

ASX ANNOUNCEMENT

25 JUNE 2018

## KAAPELINKULMA CONTINUES TO ADVANCE TOWARDS MINE START-UP

Dragon Mining Limited (ASX:DRA) (“Dragon Mining” or “the Company”) is pleased to provide an update on activities completed at the Kaapelinkulma Gold Mine (“Kaapelinkulma”) in southern Finland. The Company continues to advance this project towards mine start-up following the establishment of critical onsite infrastructure, the removal of overburden from the open-pit area and the construction of a noise barrier around the southern perimeter of the planned open-pit.

Advancement of Kaapelinkulma towards mine start-up has incurred minimal capital investment to date as the Company continues to draw on its extensive experience of establishing mining operations in the Nordic Region. Mining of ore from Kaapelinkulma is scheduled to commence later this year, following the construction of on-site settling ponds, preparation of the contractor’s laydown area, minor infrastructure works and the selection of a mining contractor.

Kaapelinkulma is located 150 kilometres north-northwest of the Finnish capital Helsinki in the Pirkanmaa Region and will represent the Company’s third active gold mining operation in the southern Finland region. It forms part of the Vammala Production Centre, which comprises the Vammala Plant, a 300,000 tonnes per annum conventional crushing, milling, gravity and flotation facility that currently sources ore feed from the Company’s Orivesi and Jokisivu gold mines. The Vammala Plant was successfully recommissioned in June 2007 and has to 31 March 2018 produced 317,341 ounces of gold in concentrate.

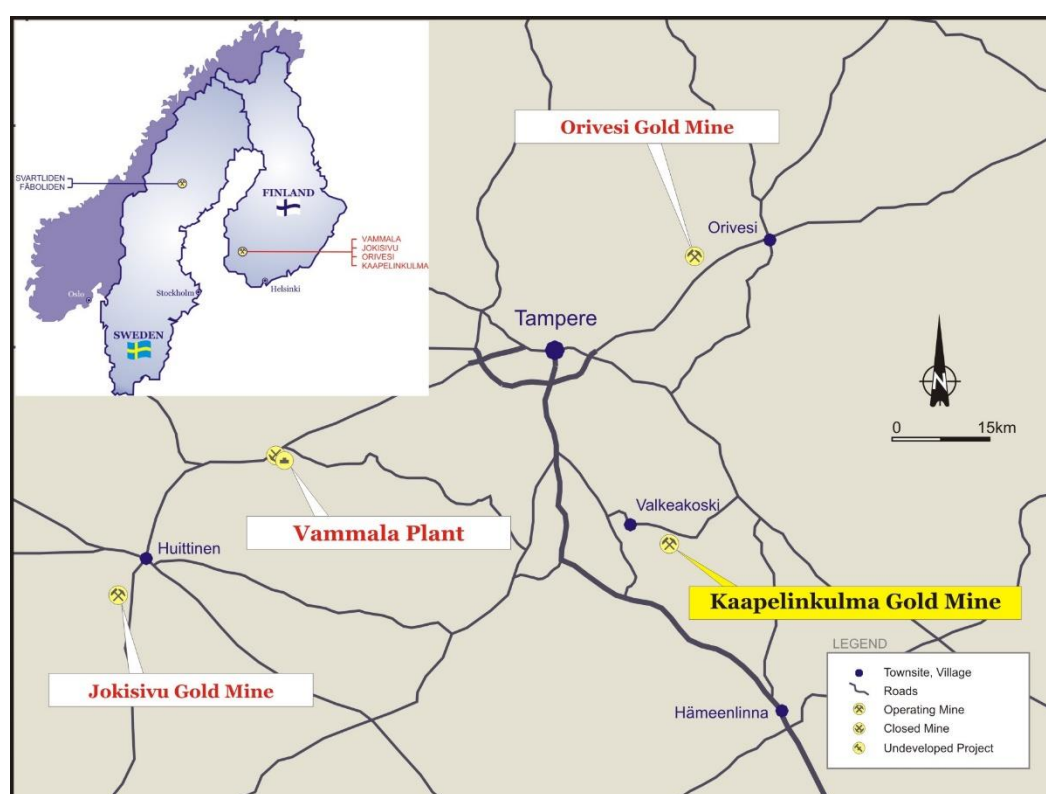


Figure 1 – Location of the Kaapelinkulma Gold Mine within the Vammala Production Centre.



**Figure 2 – Removal of overburden at the Kaapelinkulma Gold Mine.**



**Figure 3 – Construction of noise barrier at the Kaapelinkulma Gold Mine.**

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