
NOTICE OF GENERAL MEETING
EXPLANATORY NOTES
PROXY FORM

Date of Meeting

Friday, 7 February 2014

Time of Meeting

10.00am (WST)

Place of Meeting

Liberty Executive Offices
Level 14, 197 St George's Terrace
PERTH WA 6000

The Directors (other than Mr Peter Gunzburg) consider that the proposal of the Resolutions as detailed in this Notice of Meeting are not in the best interests of the Company or to the majority of Shareholders and recommend Shareholders vote AGAINST ALL RESOLUTIONS.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Dragon Mining Limited (ABN 19 009 450 051) ("**Dragon Mining**" or the "**Company**") will be held at the Liberty Executive Offices, Level 14, 197 St George's Terrace, Perth, Western Australia on 7 February 2014 at 10.00am WST.

BUSINESS

RESOLUTION 1 – APPOINTMENT OF ARTHUR DEW AS A DIRECTOR

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That Arthur George Dew, having consented to act, be elected as a Director of the Company."

RESOLUTION 2 – APPOINTMENT OF BRETT SMITH AS A DIRECTOR

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That Brett Robert Smith having consented to act, be elected as a Director of the Company."

RESOLUTION 3 – REMOVAL OF PETER CORDIN AS A DIRECTOR:

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to the passing of Resolutions 1 and 2, Peter Cordin be removed as a Director of the Company."

RESOLUTION 4 – REMOVAL OF KJELL LARSSON AS MANAGING DIRECTOR:

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

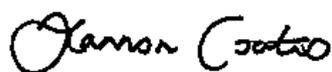
"That, subject to the passing of Resolutions 1 and 2, Kjell Larsson be removed as a Director of the Company."

RESOLUTION 5 – REMOVAL OF CHRISTIAN RUSSENBERGER AS A DIRECTOR:

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to the passing of Resolutions 1 and 2, Christian Russenberger be removed as a Director of the Company."

By order of the Board, as pursuant to a requisition under Section 249D of the Corporations Act 2001 (Cth).



Shannon Coates
Company Secretary
Dragon Mining Limited (ABN 19 009 450 051)

EXPLANATORY NOTES

Shareholders are referred to the Explanatory Notes accompanying and forming part of this Notice of Meeting which contain information regarding the above resolutions. Shareholders should read this Notice of Meeting and the Explanatory Notes carefully and in their entirety.

Why has this meeting been called?

As disclosed by the Company to the ASX on 10 December 2013, the Company has received a notice of requisition of meeting pursuant to section 249D of the Corporations Act 2001 (Cth) ("**249D Notice**") from Eurogold Limited, a member with more than 5% of the votes that may be cast at a general meeting of the Company ("**Requisitioning Shareholder**").

At the time of printing this Notice of Meeting, the Requisitioning Shareholder had not provided a statement setting out the reason for the 249D Notice, or its reasons to have four of five directors of the Company (each a "**Director**") removed.

One of the Directors that the Requisitioning Shareholder is seeking to remove is Tapani Jarvinen. Mr Jarvinen has resigned from the Board (effective 31 December 2013), and accordingly the resolution to seek the removal of Mr Jarvinen will not be put to Shareholders.

The Directors (other than Mr Peter Gunzburg) consider that the proposal of the Resolutions as detailed in this Notice of Meeting are not in the best interests of the Company or to the majority of Shareholders and recommend Shareholders vote AGAINST ALL RESOLUTIONS.

RESOLUTION 1– APPOINTMENT OF ARTHUR DEW AS A DIRECTOR

The 249D Notice requisitioned a general meeting to propose a resolution to appoint Mr Arthur Dew as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001 (Cth) ("**Corporations Act**"), the Company has convened the general meeting to allow Shareholders to vote on the appointment of Arthur Dew as a Director.

Recommendation: The Directors (other than Mr Gunzburg) recommend that you **VOTE AGAINST** this resolution. Mr Gunzburg, as Executive Chairman of Eurogold Limited, makes no recommendation to Shareholders on this resolution.

RESOLUTION 2 – APPOINTMENT OF BRETT SMITH AS A DIRECTOR

The 249D Notice requisitioned a general meeting to propose a resolution to appoint Mr Brett Smith as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the general meeting to allow Shareholders to vote on the appointment of Mr Brett Smith as a Director.

Recommendation: The Directors (other than Mr Gunzburg) recommend that you **VOTE AGAINST** this resolution. Mr Gunzburg, as Executive Chairman of Eurogold Limited, makes no recommendation to Shareholders on this resolution.

RESOLUTION 3 – REMOVAL OF PETER CORDIN AS A DIRECTOR

The 249D Notice requisitioned a general meeting to propose a resolution to remove Mr Peter Cordin as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the general meeting to allow Shareholders to vote on the removal of Mr Peter Cordin as a Director.

Recommendation: The Directors (other than Mr Cordin and Mr Gunzburg) recommend that you **VOTE AGAINST** this resolution. Mr Cordin makes no recommendation due to his personal interest in the resolution and Mr Gunzburg, as Executive Chairman of Eurogold Limited, makes no recommendation to Shareholders on this resolution.

RESOLUTION 4 – REMOVAL OF KJELL LARSSON AS A DIRECTOR

The 249D Notice requisitioned a general meeting to propose a resolution to remove Mr Kjell Larsson as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the general meeting to allow Shareholders to vote on the removal of Mr Larsson as a Director.

Recommendation: The Directors (other than Mr Larsson and Mr Gunzburg) recommend that you **VOTE AGAINST** this resolution. Mr Larsson makes no recommendation due to his personal interest in the resolution and Mr Gunzburg, as Executive Chairman of Eurogold Limited, makes no recommendation to Shareholders on this resolution.

RESOLUTION 5 – REMOVAL OF CHRISTIAN RUSSENBERGER AS A DIRECTOR:

The 249D Notice requisitioned a general meeting to propose a resolution to remove Mr Christian Russenberger as a Director.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the general meeting to allow Shareholders to vote on the removal of Mr Christian Russenberger as a Director.

Recommendation: The Directors (other than Mr Russenberger and Mr Gunzburg) recommend that you **VOTE AGAINST** this resolution. Mr Russenberger makes no recommendation due to his personal interest in the resolution and Mr Gunzburg, as Executive Chairman of Eurogold Limited, makes no recommendation to Shareholders on this resolution.

BACKGROUND AND EXPERIENCE OF EXISTING DIRECTORS

Peter George Cordin

Chairman and Director of Dragon Mining, member of Remuneration and Nomination Committee

BE, MIEAust, FAusIMM (CP)

Mr Cordin was appointed Managing Director on 20 March 2006 and subsequently Executive Chairman on 4 March 2010. On 1 June 2012 Mr Cordin stepped down as an executive of Dragon Mining, but remains as Non-Executive Chairman. He has direct experience in the construction and management of diamond and gold operations in Australia and Indonesia as well as the development of resource projects in Kazakhstan and New Caledonia.

He is a Non-Executive Director of Coal of Africa Limited (appointed December 1997) and Vital Metals Limited (appointed September 2009).

Kjell Emil Larsson

Managing Director and Chief Executive Officer

M Sc in Mining Engineering.

Mr Larsson was appointed Managing Director of Dragon Mining on 1 June 2012 having been the Chief Operations Officer since 3 October 2011. Mr Larsson has almost 30 years' experience in the mining industry where he has held senior management and executive roles in Sweden and Canada.

Prior to joining Dragon Mining, Mr Larsson served as CEO of Lappland Goldminers AB from January 2009 to 30 September 2011. Previous roles include Vice President of Mining at Lundin Mining Corp as well as senior executive positions in Boliden, a major Nordic mining and refining company.

Christian Russenberger

Director and member of Audit and Risk Management Committee

BBA

Mr Russenberger was appointed a Non-Executive Director on 18 November 2009. Mr Russenberger is Principal and Director of 2004 founded CR Innovations AG, Baar, Switzerland, which is specialised in strategic and financial consulting to private and public micro-cap companies. Prior to his current position he worked with Finter Bank in Zurich, Switzerland (1993-2004) as a relationship manager and analyst. Before joining Finter Bank, he worked in Zurich as an analyst with Anlage-und Kreditbank AKB (1991-1993) and Bank Leu AG (1990-1991). He also served as a member of the board of directors of Swiss company Mobility Cooperative (1999-2011). Mr Russenberger holds a Bachelor of Science Administration, SIB Juventus Zürich, Zürich.

He is currently a Non-Executive Director of Providence Resources Inc., a company listed on the "Over The Counter" market in the United States of America.

STATEMENTS BY EXISTING DIRECTORS

Section 203D(4) of the Corporations Act provides that a director who is the subject of a proposed resolution for their removal from office is entitled to submit a statement for circulation to shareholders.

Mr Cordin has exercised his right under section 203D(4). Mr Cordin's statement is set out in Annexure A.

STATEMENT BY REQUISITIONING SHAREHOLDER

Section 249P of the Corporations Act permits the Requisitioning Shareholder to submit a statement for circulation to Shareholders regarding the resolutions and any other matter that may be properly considered at the Meeting.

At the time of printing this Notice, the Requisitioning Shareholder has not provided the Company with a statement to be sent to Shareholders therefore the strategy of Mr Dew and Mr Smith, should they be elected as Directors of the Company, is not clear.

Shareholder Information – Voting and Attendance

- 1 On a show of hands, every person present and qualified to vote has one vote and if one proxy has been appointed, that proxy will have one vote on a show of hands. Under the Corporations Act, if a Shareholder appoints more than one proxy, neither proxy may vote on a show of hands if both attend, but both proxies will be entitled to vote on a poll.
- 2 On a poll each Shareholder present in person has one vote for each share they hold. Also each person present as a proxy, attorney or duly appointed corporate representative of a Shareholder, has one vote for each share held by the Shareholder that the person represents.
- 3 A proxy form accompanies this Notice of Meeting. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies.
- 4 Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights. If no proportion or number is specified, each proxy may exercise half of the Shareholder's voting rights.
- 5 A proxy need not be a Shareholder and may be an individual or body corporate.
- 6 Proxy forms (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be received by the Company's security registry Computershare Investor Services Pty Limited as follows:

Online:

At www.investorvote.com.au

By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

By Mail to:

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile Transmission to:

1800 783 447 (within Australia) or
+61 3 9473 2555 (outside
Australia)

By Hand to:

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth, Western Australia 6000

Custodian voting

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

You must complete and submit your appointment and instructions so that they are received no later than 10:00am Wednesday, 5 February 2014. :

All proxies must be received by Dragon Mining's security registry prior to 10.00am Perth time on Wednesday, 5 February 2014.

- 7 The Board of the Company has determined that, for the purposes of the meeting, shares will be taken to be held by the persons who are registered as Shareholders as at 7:00pm WST on Wednesday, 5 February 2014. Accordingly, share transfers registered after that time will be disregarded in determining any entitlement to attend and vote at the meetings.

How the Chairman of the Meeting will vote undirected proxies

The Chairman of the Meeting will vote all undirected proxies **against** the resolutions. Shareholders should note that the Chairman has a personal interest in Resolution 3, which seeks the removal of him as a Director of the Company. Shareholders should be aware that undirected proxies given to the Chairman in respect of Resolution 3 will be voted against the resolution.

ANNEXURE A

STATEMENT BY PETER CORDIN

Eurogold Limited (**EUG**) has requisitioned a meeting to seek the removal of myself (Peter Cordin), Christian Russenberger, Tapani Järvinen and Kjell Larsson as directors of Dragon Mining Limited. Tapani Järvinen announced his intended retirement subsequent to the Notice being received. In addition, EUG is seeking the appointment of two representatives to the Board which, if successful, in addition to EUG's existing representative director Mr Peter Gunzburg, would not only give them control of the board, but may also have the effect of disenfranchising the other significant shareholder and long-time supporter of Dragon Mining, Nicolas Mathys, leaving him without a representative despite having an 18 % shareholding in the Company.

The aggressive action by EUG in requesting a General Meeting for the removal of a substantial number of the directors of Dragon Mining is unwarranted and does not take into consideration the interests of other Shareholders. EUG has been suspended from ASX since 5 June 2013. Further, EUG announced to ASX on 4 June 2013 that:

“Eurogold will continue to work with ASX to manage the suspension of its securities. Eurogold will also continue to search for a suitable acquisition to facilitate its re-quotations and explore its options with respect to the disposal of its block of Dragon Mining shares and the distribution of all or part of the cash consideration (followed either by a wind-up or use of part of the cash for the acquisition of an appropriate business and re-quotations).”

In light of that statement, Shareholders ought be in no doubt as to the ultimate intentions of EUG should the Resolutions proposed result in that Company gaining control of Dragon Mining.

Peter Gunzburg is the EUG representative on the Board of Dragon Mining, having been appointed on 8 February 2010. He is Chairman of both the Audit & Risk Management and Remuneration & Nomination Committees and hence intimately involved with the costs structure and the determination of the salary and remuneration of the senior management of the organisation. There is no reason for EUG to gain a controlling representation on the Dragon Mining Board, which is currently balanced for the benefit of all Shareholders.

Dragon Mining has competent and experienced management in the Nordic region to operate the gold mining assets under direction of a well-credentialed and experienced Board. (Full details of each director and senior management is available on the web site at www.dragon-mining.com.au).

An opinion has been expressed by the suspended EUG that “DRA has not been sufficiently aggressive with its approach to cost cutting in the face of a falling gold price.” This statement shows a complete lack of understanding of gold mining in general and operating in the Nordic region in particular.

Management prepares an Annual Budget for each upcoming calendar year based upon the prevailing gold prices and exchange rates. The Annual Budget which is approved by the Board and then reviewed and re-forecasted on a regular basis (on a minimum every quarter) is based on historical mine and process plant performance as well as the constantly varying gold price and exchange rates.

Dragon Mining is on track to achieving budgeted production at better than budgeted cash costs from both the Svartliden Production Centre in Sweden and the Vammala

Production Centre in Finland for 2013. The falling gold price has obviously reduced revenue and hence the free cash available to Dragon Mining to reinvest in the business.

In the falling gold price environment, capital and exploration expenditure have been adjusted to reflect the revenue generated. In this environment Dragon Mining has continued both exploration and development at the existing mines as well as advancing the exploration, metallurgical test-work, baseline studies and especially the Environmental Impact Assessment for the Kuusamo Mine Project – a potential “game changer”.

On 11 December 2013, Dragon Mining announced the outcomes of a detailed review of its global operating costs and operating structures with a view to further lowering costs and improving operating margins. This was a continuation of previously announced actions, which commenced earlier in the year in response to the lower gold prices and the previously announced completion of mining at the Svartliden Gold Mine. The outcome resulted in a number of redundancies across the operations, hardly the actions of a Board content and complacent with the state of the business.

With consistent and measured responses Dragon Mining has, especially during the first three quarters of 2013:

- Increased gold production from Dragon Mining’s mines and production centres;
- Maintained key strategic objectives of near mine exploration and advancing the Kuusamo Mine Project:
- Balanced expenditure on exploration and development at existing mines with the revenue.

Impulsive reactions to rapid falls in the gold price or exchange rate variations could destroy significant value.

The maintenance of Shareholder value requires extensive experience in mining in the Nordic region, a clear understanding of the Company’s strategic advantages (to maintain for minimal cost) as well as procedures and plans to respond quickly and appropriately to both gold price and exchange rate fluctuations.

Having being intimately involved with Dragon Mining over the past 8 years, which was a debt burdened company with a large, out of the money, gold hedge book and a single producing mine and is now debt free, with cash reserves, two production centres and with significant upside from the Kuusamo Mine Project, to have a Shareholder which is suspended on ASX request the removal of all non-aligned directors is unpalatable and should be rejected by all Shareholders.

The outcome of the General Meeting is critical to the future direction and management of Dragon Mining and all Shareholders are strongly encouraged to be present in person or to lodge a proxy and vote AGAINST ALL Resolutions.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number:

SRN/HIN:

PIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am WST Wednesday, 5 February 2014**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Dragon Mining Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Dragon Mining Limited to be held at Liberty Executive Offices, Level 14, 197 St George's Terrace, Perth, Western Australia on Friday, 7 February 2014 at 10:00am WST and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Appointment of Arthur Dew as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Appointment of Brett Smith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Removal of Peter Cordin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Removal of Kjell Larsson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Removal of Christian Russenberger as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Directors (other than Peter Gunzburg) consider the proposal of the Resolutions as detailed in this Notice of Meeting are not in the best interests of the Company or to the majority of Shareholders and recommend Shareholders vote AGAINST ALL RESOLUTIONS.

The Chairman of the Meeting intends to vote undirected proxies AGAINST ALL RESOLUTIONS.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /