

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED

龍資源有限公司*

(Incorporated in Western Australia with limited liability ACN 009 450 051)

(Stock Code: 1712)

VOLUNTARY ANNOUNCEMENT

COURT UPHOLDS DECISION TO NOT GRANT THE ORIVESI ENVIRONMENTAL PERMIT

This announcement is made by Dragon Mining Limited 龍資源有限公司* (“**Dragon Mining**” or “**the Company**”) on a voluntary basis to inform the shareholders of the Company and potential investors of our latest business development.

The Company advises that the Supreme Administrative Court of Finland (“**SAC**”) has on the 6 June 2019 issued a ruling in relation to the appeals lodged concerning the Environmental Permit for the Orivesi Gold Mine (“**Orivesi**”) in southern Finland. The SAC has upheld the decision by the Western and Inland Finland Regional State Administrative Office (“**AVI**”) to not grant the new Environmental Permit, the application for which was originally lodged in 2010. Both Dragon Mining and the Centre for Economic Development, Transport and the Environment of Pirkanmaa (“**ELY**”), which oversees the operation, had appealed the AVI decision to the SAC in July 2018.

In accordance with the decision, the Company will submit a mine closure plan to AVI for approval within six months. A draft closure plan for the mine has already been prepared by the Company and will be updated following further discussions with the relevant government authorities.

The Company has also in recent months been transitioning the Orivesi mine to Care and Maintenance status, following the exhaustion of known Ore Reserves and has already commenced some rehabilitation works in the deeper parts of the mine. As such, the SAC ruling has no material effect on the production of the Company’s Finnish subsidiary. Ore tonnages mined from Orivesi for processing at the Vammala Plant in the Company’s Finland production plan have been replaced with ore tonnages from the Company’s new gold mine at Kaapelinkulma, and the ongoing operations at the Jokisivu Gold Mine.

The Company retains the right to undertake further exploration at Orivesi, with the Mining Concession and surrounding Exploration Permits remaining legally valid. Dragon Mining can apply for a new Environmental Permit if further exploration in the Orivesi project area supports the recommencement of mining in the future.

Orivesi is located 180 kilometres north of the Finnish capital Helsinki in the Pirkanmaa Region in southern Finland. It forms part of Dragon Mining's Vammala Production Centre and is situated 80 kilometres northeast of the Vammala Plant, a 300,000 tonnes per annum conventional crushing, milling, gravity and flotation facility, which also processes ore from the Company's Jokisivu and Kaapelinkulma gold mines. Orivesi was initially in operation between 1994 and 2003, with Dragon Mining recommencing ore mining at Orivesi in July 2007 following the Company's acquisition of the asset in late 2003. A total of 3.3 million tonnes of ore grading 7.1 g/t gold has been mined from the underground operation during these periods, producing in excess of 600,000 ounce of gold.

By Order of the Board
Dragon Mining Limited
Arthur George Dew
Chairman

Hong Kong, 10 June 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Arthur George Dew as chairman and non-executive director (with Mr. Wong Tai Chun Mark as his alternate); Mr. Brett Robert Smith as chief executive officer and executive director; and Mr. Carlisle Caldwell Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai, as independent non-executive directors.

* For identification purpose only

Competent Persons Statement

The information in this announcement that relates to Exploration is based on information compiled by Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists and a full time employee of the Company. Mr. Neale Edwards 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. Mr. Neale Edwards has provided written consent for the inclusion in this announcement of the matters based on his information in the form and context in which it appears.