this report in the form and context in which they appear.*

*The information in this report that relates to Ore Reserves for the Jokisivu Gold Mine, Orivesi Gold Mine and Kaapelinkulma Gold Project were previously released to the ASX on the 23 February 2018 – Dragon Mining Updates Ore Reserves for Nordic Projects. This release can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). It fairly represents information and supporting documentation compiled or supervised by Mr Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and is an employee of RPM Advisory Services Pty Ltd. Mr Joe McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Written consent was previously provided by Mr Joe McDiarmid for the 23 February 2018 release.*

*The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves as reported on the 23 February 2018, and the assumptions and technical parameters underpinning the estimates in the 23 February 2018 release continue to apply and have not materially changed.*

*Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Ore Reserves are presented in this report have not been materially modified from the releases dated the 23 February 2018. Mr Neale Edwards has provided written consent approving the Ore Reserves for the Orivesi Gold Mine, Jokisivu Gold Mine and Kaapelinkulma Gold Project in this report in the form and context in which they appear.*

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*The information in this report that relates to Ore Reserves for the Fäboliden Gold Project was previously released to the ASX on the 21 March 2017 - Ore Reserves Updated for Dragon Mining's Nordic Projects, which can be found at [www.asx.com.au](http://www.asx.com.au) (Code:DRA). It fairly represents information and supporting documentation that was compiled by Mr. Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and is an employee of RPM Advisory Services Pty Ltd. Mr Joe McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Written consent was previously provided by Mr. McDiarmid for the 21 March 2017 release.*

*The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves for the Fäboliden Gold Project as reported on the 21 March 2017, and the assumptions and technical parameters underpinning the estimates in the 21 March 2017 release continue to apply and have not materially changed.*

*Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Ore Reserves are presented in this report have not been materially modified from the releases dated the 21 March 2017. Mr Neale Edwards has provided written consent approving the Ore Reserves for the Fäboliden Gold Project in this report in the form and context in which they appear.*



## Appendix 1

Results from the underground diamond core drilling program from the 340m level that was designed to target select mineralised pipes in the Sarvisuo West area at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Release – 17 April 2018)

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Down Hole Interval (m)	Gold (g/t)
KU-1639	6838533.72	2508757.36	-172.36	273.96	-50.25	182.40	25.70	0.70	3.18
							38.50	1.50	1.66
							117.50	1.50	3.35
							153.50	2.50	1.97
KU-1640	6838528.73	2508720.84	-171.54	281.62	-39.68	110.20	1.30	3.90	79.22
						Includes 1.00 metre @ 288.00 g/t gold from 2.50 metres			
							32.30	1.50	2.15
							101.20	1.00	2.22
KU-1642	6838528.64	2508720.96	-171.56	270.83	-53.72	110.20	0.20	5.80	24.02
KU-1643	6838533.77	2508757.43	-172.35	280.39	-56.35	104.40	35.50	25.50	33.20
						Includes 6.00 metre @ 117.61 g/t gold from 50.00 metres			
							99.00	5.40	2.09
KU-1644	6838533.72	2508756.95	-172.35	287.31	-38.49	80.20	28.50	11.50	14.33
						Includes 3.00 metre @ 49.90 g/t gold from 36.00 metres			
							68.00	1.00	1.12
							70.00	1.50	1.30
KU-1645	6838532.17	2508734.41	-171.78	300.47	-67.41	95.40	No Significant Results		
KU-1646	6838529.09	2508718.52	-171.54	323.75	-66.92	74.40	0.20	1.80	51.04
						Includes 0.80 metre @ 109.50 g/t gold from 0.20 metres			
							46.00	1.00	1.08
							57.00	1.00	1.49
KU-1647	6838529.07	2508718.65	-171.54	329.62	-74.24	95.40	0.10	1.90	22.27
						Includes 0.90 metre @ 45.50 g/t gold from 0.10 metres			
KU-1648	6838529.69	2508719.06	-171.56	339.19	-62.93	68.30	13.50	0.90	1.01
KU-1649	6838532.19	2508735.55	-171.74	314.14	-63.80	83.20	7.60	0.40	36.80
							19.00	1.00	1.23
							22.00	4.00	2.92
KU-1651	6838531.88	2508735.45	-171.76	326.51	-79.82	98.70	13.50	1.00	12.60
							27.50	4.00	2.68
							44.00	17.00	9.08
							64.50	1.50	4.09
KU-1652	6838531.04	2508734.51	-171.73	9.96	-82.59	110.70	39.50	1.80	2.91
							53.00	4.00	2.86
							59.00	3.00	1.31
							69.80	18.70	4.71
						Includes 1.00 metre @ 27.95 g/t gold from 80.00 metres			
KU-1657	6838547.36	2508713.38	-170.87	152.57	-57.80	50.40	27.20	7.30	13.77
						Includes 1.00 metre @ 58.30 g/t gold from 27.20 metres			
							44.40	1.00	1.04
KU-1659	6838547.40	2508713.52	-170.88	175.18	-65.50	56.60	8.40	0.80	11.85
							44.00	1.00	11.10
							50.50	0.80	2.09



## Appendix 2

Results from the surface diamond core drilling program that targeted near surface positions at Sarvisuo and Sarvisuo West at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Release – 22 December 2017 and 17 April 2018)

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Down Hole Interval (m)	Gold (g/t)
KU-1609	6838562.68	2508705.53	144.89	328.15	-63.38	134.80	62.00	0.90	1.46
							114.50	1.50	1.77
KU-1610	6838562.53	2508708.81	144.59	47.77	-64.79	131.70	No significant results		
KU-1611	6838562.01	2508709.61	144.58	84.56	-44.67	169.70	84.20	1.30	1.74
							96.50	1.00	2.64
KU-1612	6838560.58	2508709.64	144.62	94.51	-44.70	154.60	72.50	1.05	1.69
							77.00	2.00	3.38
KU-1613	6838559.91	2508707.57	144.75	136.73	-57.41	125.20	74.00	1.00	3.04
KU-1614	6838492.24	2508902.37	147.81	327.31	-59.12	151.90	34.00	2.00	1.44
							117.00	1.00	1.06
KU-1615	6838492.06	2508902.97	147.80	335.28	-68.70	120.00	22.00	3.00	2.81
KU-1616	6838492.37	2508903.63	147.85	355.46	-59.29	131.60	36.15	1.10	1.06
							52.60	1.00	7.43
							56.80	1.00	2.09
							75.50	1.20	2.83
							77.80	1.00	1.88
							82.30	0.75	1.54
KU-1617	6838492.10	2508903.87	147.69	357.69	-69.15	165.00	53.00	3.00	4.83
							76.50	0.50	1.19
							111.00	1.50	10.27
							143.00	1.50	3.94
							153.50	3.00	9.27
KU-1618	6838492.02	2508904.17	147.72	7.32	-67.97	148.90	61.50	15.00	3.15
							103.50	4.50	2.63
							133.00	1.50	1.18



## Appendix 3

Results from the underground diamond core drilling program that targeted the Sarvisuo West area between the 340m and 420m levels at the Orivesi Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Release – 22 December 2017 and 17 April 2018)

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Down Hole Interval (m)	Gold (g/t)
KU-1619	6838552.45	2508717.04	-170.70	315.20	-37.89	155.50	65.00	1.50	1.30
KU-1620	6838552.44	2508716.59	-169.87	324.89	-8.55	109.00	47.00	6.00	5.99
							95.40	1.15	1.26
KU-1621	6838552.49	2508716.77	-170.53	344.19	-35.16	134.20	40.50	1.30	1.15
KU-1622	6838553.56	2508734.60	-170.44	338.85	-10.28	101.40	28.20	1.20	11.75
KU-1623	6838553.44	2508734.67	-170.87	351.12	-25.12	101.50	No significant results		
KU-1624	6838553.70	2508735.01	-170.47	1.52	-7.44	95.50	7.20	0.80	14.45
KU-1625	6838553.64	2508735.28	-171.04	12.99	-33.85	131.50	No significant results		
KU-1626	6838553.63	2508735.75	-170.49	24.55	-8.31	104.50	No significant results		
KU-1627	6838535.60	2508776.52	-172.64	350.55	-21.00	128.30	No significant results		
KU-1628	6838535.08	2508777.14	-171.98	1.59	-7.35	137.50	21.00	2.70	8.46
						Includes 1.00 metre @ 20.20 g/t gold from 21.00 metres			
KU-1629	6838535.01	2508777.24	-172.27	9.68	-17.62	152.50	19.00	0.70	2.69
							22.00	4.50	17.15
							79.50	1.50	1.56
KU-1630	6838534.92	2508777.43	-172.04	16.99	-10.45	140.50	25.00	1.00	22.50
							80.50	1.20	1.16





## Appendix 4

Results from the underground diamond core drilling program that targeted the Kujankallio Main Zone between the 340m and 420m levels at the Jokisivu Gold Mine. All intercepts reported at a 1 g/t gold cut-off. (ASX Releases - 17 April 2018)

Hole	North	East	Elevation	Azimuth (°)	Dip (°)	Length (m)	From (m)	Down Hole Interval (m)	Gold (g/t)
HU/JS-874	6779546.81	2426400.32	-273.44	353.75	-22.66	348.95	78.00	1.00	1.84
							170.30	2.75	1.89
							230.00	1.00	1.39
							233.05	1.10	1.64
							235.70	0.30	14.70
HU/JS-875	6779546.81	2426400.32	-273.44	357.60	-26.29	388.80	259.35	0.30	2.14
							319.30	1.50	4.91
							82.80	1.20	1.71
							125.45	1.05	1.80
							184.70	0.90	1.59
HU/JS-876*	6779546.75	2426400.78	-274.18	356.96	-14.79	249.10	335.90	1.15	9.21
							361.05	1.30	1.30
							124.30	3.95	4.24
							204.50	1.50	1.25
							216.40	1.15	1.74
HU/JS-877	6779546.73	2426401.17	-274.28	358.72	-19.55	225.00	242.80	0.60	1.23
							137.80	0.95	9.14
							141.70	2.10	2.16
							152.80	1.50	1.13
							155.80	1.35	1.66
HU/JS-878*	6779546.59	2426401.27	-274.33	0.74	-23.77	213.20	215.70	1.45	1.12
							161.75	0.70	3.35
							164.70	0.65	1.65

\* Further results pending



## Appendix 5

**Ore Reserves for the Vammala Production Centre in Finland and Svartliden Production Centre in Sweden. Reported as at 30 September 2017. (ASX Releases – 21 March 2017 and 23 February 2018)**

	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)
<b>Vammala Production Centre</b>									
Orivesi Gold Mine (Underground)	24	4.0	3.1	46	6.3	9.4	71	5.5	12.5
Jokisivu Gold Mine (Underground)	172	2.8	15.6	841	2.9	79.6	1,013	2.9	95.2
Kaapelinkulma Gold Project (Open Pit)	52	3.9	6.5	19	4.3	2.6	71	4.0	9.0
<b>Svartliden Production Centre</b>									
Fäboliden Gold Project (Open Pit)	-	-	-	1,160	3.1	115	1,160	3.1	115
<b>Group Total</b>	<b>248</b>	<b>3.2</b>	<b>25.2</b>	<b>2,066</b>	<b>3.1</b>	<b>206.4</b>	<b>2,315</b>	<b>3.1</b>	<b>232</b>

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

### Ore Reserve In-situ Cut-off Grades – Underground Operations

	Project Gold (g/t)	Operating Gold (g/t)	Stoping Gold (g/t)	Development Gold (g/t)
<b>Orivesi Gold Mine</b>	5.4	4.4	3.7	1.0
<b>Jokisivu Gold Mine</b>				
Arpola – Area A	3.6	2.7	2.3	1.0
Arpola – Area B	3.7	2.7	2.4	1.0
Arpola – Area C	3.1	2.3	2.0	0.9
Arpola – Area D	3.6	2.7	2.3	1.0
Kujankallio	3.6	2.7	2.3	1.0

The Development cut-off grade assumes that all mining costs have been otherwise included and hence provides an indicator of whether development ore is economical to mill and refine. The Stoping cut-off grade includes the operating cost without ore development. That is, the average grade of a stope must be above this value for it to be economic to mine. It assumes stope access development has been completed for the level. The Operating cut-off grade includes all the operating costs inclusive of ore development and hence provides an indicator of whether an entire level is economic to be mined. The Project costs include direct underground capital and operating costs.

### Ore Reserve In-situ Cut-off Grades – Open Pit Operations

	Gold (g/t)
<b>Kaapelinkulma Gold Project</b>	1.1
<b>Fäboliden Gold Project</b>	1.47



## Appendix 6

### Company Tenement Holding

#### Mining Tenements

Project	Tenements				Held at end of the Quarter	Acquired during the Quarter	Disposed during the Quarter
	ID	Name	Type	Area (ha)	%	%	%
SWEDEN							
Svartliden		Svartlidengruvan K nr 1	EC	87.54	100	-	-
	2016:111	Ekorrliden nr 2		455.39	100	-	-
Fäboliden		Fäboliden K nr 1	EC	122.00	100	-	-
	2016:75	Fäboliden nr 11	EP	836.26	100	-	-
	2014:2	Fäbodliden nr 82	EP	230.55	0	-	100
	2017:27	Fäboliden nr 83	EP	1,006.72	100		-
FINLAND							
Orivesi	2676	Seri	MC	39.82	100	-	-
	ML2013:0006	Sarvisuo 1-2	EL	41.86	100	-	-
	ML2015:0026	Sarvisuo 3	EL	56.56	100	-	-
	9128/1	Yläinensilmäke	Claim	10.26	100	-	-
Jokisivu	7244	Jokisivu	MC	48.32	100	-	-
	KL2015:0005	Jokisivu 2	MC	21.30	100	-	-
	ML2012:0112	Jokisivu 4-5	EL	85.76	100	-	-
	8970/1	Jokisivu 7	Claim	6.70	100	-	-
	8970/2	Jokisivu 8	Claim	26.40	100	-	-
Vammala	1895	Stormi	MC	157.53	100	-	-
	ML2014:0049	Käärmeenmaa	EL	78.00	100	-	-
Kaapelinkulma	K7094	Kaapelinkulma	MC	66.55	100	-	-
	VA2016:0026-01	Kaapeli	Res	1,589.00	100	-	-

#### Notes

<b>EC</b>	Exploitation Concession (Sweden)
<b>EP</b>	Exploration Permit (Sweden)
<b>EL</b>	Exploration Licence (Finland) – Refers to tenements applied for after 1 July 2011 in accordance with the new Finnish Mining Act. Prior to 1 July 2011 tenements were referred to as Claims.
<b>MC</b>	Mining Concession (Finland)
<b>Res</b>	Reservation Notification (Finland)