

ASX ANNOUNCEMENT

13 December 2013

**PUBLIC RELEASE OF THE ENVIRONMENTAL IMPACT ASSESSMENT REPORT FOR KUUSAMO MINE PROJECT AND SOUTHERN MINE AREA**

Dragon Mining is pleased to announce that the Environmental Impact Assessment Report (“EIA Report”) for the Kuusamo Mine Project has been released to start a three month public hearing period. The Environmental Impact Assessment (“EIA”) was carried out by the independent environmental consultancy Ramboll Finland Oy (“Ramboll”).

The EIA Report sets out the possible environmental and social impacts resulting from proposed mining at the Kuusamo Mine Project and Southern Mining Area, as well as considering impacts of gold processing activities at three alternative concentration plant locations. Ramboll made the following comments:

*“The Kuusamo mine project was evaluated from an environmental, sociological and social perspective. The evaluation was based on results from different impact assessments.”*

*“The project is considered environmentally feasible when proposed actions for reducing impacts are included.”*

*“Based on the EIA work no significant effects on living comfort, the state of the environment, nature recreation opportunities or tourism opportunities (which are a concern for residents and entrepreneurs in the area) are expected. Open, continuous and regular interaction with the wider community, providing information on the true impacts and the results from monitoring after operations has commenced, are required in order to gain a social licence for the Project.”*

Dragon Mining and Ramboll recommend that interested parties read the published information. It is important to note that the Company is yet to undertake a scoping study on the commercial viability of the Kuusamo Mine Project and Southern Mining Area.

The Finnish EIA Report is available from (<http://www.ymparisto.fi/kuusamonkultakaivosYVA>) and a summary in English from the Dragon Mining website ([www.dragon-mining.com.au](http://www.dragon-mining.com.au)).

Completion of the EIA is a pre-requisite for advancing to the permitting phase. The EIA process is expected to be completed in May 2014 with a statement from the coordinating authority, the ELY Centre North Ostrobothnia (POPELY, Centre for Economic Development, Transport and the Environment).

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

**Kjell E Larsson**  
**Managing Director**