

HIGHLIGHTS

OPERATIONS

- Gold production for the Dragon Mining Group of 16,069 ounces at an average cash cost of US\$623 per ounce.
- At Svartliden, Sweden gold production of 11,060 ounces at an average cash cost of US\$551 per ounce.
- At Vammala, Finland gold production of 5,009 ounces at an average cash cost of US\$780 per ounce.
- At Orivesi, Finland development of the Kutema Deeps decline was advanced 159m for a total of 474m since January and has reached the 790m level. The 740m and 760m access drive were completed and the 780m access drive commenced.
- At Jokisivu, Finland development of the decline to provide access for underground mining of the Kujankallio deposit advanced to 1,001m (145m vertical depth). Lateral development continued on five levels and ore is expected to be mined in November.
- At Svartliden, the first blast for the decline occurred in mid August and the decline advanced 166m.

EXPLORATION

Orivesi, Finland

- Results from an underground diamond core program at Sarvisuo West, adjacent to the Sarvisuo lode system returned a series of promising intercepts including **2.00m @ 84.13 g/t gold**, **4.50m @ 11.58 g/t gold** and **2.00m @ 17.82 g/t gold**. The results continue to provide encouragement that Sarvisuo West may represent a new pipe cluster in close proximity to existing underground development.

Kuusamo, Finland

- Results from a diamond core program designed to examine the strike and depth extensions of the known lodes in the northern portion of the Juomasuo gold deposit returned a series of encouraging intercepts including **4.10m @ 11.69 g/t gold**, **3.15m @ 11.07 g/t gold**, **5.10m @ 5.32 g/t gold**, **3.55m @ 15.07 g/t gold** and the exceptional **25.60m @ 9.66 g/t gold** and **31.90m @ 45.67 g/t gold**. The results have confirmed the continuity of identified lodes at Juomasuo, returning grades commensurate with historic intercepts and highlighting the potential of the eastern area, which had previously been subjected to limited shallow drilling.
- An additional diamond core program at Juomasuo to test the strike and depth continuations of mineralised units in the southern portion and evaluating the extent and geometry of mineralisation in the eastern and north eastern area was completed. The first preliminary result from the north eastern area returned a high grade intercept of **17.75m @ 16.59 g/t gold** in KS/JS-141. The result is very encouraging, confirming the depth and strike continuations of the lode system in the northern portion of the Juomasuo deposit.
- The initial campaign of drilling at Hangaslampi to test the strike and depth extensions of the identified lodes returned an exceptional intercept of **9.00m @ 30.17 g/t gold**, which provided encouragement for the down plunge continuation of the Hangaslampi lode system, whilst drill testing of the up-dip extensions returned intercepts of **12.45m @ 7.15 g/t gold** and **6.00m @ 7.51 g/t gold**.
- Results from a total of 35 holes (10,736.7 metres) completed at Juomasuo will be included in an update of the mineral resource for this deposit. The resource update by independent resource consultants, Runge Limited of Perth, Western Australia is scheduled to be completed by the end of October. The updated resource will provide a better understanding of the nature of the identified mineralised system and will assist planning of future drilling campaigns. It will also provide information for process testwork and the environmental impact study.

EXPLORATION (Continued)

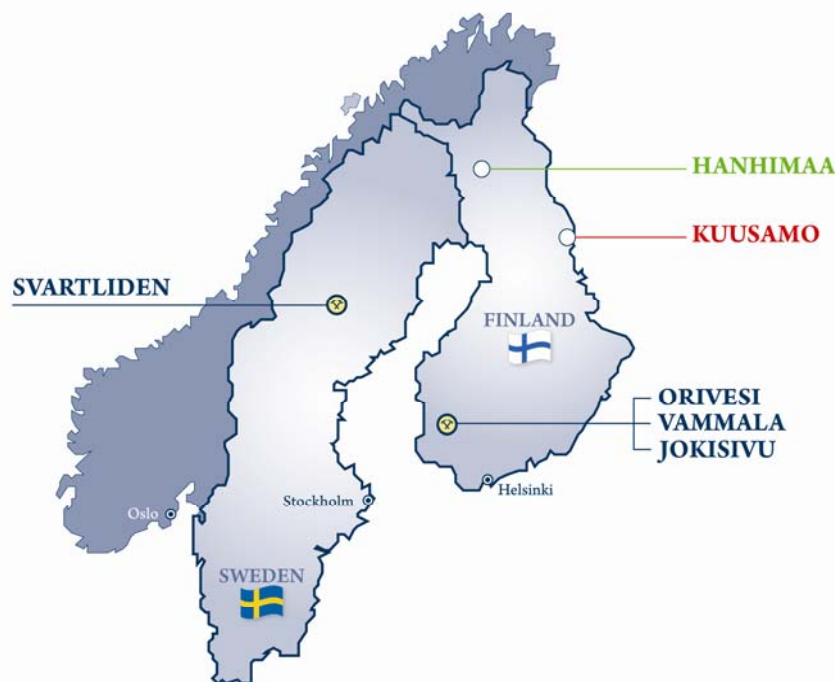
Svartliden, Sweden

- Results have been received for 5 holes that targeted the up-dip and lateral extensions of a second lens of mineralisation in the western portion of the deposit. A series of promising intercepts were obtained including **4.00m @ 5.10 g/t gold, 4.00m @ 4.75 g/t gold, 5.00m @ 5.44 g/t gold** and **7.00m @ 6.44 g/t gold**, which have provided confidence that the second lens of mineralisation extends laterally and will require further drill testing to better defines the extent and geometry along strike.
- Drilling continues at the Far East target, 800 metres east of the Svartliden open pit where mineralisation characteristic of the Svartliden host sequence, with visible gold, has been intersected with assays pending. 3 holes of a 7 hole campaign have been drilled for an advance of 1,167.5 metres.
- An update of the Mineral Resource for the Svartliden deposit depleted to 31 July 2011 returned **1,295,100 tonnes grading 3.7 g/t gold for 157,100 ounces**, a 10% increase in contained ounces from the September 2010 Mineral Resource, at the depletion date.

CORPORATE

- As at 30 September 2011, Dragon Mining held \$22.9m in cash, \$5.4m in net gold concentrate receivables and bullion and \$4.1m of cash deposits lodged with Swedish authorities as a rehabilitation bond.
- The average cash price received per ounce of gold sold (9,489 ounces) from Svartliden was US\$1,581 and the average sales price received per ounce of gold sold (4,779 ounces) from Vammala was US\$1,543.
- Gross cash inflow from operations for the quarter was A\$7.4m.

Location of Projects





OPERATIONS

SWEDEN

Svartliden Gold Mine

Table 1 – Production Summary

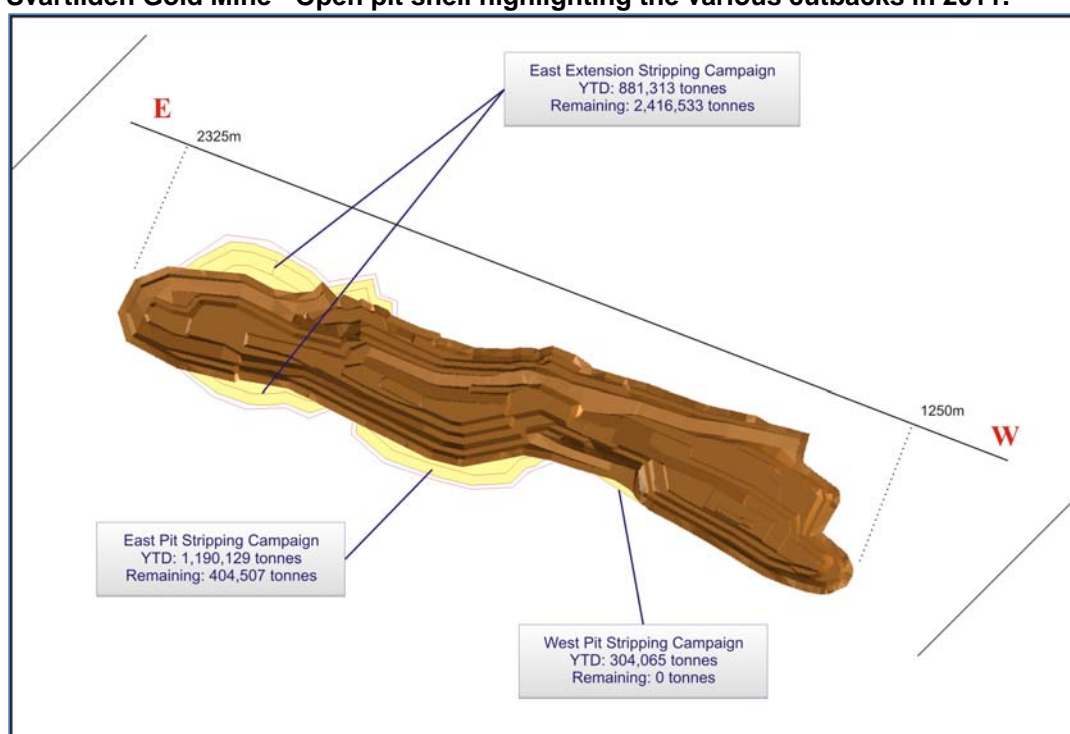
	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Sep 2011 Quarter	62,784	72,835	5.0	93.7	98.3	11,060	551
Jun 2011 Quarter	9,504	87,214	2.2	85.3	97.8	5,143	1,637
Mar 2011 Quarter	62,452	81,052	2.8	88.9	96.5	6,435	1,277
YTD	134,740	241,101	3.2	90.3	97.5	22,638	1,004

There were no lost time injuries during the quarter.

Svartliden produced 11,060 ounces of gold from 72,835 tonnes of ore milled at an average head grade of 5.0 g/t gold and a cash cost of US\$551 per ounce. The cash cost includes US\$ 101 (YTD: US\$244) per ounce of cutback costs (all open pit waste mining costs are expensed and included in cash costs).

Ore mined returned to normal levels of 62,784 tonnes at an average grade of 5.3 g/t gold due to access to ore in the east pit and west pit becoming available. The extensive stripping campaign continued with 631,596 tonnes of waste being mined at a waste to ore ratio of 10.1:1 (YTD 17.6:1). The quantity of waste mined was down from 903,776 tonnes in the previous quarter due to the contractor reducing to one shift during the northern summer vacation period of July and August.

Svartliden Gold Mine - Open pit shell highlighting the various cutbacks in 2011.



In order to maintain processing at full capacity, 24,225 tonnes from the low grade stockpiles at an average grade of 2.0 g/t were processed.

Ore recoveries returned to acceptable levels of 93.7% due to the lowering of the throughput rate to 30 tonnes per hour whilst high grade ore was being processed and a lower quantity of low grade material being processed.

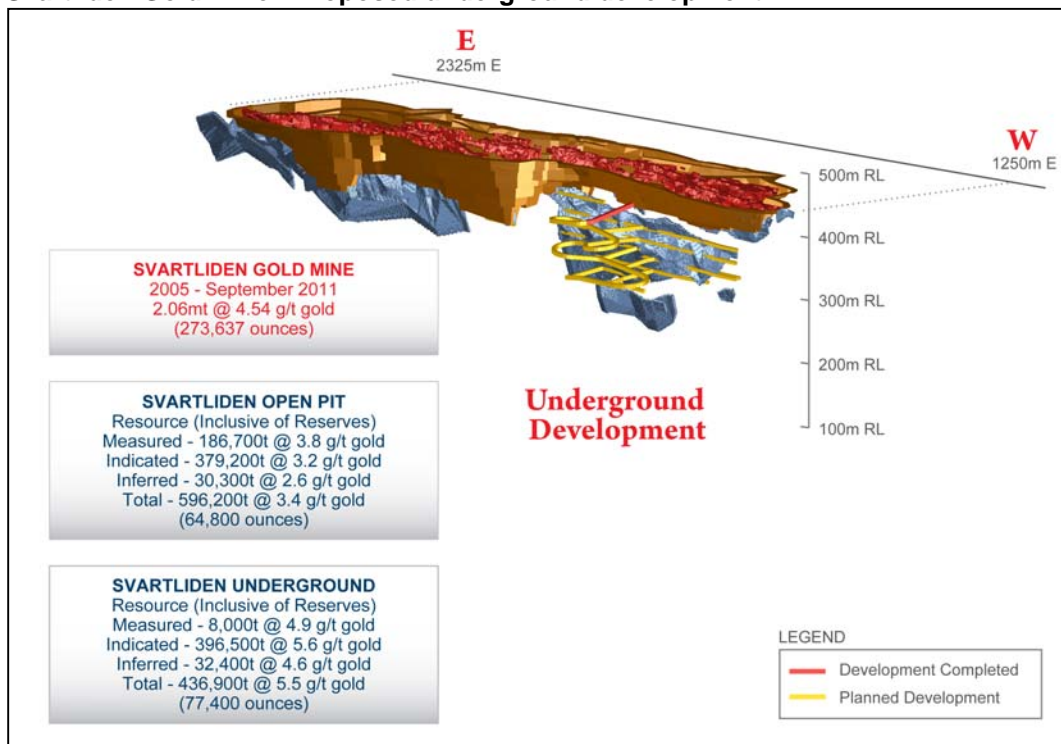


In May 2011, a contract was awarded to VA Engineers, Sweden for the design, construction, installation and commissioning of a treatment plant to treat process water, which has accumulated in the tailings dam, to enable discharge into the Clear Water Dam in accordance with the environmental permit. Civil works were predominantly completed, equipment manufacture progressed and building erection commenced. The commissioning of the plant is expected in December 2011. The water treatment plant will operate throughout the year and is a material commitment to the long term rehabilitation of the mine site. The total capital expenditure is on budget at A\$4 million.

Underground Development

The first blast for the decline occurred in mid August and the decline advanced 166m by the end of September. The underground contractor has increased the expected monthly advance from 120m to 150m due to better geotechnical conditions which requires less reinforcement.

Svartliden Gold Mine - Proposed underground development.



Outlook

The mining of large quantities of waste will continue into the first quarter of 2012. In addition to ore sourced from the open pit, 32,000 tonnes of low grade material from stockpiles will be processed in the December quarter and gold production for 2011 is forecast to be 30,000 ounces.

FINLAND

Vammala Production Centre

Table 2 – Production Summary

	Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Recovery (%)	Plant Utilisation (%)	Total Gold Production (Ounces)	Cash Cost US/oz
Sep 2011 Quarter	81,970	56,499	3.6	79.9	96.9	5,009	780
Jun 2011 Quarter	82,588	55,354	3.0	75.2	92.5	4,130	1,570
Mar 2011 Quarter	43,539	48,087	6.4	86.9	85.3	8,621	785
YTD	208,097	159,940	4.2	83.9	87.2	17,760	966

Three lost time injuries occurred during the quarter. At Orivesi, a rock fell and struck a miner on the shoulder and a LHD operator slipped on a rock and injured his shoulder. At Vammala, a fitter hit his hand with a hammer.



Production at Vammala was 5,009 ounces of gold from 56,499 tonnes of ore milled at a head grade of 3.6 g/t gold and an average cash cost of US\$780 per ounce (including refining costs of US\$246 per ounce). Production was hindered due to Vammala being closed for 18 days in July during to the northern summer vacation period.

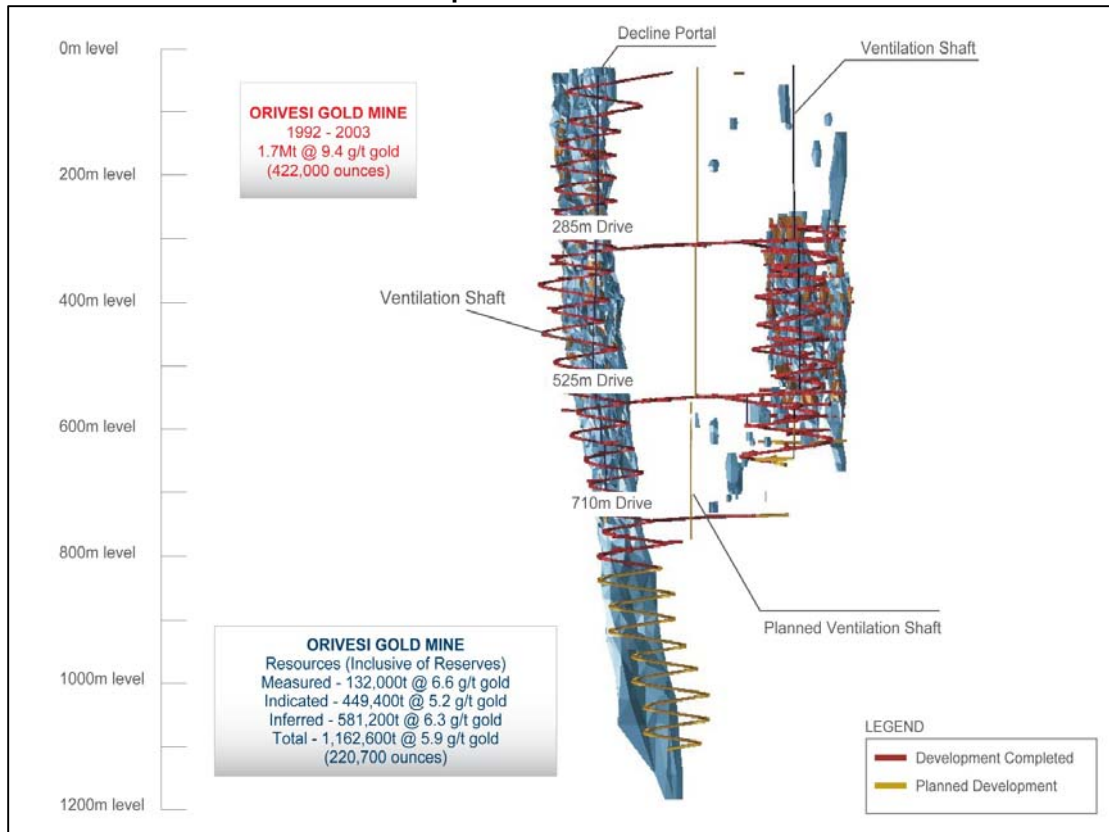
25,866 tonnes of ore was milled from Orivesi (20,367 tonnes @ 3.84 g/t gold from Sarvisuo and 5,499 tonnes @ 2.80 g/t gold from Kutema) and 30,633 tonnes at 3.58 g/t gold was milled from the Arpola open pit at Jokisivu.

Recoveries were low principally due to high sulphur content from ore sourced from a remnant ore lode at Kutema.

Orivesi Gold Mine

29,506 tonnes of ore was mined from the Sarvisuo ore lodes, whilst 5,634 tonnes was extracted from pillars in the Kutema area at the 645m and 700m levels. The Sarvisuo decline was advanced 18m to the 620m level.

Orivesi Gold Mine - Planned development



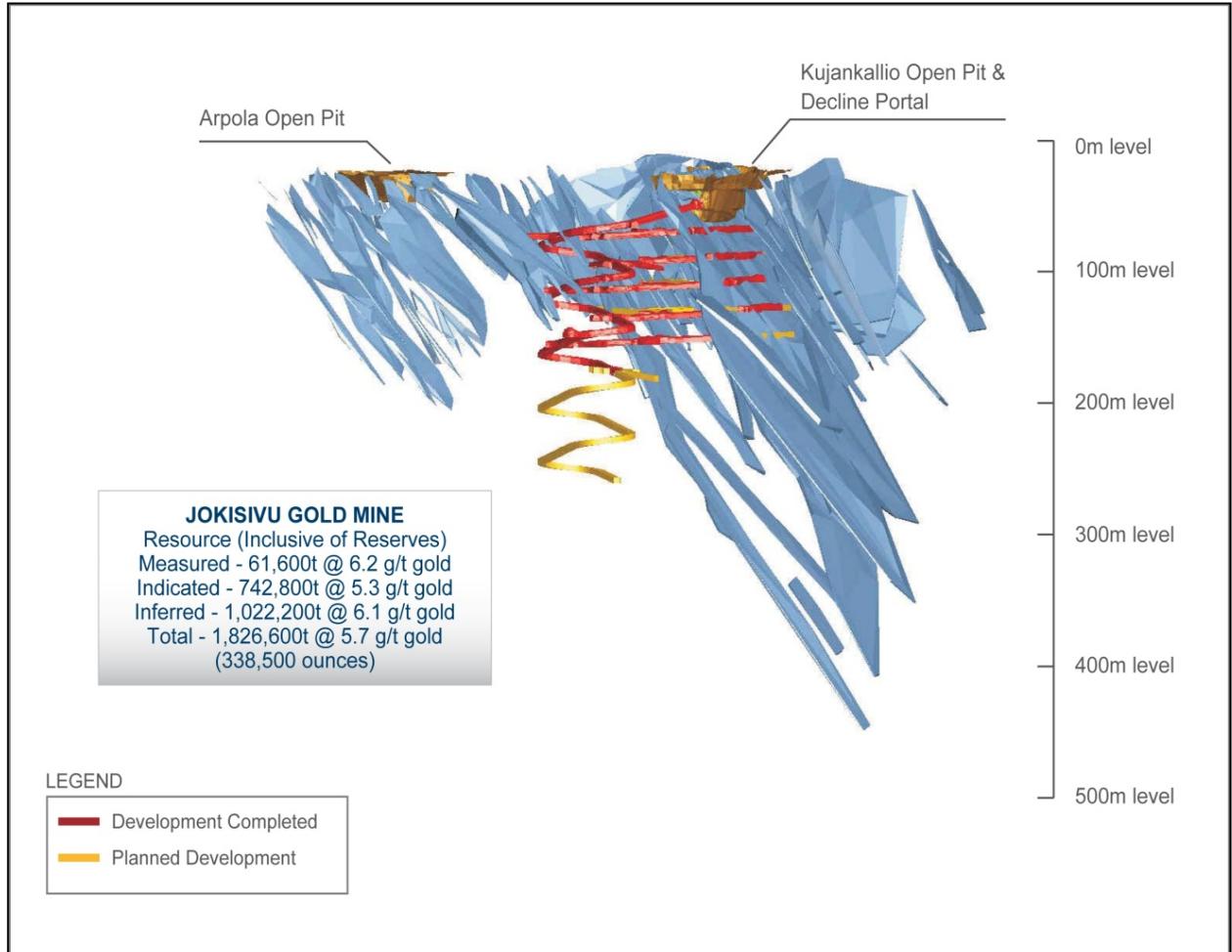
The extension of the Kutema decline from the 720m level commenced in January and advanced 159m in the quarter (474m in total) and has reached the 790m level. The 740m and 760m access drive were completed and the 780m access drive commenced. The first development drive is expected to be extended to ore on the 740m level in October.

Ore production and development was low due to mining being suspended for 3 weeks due to the northern summer vacation period.



Jokisivu Gold Mine

Jokisivu Gold Mine - planned development.



21,528 tonnes of development ore with an average grade of 2.7 g/t gold was mined from underground and 25,302 tonnes of ore grading 3.94 g/t gold was extracted from the Arpola open pit. The Arpola open pit was completed in September.

Development of the decline commenced at the end of September 2010 and advanced 131m in the quarter. The portal is located in the Kujankallio open pit, 35m below surface and since commencement, the decline has advanced 1,001m or 145m in vertical depth. Lateral development continued on five levels and with ore expected in the coming quarter.

Outlook

At Orivesi, ore will be mined from the Sarvisuo pillars whilst the Kutema decline continues to the 800m level. Production from Kutema is expected to commence in May 2012.

At Jokisivu, all ore will be mined from the underground and will include some development ore.

Production from the Vammala Production Centre is now forecast to be 25,000 ounces of gold in 2011.



EXPLORATION

SOUTHERN FINLAND

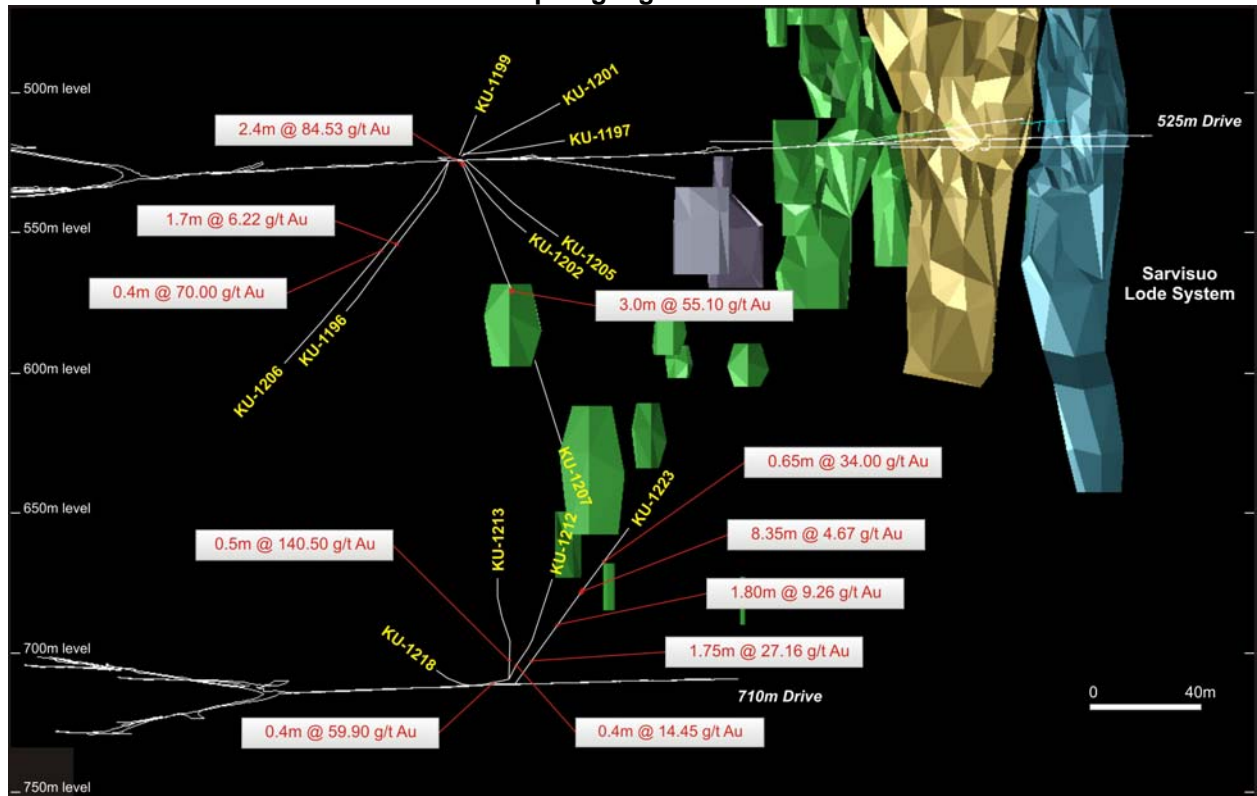
Orivesi Gold Mine

Drilling continued in the Sarvisuo West area with a further 14 underground diamond core holes completed for 2,865.50 metres. These holes are the last of a 45 hole, 8,100 metre program to test Sarvisuo West between the 480m and 720m levels.

Assays have been received from 44 holes, returning a series of promising results including the recent high grade intercepts **2.00m @ 84.13 g/t gold**, **4.50m @ 11.58 g/t gold** and **2.00m @ 17.82 g/t gold** (Appendix 1). Results remain pending for 1 hole.

This program has continued to provide encouragement that Sarvisuo West may represent a new pipe cluster in close proximity to existing underground development. A new drilling campaign has been planned to test the area between the 620m and 720m levels, to better define the extent and geometry of identified mineralisation.

Orivesi Gold Mine - Sarvisuo West intercept highlights.



Drilling has commenced on a program to further evaluate the up-dip continuation of the Sarvisuo lode system, above the 260m level. A total of 6 holes (817.75 metres) of the 10 hole program have been completed. Assays have been received for 2 holes to date, returning modest results (Appendix 2).

Jokisivu Gold Mine

A 7 hole, 1,795 metre underground drilling program from the 85m level at Kujankallio was completed. This program was drilled partly along strike and was designed to test for repetitions of the horsetail structure and provide in-fill information for the main hinge zone and some of the footwall zones.

Assays have been received for 6 holes, the results for 1 hole pending. Better intercepts obtained include **6.85m @ 3.85 g/t gold**, **1.70m @ 7.09 g/t gold** and **1.75m @ 5.44 g/t gold** (Appendix 3).

Drilling of a second underground program has also been completed. This 12 hole, 1,188 metre program was conducted from the 85m and 125m levels and targeted the main and footwall zones. Results are pending.



The results for the final 2 holes of an 18 hole, 3,170 metre in-fill program at Kujankallio were received, returning intercepts of 0.90m @ 1.43 g/t gold and 0.70m @ 3.74 g/t gold. (Appendix 4).

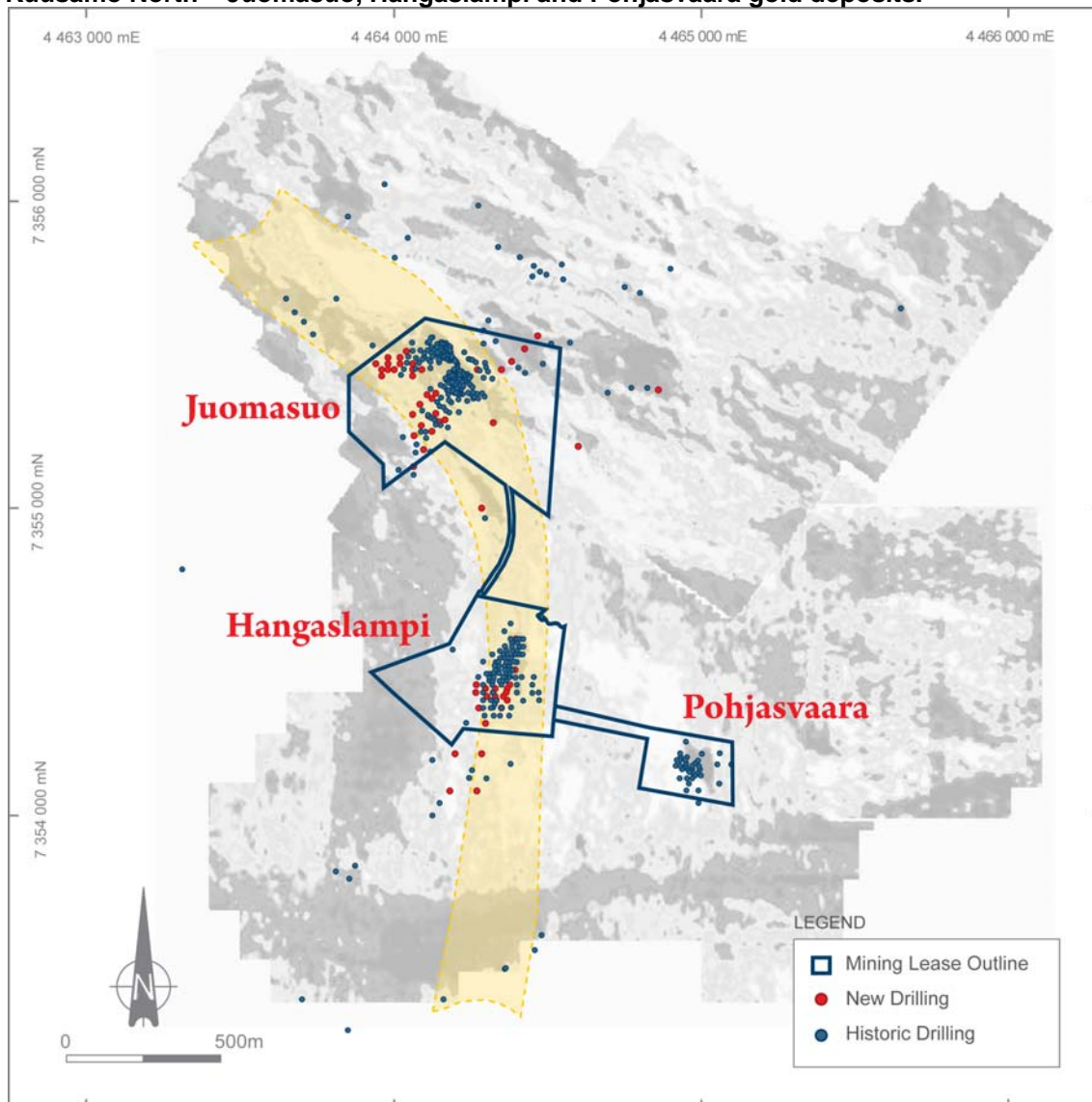
NORTHERN FINLAND

Kuusamo Gold Project

The Kuusamo Gold Project is an integral part of Dragon Mining's plan to increase production levels in coming years, with the company seeking to capitalize on the projects excellent potential.

Three diamond core drill rigs were active throughout the quarter completing 45 holes for an advance of 7,088.50 metres. This drilling targeted the Juomasuo, Hangaslampi and Pohjasvaara deposits.

Kuusamo North – Juomasuo, Hangaslampi and Pohjasvaara gold deposits.



Final results have been received from the Phase 4 campaign, a 14 hole, 4,100 metre program to examine the strike and depth extensions of the known lodes in the northern portion of the Juomasuo gold deposit (Appendix 5).

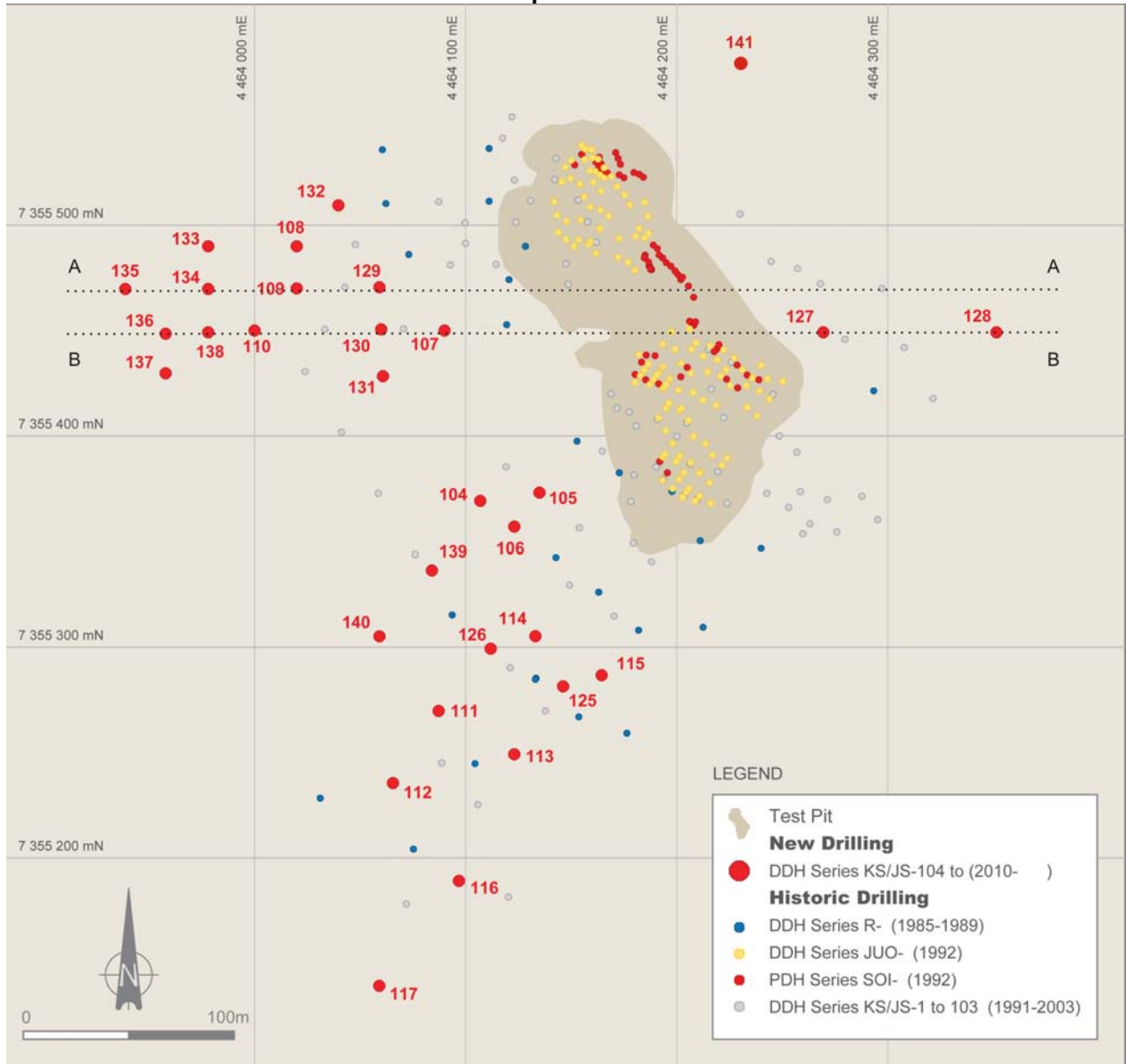
This drilling returned a series of encouraging results including **4.10m @ 11.69 g/t gold**, **3.15m @ 11.07 g/t gold**, **5.10m @ 5.32 g/t gold**, **3.55m @ 15.07 g/t gold** and the exceptional **25.60m @ 9.66 g/t gold** and **31.90m @ 45.67 g/t gold**.



The results have confirmed the continuity of identified lodes at Juomasuo, returning grades commensurate with historic intercepts and highlighting the potential of the eastern area, which had previously been subjected to limited shallow drilling.

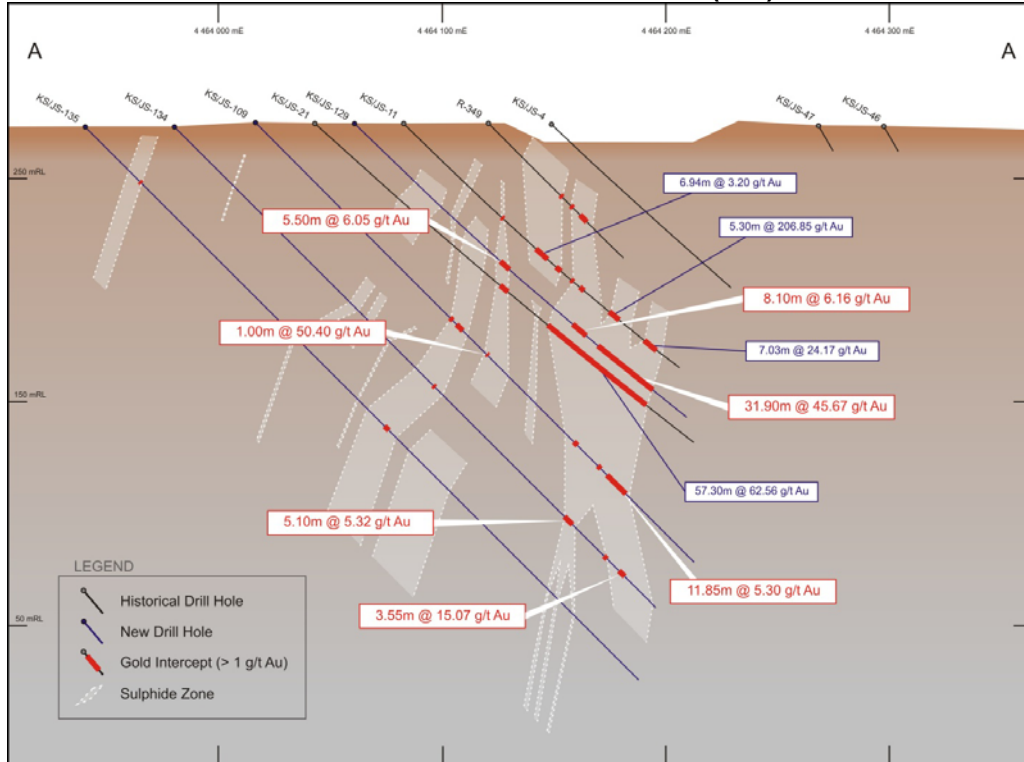
Multi-element analysis also returned a number of strong cobalt intercepts and elevated levels of rare earth elements, either in conjunction with gold mineralisation or separately, as well as the occurrence of sporadic elevated levels of copper and uranium.

Kuusamo North - Juomasuo drill hole location plan.

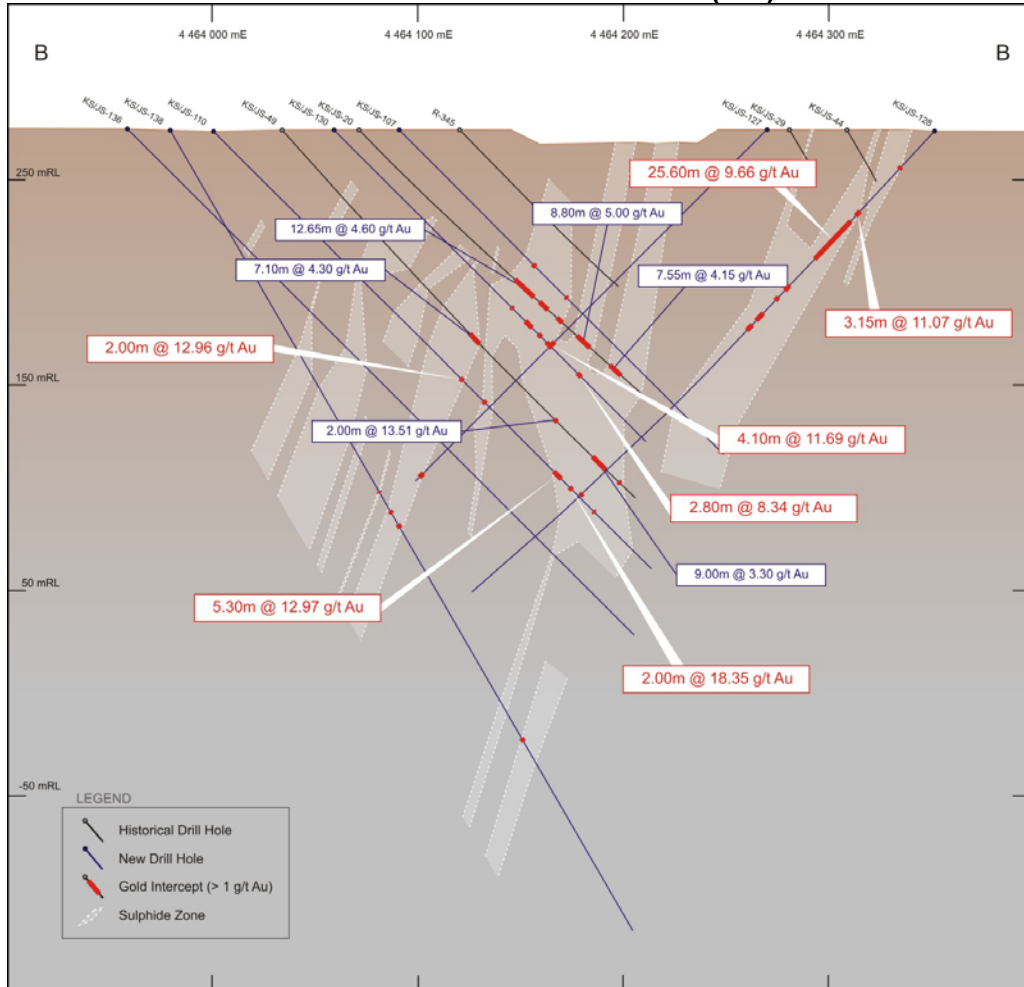




Kuusamo North - Juomasuo cross section 7355475 mN (A-A)



Kuusamo North - Juomasuo cross section 7355450 mN (A-A)





Results from a total of 35 holes (10,736.7 metres) completed at Juomasuo will be included in an update of the mineral resource for this deposit. The resource update by independent resource consultants, Runge Limited of Perth, Western Australia is scheduled to be completed by the end of October. The updated resource will provide a better understanding of the nature of the identified mineralised system and will assist planning of future drilling campaigns. It will also supply required information for process test work and the environmental impact study.

A 17 hole, 2,635 metre campaign (Phase 5) to test the strike and depth continuation of mineralised units in the southern portion and evaluating the extent and geometry of mineralisation in the eastern and north east areas of the Juomasuo deposit has been completed.

The first preliminary gold result has been received for one hole, returning a high grade intercept of **17.75m @ 16.59 g/t gold** in KS/JS-141 (Appendix 6). The result is very encouraging, confirming the depth and strike continuations of the lode system in the northern portion of the Juomasuo deposit.

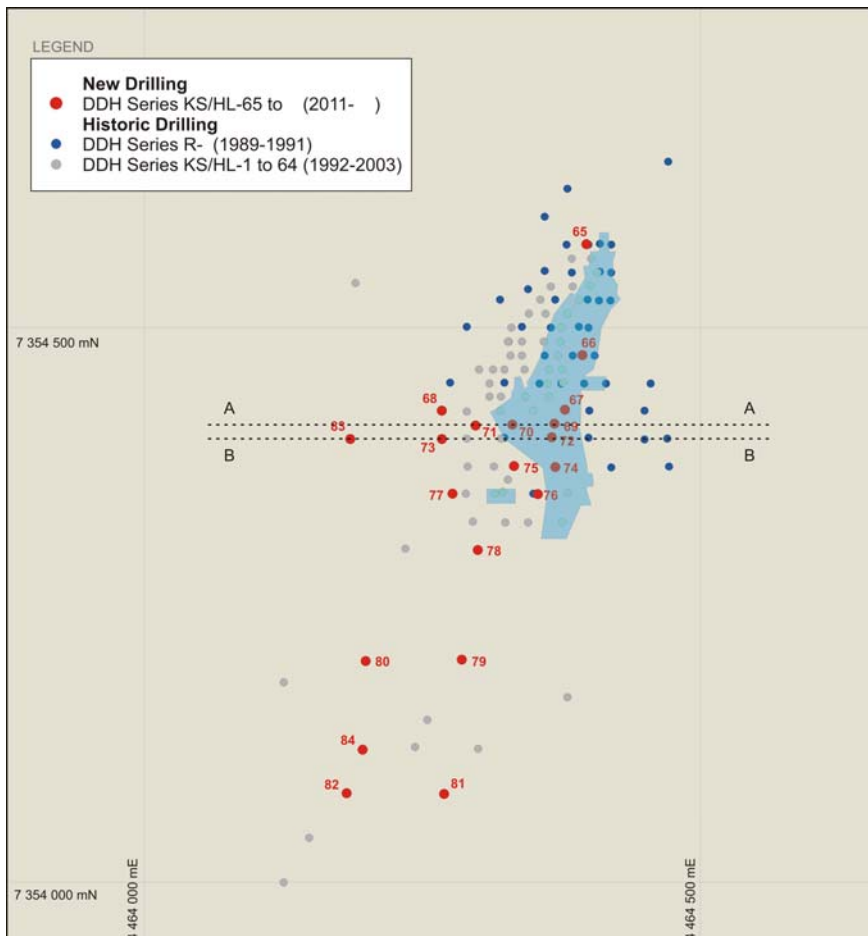
Two rigs are now active on an 8 hole program designed to test the depth and strike extensions of the southern portion of the Juomasuo deposit.

The initial campaign of drilling at Hangaslampi has been completed. A total of 20 holes were drilled for an advance of 2,022 metres in this campaign to test the strike and depth extensions of the identified lodes.

Results have been received for 12 holes and include the exceptional intercept of **9.00m @ 30.17 g/t gold**, which provided encouragement for the down plunge continuation of the Hangaslampi lode system, whilst drill testing of the up-dip extensions returned intercepts of **12.45m @ 7.15 g/t gold and 6.00m @ 7.51 g/t gold** (Appendix 7).

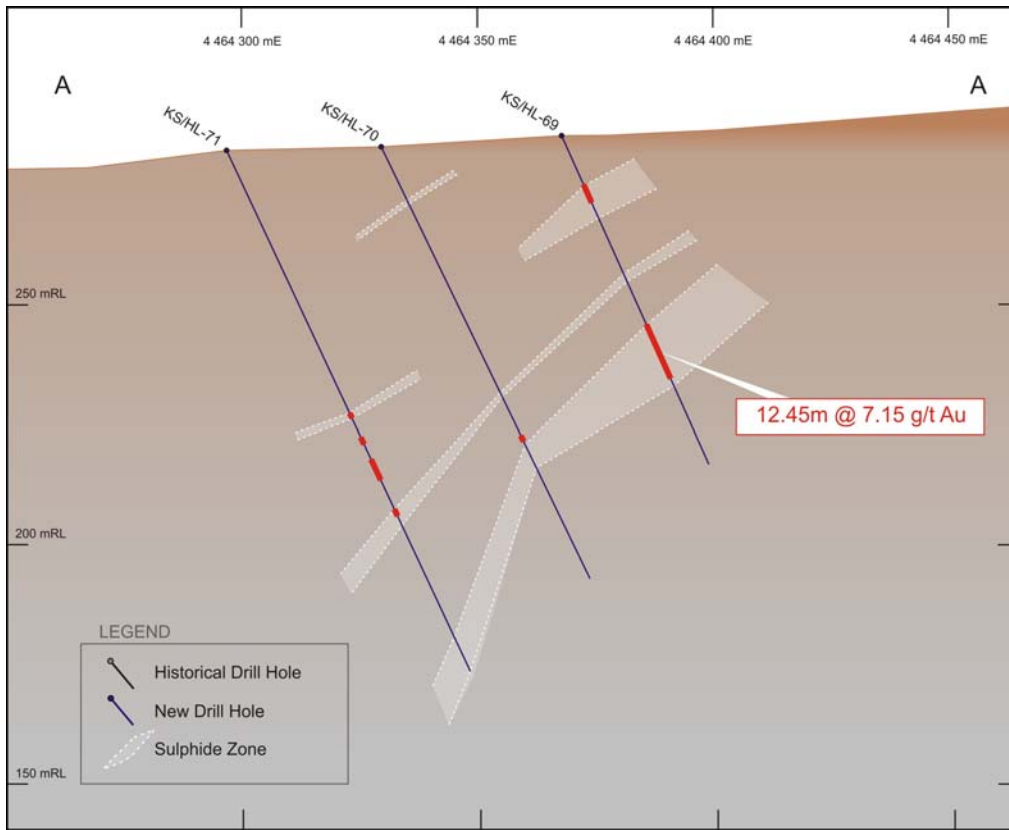
Results for 8 holes from this campaign are pending.

Kuusamo North - Hangaslampi drill hole location plan

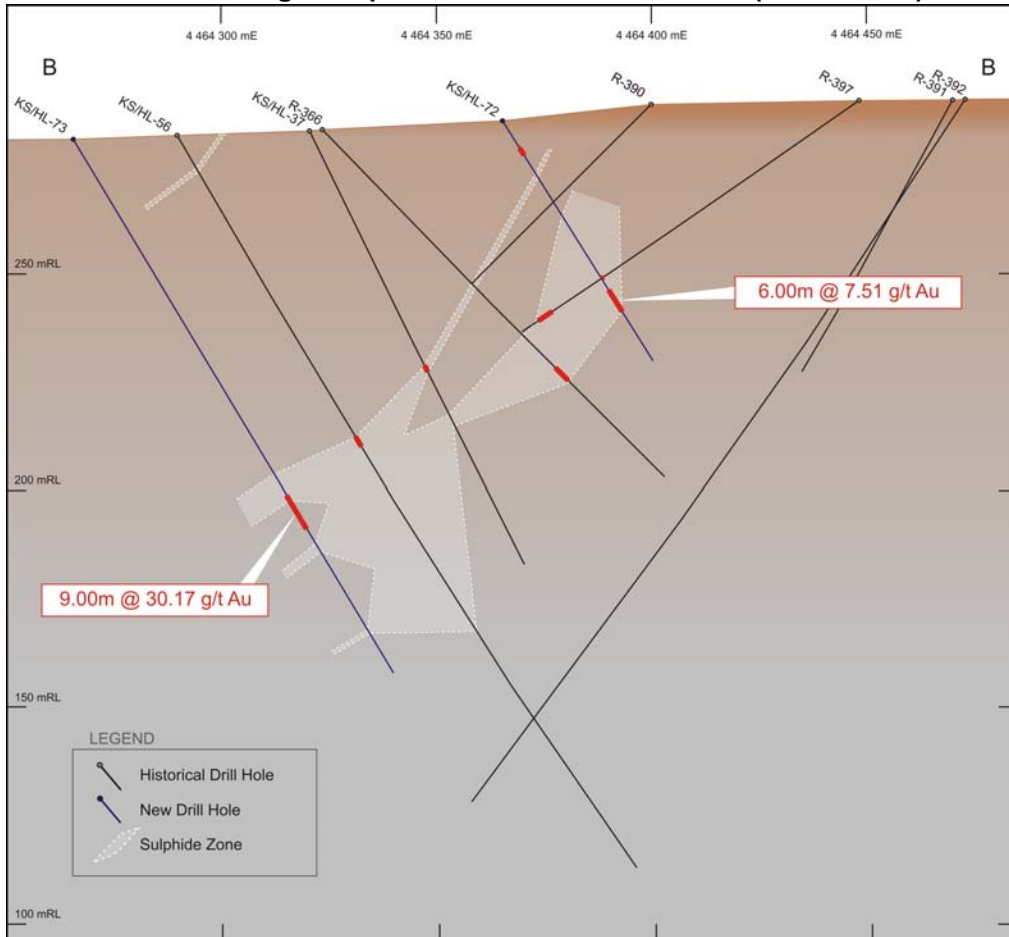




Kuusamo North - Hangaslampi drill hole cross section A-A (7354412.5 mN).



Kuusamo North - Hangaslampi drill hole cross section B-B (7354400 mN).





A second program of drilling at Hangaslampi is now in progress. 7 holes of an 8 hole, 1,100 metre program have been completed, targeting extensions of the identified lodes and testing nearby geophysical and geochemical anomalies.

An initial campaign of drilling has also been completed on the Pohjasvaara deposit, where 7 holes were completed. Pohjasvaara is located 1,500 metres south east of Juomasuo and represents a moderate to high grade deposit that comprises a set of steeply dipping lodes. Thirty-seven holes were historically drilled at this deposit, returning a number of high grade intercepts including 4.80m @ 13.03 g/t gold, 4.00m @ 15.16 g/t gold, 20.40m @ 5.54 g/t gold, 11.00m @ 7.12 g/t gold, 2.80m @ 319.42 g/t gold and 4.00m @ 72.81 g/t gold.

Results have been received for the majority of samples collected from 20 of 23 historic holes relogged during June. The results are currently being compiled for interpretation and comment during the coming weeks.

A further 7 holes were relogged during September, representing 5 holes from the Juomasuo area and 2 holes from a recently acquired gold occurrence in the Kuusamo South area.

Independent consulting group, Ramboll Finland Oy continued with the environmental impact assessment program with the commencement of investigations of both ground and surface water, the continuation of the nature investigation and the completion of a bird investigation.

Planning for metallurgical and process test work was progressed with discussions held with a number of groups and individuals regarding technical input and assistance with the program.

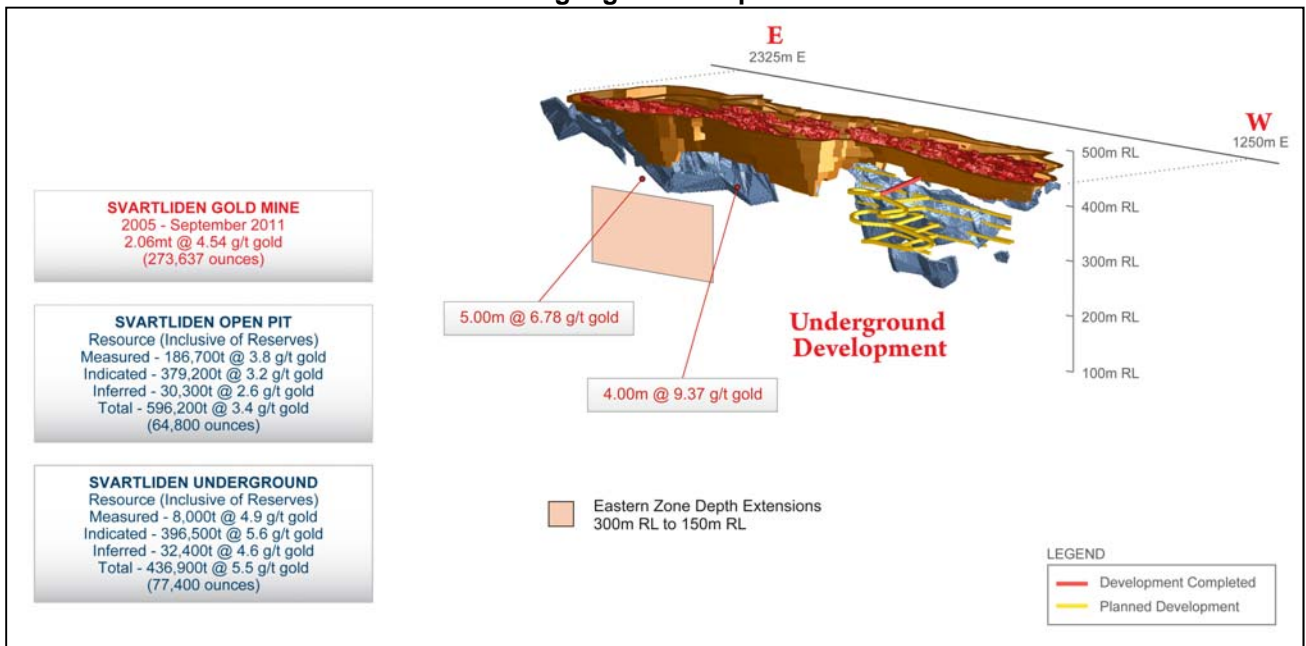
SWEDEN

Svartliden Gold Mine

Drill testing of the depth extensions of the Svartliden deposit continues, with campaigns targeting both the eastern and western portions of the deposit. A total of 3,417.30 metres were completed from 14 holes.

Results have been received for an 18 hole campaign (Phase 12), which tested a panel in the east between 150 metres and 250 metres below surface (Appendix 8). Analysis returned a series of narrow high grade intercepts, including **4.00m @ 9.37 g/t gold** and **5.00m @ 6.78 g/t gold**, highlighting the down-dip continuation of the north lode in the very eastern portion of the deposit.

Svartliden Gold Mine - Location of recent highlight intercepts.



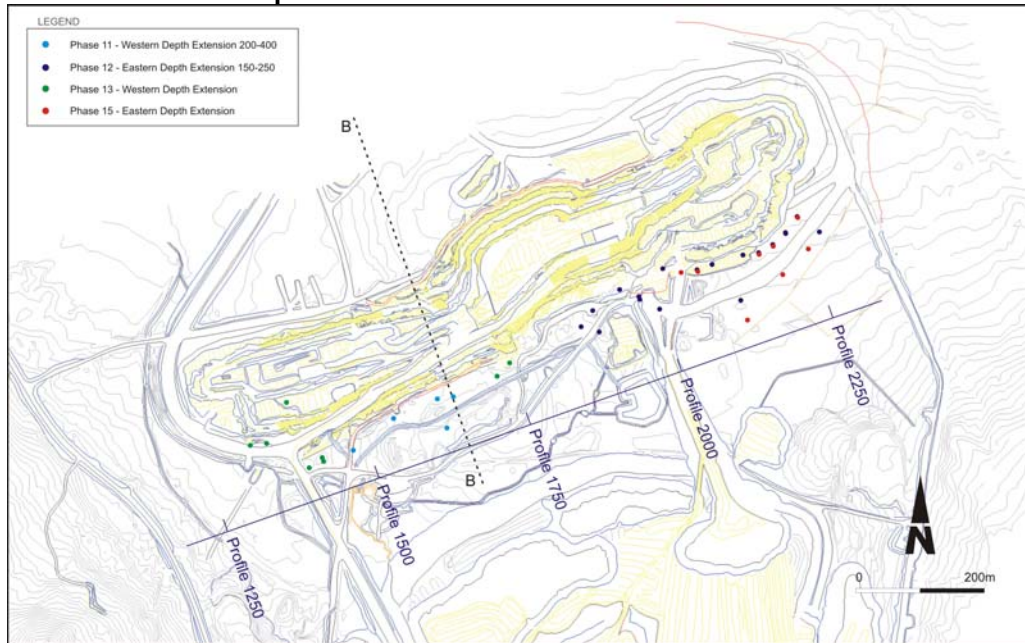
A program of 9 holes, 2,225 metre (Phase 15) following-up the results obtained from the Phase 12 campaign, between Profiles 2050 and 2250 is scheduled to commence, testing the eastern portion of the deposit between the 300m RL and 150m RL.



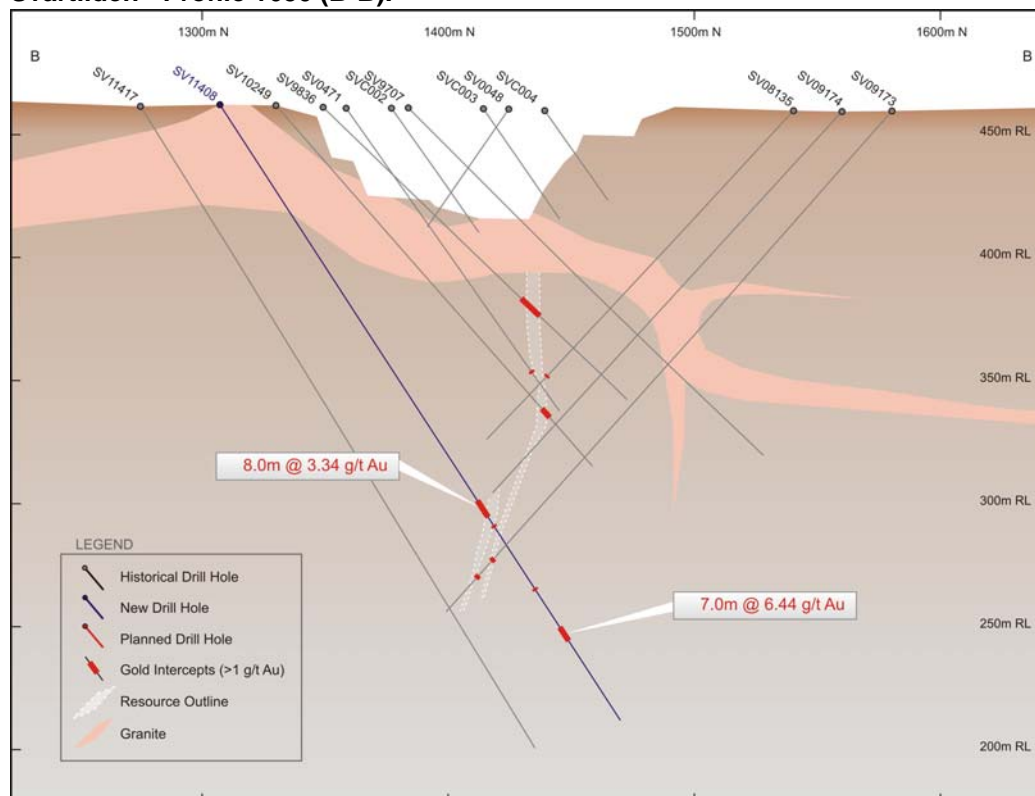
Assays have been received for 5 holes (Phase 11) that targeted the up-dip and lateral extensions of a second lens of mineralisation in the western portion of the deposit. A series of promising intercepts were obtained from this campaign, including **4.00m @ 5.10 g/t gold**, **4.00m @ 4.75 g/t gold**, **5.00m @ 5.44 g/t gold** and **7.00m @ 6.44 g/t gold** (Appendix 9), which have provided confidence that the second lens of mineralisation extends laterally and will require further drill testing to better defines its extent and geometry along strike.

The first results have been received for an 8 hole campaign (Phase 13) that tested portion of the Svartliden deposit beneath the western end of the open-pit, where drilling was designed to link potential gold bearing units to the existing underground resource (Appendix 10). Better results include **3.00m @ 7.95 g/t gold**, **4.00m @ 3.17 g/t gold** and **5.00m @ 3.57 g/t gold**. Results for 2 holes remain pending.

Svartliden - Drill hole plan.



Svartliden - Profile 1650 (B-B).





Results were received for 2 holes from a 4 hole program that was designed to target deeper portions of mineralisation previously identified west of the open-pit. No significant results were obtained.

Drilling continues at Svartliden, advancing a program at the Far East target, 800 metres east of the Svartliden open pit where material characteristic of the Svartliden host sequence with visible gold has been intersected. 3 holes of a 7 hole campaign have been drilled for an advance of 1,167.5 metres.

An update of the Mineral Resource for the Svartliden deposit was completed. The new resource, depleted to 31 July 2011 totals 1,033,000 tonnes at 4.3 g/t gold for 142,200 ounces (Table 3) and represents an increase of 10% in contained ounces from the September 2010 Mineral Resource, at the depletion date.

The increase reflects the defining of additional mineralisation associated with the North Lode in the eastern portion of the deposit and adjustments to both mineralisation and granite envelopes arising from a greater density of grade control and exploration drilling.

The 2011 resource update was undertaken by company geologists using Ordinary Kriging (OK) grade interpolation, constrained by resource outlines based on mineralisation envelopes that were prepared using a nominal 1.3 g/t gold cut-off and a minimum down hole length of 2 metres. The update was audited by independent resource consultants Runge Limited of Perth, Western Australia.

With the inclusion of stockpiled material, the total resource inventory for the Svartliden Gold Mine as at 31 July 2011 is **1,295,100 tonnes grading 3.7 g/t gold for 157,100 ounces**.

Table 3 - Svartliden Gold Mine - Resource Inventory, depleted to 31 July 2011.

	Tonnes (t)	Gold (g/t)	Ounces
Open Pit (Notation 1)			
Measured	186,700	3.8	22,800
Indicated	379,200	3.2	39,400
Inferred	30,300	2.6	2,600
Open Pit Total	596,200	3.4	64,800
Underground (Notation 1)			
Measured	8,000	4.9	1,200
Indicated	396,500	5.6	71,400
Inferred	32,400	4.6	4,800
Underground Total	436,900	5.5	77,400
Stockpiles (Notation 2)			
Measured	3,200	3.4	300
Indicated	258,900	1.8	14,600
Inferred			
Stockpiles Total	262,100	1.8	14,900
Total			
Measured	197,900	3.8	24,300
Indicated	1,034,600	3.7	125,400
Inferred	62,600	3.7	7,400
Total	1,295,100	3.7	157,100

The Open Pit Resource is reported at a 1.3 g/t gold cut-off and the Underground Resource reported at a 3 g/t gold cut-off. Block dimensions used in the model were 2m NS by 10m EW by 10m vertical. A high grade cut of 60 g/t gold was applied to the underground resource and a high grade cut of 30 g/t gold was applied to the open pit resource. The updated resource incorporates all available drill data at 31 March 2011 and complies with recommendations in the Australasian Code for Reporting Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

Harpsund Joint Venture (Earning 80% interest)

A detailed airborne magnetic survey over Dragon Mining's northern Permit holding and including the Harpsund Joint Venture area was completed in May. The 2,000 line kilometre survey was flown by helicopter on a line spacing of 50 metres and mean terrain clearance of 30 to 40 metres. Independent geophysical consultants, Astrock Oy of Finland are undertaking processing and interpretation of the data.

Campaigns of geological mapping and sampling also continued, following the completion of initial geological studies over the Harpsund area.



The Harpsund Joint Venture area is located immediately adjacent to Dragon Mining's Exploration Permit holding at Svartliden, and is situated 4 kilometres northeast of the Svartliden Gold Mine. The Company entered into a Joint Venture Agreement with listed Swedish exploration company Botnia Exploration AB (Botnia) to earn up to 80% in Botnia's 100% owned Exploration Permit, Harpsund nr 1 in late 2010.

INVESTMENTS

AUSTRALIA

Weld Range Metals Limited (Dragon 39.95%)

WRM has progressed evaluation of the iron, chromium, nickel and PGM resources and undertaken initial planning of preparations for possible/potential limited scale mining operations.

On 21 September 2011, the National Native Title Tribunal ("NNTT") determined that four Mining Lease Applications (MLAs) made by Weld Range Metals (WRM) not be granted by the State Government.

The four MLAs were applied for in 1995 over an area held under mining tenements by WRM since 1986. The MLAs are surrounded by eight Mining Leases already granted to WRM, which are not subject to the NNTT's recent determination. These mining leases adjoin the Sinosteel Midwest Iron Ore Project and WRM expects that any project it develops will be a user of the Oakajee Port and Rail infrastructure.

Although agreement has not yet been reached, WRM has negotiated in good faith with the Wajarri Yamatji people, as confirmed by an earlier determination of the NNTT in December 2010.

The State Government and WRM have lodged appeals with the Federal Court in respect of the NNTT determination. This is a necessary step for WRM given the serious adverse impact the determination has on WRM's interests.

In parallel with the appeal process, WRM will continue to work constructively with the Wajarri Yamatji people and State Government to develop valuable iron, nickel, chrome, PGM resources for all the people of the Geraldton region and WA.

ERITREA

Further to the sale of the 20% interest in the Zara Gold Project, Eritrea, Dragon Mining is entitled to payment of \$4.0 million from Chalice Gold Mines Limited on the delineation of a 1 million ounce gold Reserve at the Zara Gold Project. On 4 June 2010, Chalice announced a maiden gold Reserve at the Zara Gold Project of 760,000 ounces from an Indicated gold Resource of 840,000 ounces.



CORPORATE

Cash Balances and Movements

As at 30 September 2011, Dragon Mining held \$22.9m in cash, \$5.4m in bullion and net gold concentrate receivables and \$4.1m of cash deposits lodged with Swedish authorities as rehabilitation bonds.

The principal movements in the cash balance during the quarter were attributable to:

	Q3	YTD
	\$(m)	\$(m)
Operating Cash flows		
Gross cash inflows from operations	7.4	19.0
Cash outflows for rehabilitation bonds, overhead and operational support costs	(0.9)	(2.5)
Net operating cash flows	6.5	16.5
Investing Cash flows		
Exploration expenditure	(4.1)	(10.5)
Development expenditure	(2.7)	(10.3)
Capital purchases	(1.3)	(3.6)
Other	0.1	(1.1)
Net investing cash flows	(8.0)	(25.5)
Financing Cash flows		
Net interest received	0.1	0.3
Drawdown/(repayment) on loan facility	(0.9)	4.3
Factoring of gold concentrate	3.4	3.4
Foreign exchange gains on cash balances held in foreign currency	0.2	0.5
Net financing cash flows	2.8	8.5
INCREASE/(DECREASE) IN CASH	1.3	(0.5)

Gold Sales

9,489 ounces of gold production from Svartliden was sold at an average cash price of US\$1,581 per ounce. 4,500 ounces of gold were delivered into the gold hedge at an average forward price of US\$1,353 per ounce and 4,989 ounces of gold was delivered into spot at an average price of US\$1,787 per ounce.

4,779 ounces of gold concentrate from the Vammala Production Centre was sold at an average price of US\$1,543 (gross of refining costs). 4,000 ounces of gold were delivered into the gold hedge at an average forward price of US\$1,504 per ounce and 779 ounces of gold was delivered into spot at an average price of US\$1,733 per ounce.

Listed Investments

Dragon Mining holds 2,333,334 shares in Chalice with a market value of approximately \$0.7m.

Debt

In May, the Company's 100% owned Finnish subsidiary, Polar Mining Oy secured and drew down a €3.8m (A\$5.2m) debt facility ("Facility") with Nordea Bank, one of the Nordic regions leading financial institutions.

The variable interest rate is currently 4.8%, calculated quarterly in arrears.

In September Polar Mining Oy made its first repayment of €0.6m to Nordea Bank. The Facility will continue to be repaid in equal quarterly instalments until December 2012.

Hedging

The Nordea Facility was subject to the completion of a minimum euro denominated gold hedging programme of 30,000 ounces (10,000 ounces in 2011 and 20,000 ounces in 2012).

This hedging program was executed in May and the remaining gold hedge program is outlined in table 4.

**Table 4 –EUR Denominated Gold Hedging Profile as at 30 September 2011**

Delivery Date	Ounces	Gold Price – EUR
30/09/2011*	1,500	1,048
31/10/2011	1,500	1,049
30/11/2011	2,000	1,050
31/12/2011	1,500	1,052
31/01/2012	1,800	1,053
28/02/2012	1,800	1,054
31/03/2012	1,800	1,055
30/04/2012	1,800	1,056
31/05/2012	1,800	1,057
30/06/2012	2,000	1,058
31/07/2012	1,800	1,060
30/09/2012	1,800	1,062
31/10/2012	1,800	1,063
30/11/2012	1,800	1,063
31/12/2012	1,800	1,064
Total	26,500	1,056

* Settlement date was 4 October 2011.

Using the 30 September 2011 spot gold price of €1,201 per ounce, the mark to market of the gold euro hedge was a negative amount of A\$5.8m.

The Company also implemented a SEK hedging strategy for the Svartliden Gold Mine (Table 5) to lock in a high price of gold while major development expenditure (underground and open cut) was occurring at Svartliden. As this major expenditure is expected to be completed in the second quarter of 2012, no hedging beyond March 2012 has been entered into.

Table 5 – SEK Denominated Gold Hedging Profile as at 30 September 2011

Delivery Date	Ounces	Gold Price – SEK
31/10/2011	1,500	8,700
30/11/2011	1,500	8,700
31/12/2011	1,800	8,759
31/01/2012	1,600	9,020
29/02/2012	1,000	9,110
30/03/2012	1,350	9,175
Total	8,750	8,890

Using the 30 September 2011 spot gold price of 11,134 SEK per ounce, the mark to market of the hedge was a negative amount of A\$3.0m.

Factoring

As there is a minimum six week delay between shipment of gold concentrate produced at the Vammala Production Centre and payment by the refiner, the Company has a receivables facility (factoring) with Nordea Bank in Finland. Dragon Mining can receive loan funds from Nordea for up to 75% of the gold concentrate value delivered and invoiced. At the end of the quarter, A\$3.6m had been financed.

On-Market Share Buyback

No shares were purchased during the quarter as part of the on-market share buyback. On 6 October 2011, the Company announced the buyback had ceased.



Appendix 1 – Orivesi Gold Mine - Drill results from between the 480m and 720m levels at Sarvisuo West. September quarter results highlighted in red.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
Drilled from the 525m level								
KU-1185	6838489.17	2508812.76	316.4	-23.0	250.45	85.00	1.00	2.84
						104.50	1.50	1.46
						191.00	0.70	3.62
KU-1186	6838489.04	2508812.73	311.1	-17.8	270.20	No significant intercepts		
KU-1187	6838489.18	2508812.86	323.7	-21.0	304.15	No significant intercepts		
KU-1188	6838489.10	2508812.73	320.4	9.7	202.35	71.50	0.85	2.11
KU-1189	6838489.13	2508812.50	307.2	-0.1	194.65	No significant intercepts		
KU-1190	6838489.02	2508812.48	304.6	-6.5	193.45	85.20	1.15	4.14
KU-1191	6838489.20	2508812.84	327.7	14.1	185.90	No significant intercepts		
KU-1192	6833414.12	2497628.33	218.9	5.2	208.05	58.00	2.00	1.37
						166.00	1.00	2.21
KU-1193	6833195.30	2497619.52	322.8	-0.2	235.90	223.65	1.05	1.12
						230.00	1.00	3.51
KU-1194	6838489.23	2508812.66	319.1	-6.1	194.70	No significant intercepts		
KU-1195	6838479.31	2508689.73	29.6	-28.2	173.50	2.00	1.00	6.35
						72.00	1.00	6.40
KU-1196	6833195.30	2497619.52	352.6	-26.9	239.00	56.00	2.45	3.92
						113.00	1.70	6.22
KU-1197	6838480.06	2508689.08	13.7	1.8	183.65	0.00	1.50	16.23
KU-1198	6838482.82	2508686.02	3.6	-27.4	183.90	100.00	1.50	2.17
KU-1199	6838480.42	2508688.78	6.4	9.8	167.30	0.00	0.80	14.55
KU-1200	6838483.02	2508686.00	358.3	14.5	254.30	54.75	1.10	4.05
						73.10	0.90	1.26
KU-1201	6838479.89	2508689.47	20.8	9.3	151.05	1.10	0.70	23.00
						39.80	0.80	1.51
						94.50	1.50	1.11
KU-1202	6838480.17	2508689.19	9.6	-12.3	182.10	0.00	1.40	11.48
KU-1203	6838482.66	2508685.66	346.7	1.3	231.05	58.10	0.90	1.68
KU-1204	6838483.02	2508685.98	1.4	0.4	221.60	99.65	0.65	4.48
KU-1205	6838479.85	2508689.42	17.0	-12.6	194.35	0.95	0.90	39.80
						84.70	1.05	1.05
						134.85	1.25	1.90
						179.40	0.70	1.16
KU-1206	6838482.19	2508685.53	338.4	-29.6	202.95	51.70	0.40	70.00
						58.40	0.60	3.38
KU-1207	6838479.77	2508689.46	24.6	-46.6	222.00	1.00	2.40	84.53
						70.50	3.00	55.10
Drilled from the 710m level								
KU-1208	6838458.63	2508709.15	25.4	4.7	172.25	120.00	1.40	1.07
						143.00	1.20	4.19
						150.00	3.30	4.94
						161.70	2.15	4.37
KU-1209	6838458.96	2508708.97	23.5	18.1	165.10	46.45	0.55	4.26
KU-1210	6838464.21	2508707.37	19.0	21.4	208.50	36.00	1.50	2.14
						83.00	1.00	1.65
						92.00	2.00	84.13
						139.50	4.50	11.58
KU-1211	6838462.75	2508708.2	11.8	-2.8	176.50	39.50	1.50	1.83
						126.00	1.00	3.08
KU-1212	6838464.10	2508706.3	6.5	11.3	255.60	37.35	0.40	14.45
						88.35	0.90	2.46
						137.30	0.90	2.00
KU-1213	6838464.03	2508706.07	3.3	15.7	225.00	9.50	0.85	1.02
						32.35	0.50	140.50
						67.50	1.50	1.96
						81.55	1.35	1.57
KU-1214	6838464.05	2508706.06	1.2	21.79	172.50	33.00	1.45	6.32
						131.25	1.05	1.63



KU-1215	6838463.73	2508704.92	355.6	10.5	177.00	33.00	2.00	2.09
						107.70	0.70	1.08
KU-1216	6838463.61	2508704.73	346.1	14.9	187.50	No significant intercepts		
KU-1217	6838463.59	2508704.96	358.3	27.9	211.75	33.80	1.20	1.33
						135.50	1.10	1.22
KU-1218	6838463.51	2508704.13	350.6	-2.9	179.90	40.00	0.40	59.90
						86.65	0.80	1.25
						112.50	1.40	1.21
KU-1219	6838459.69	2508708.72	21.5	-2.7	172.30	43.40	2.15	2.92
						105.55	0.45	1.38
						109.35	1.05	1.27
						124.60	0.90	1.05
						135.35	1.05	1.23
KU-1220	6838463.58	2508704.44	343.6	6.0	171.00	91.50	1.50	1.48
						105.20	0.40	1.47
						152.80	0.75	1.60
KU-1221	6838464.05	2508706.13	9.2	23.1	215.35	33.40	1.80	3.37
						64.00	0.45	1.19
						72.00	1.00	1.81
						75.40	0.40	2.56
						78.00	0.90	1.19
						97.65	0.70	17.70
						112.90	0.75	3.75
						138.90	3.10	8.33
KU-1222	6833195.30	2497619.52	338.4	3.0	164.45	No significant intercepts		
KU-1223	6838464.24	2508707.32	13.8	16.8	242.85	34.00	1.75	27.16
						38.60	0.45	7.94
						91.00	1.80	9.26
						136.80	1.35	1.44
						139.40	8.35	4.67
						191.60	0.65	34.00
KU-1224	6838458.12	2508709.22	26.9	23.0	176.60	165.20	1.20	7.78
KU-1225	6838459.57	2508708.74	20.0	10.2	179.60	44.50	1.00	4.40
						109.20	1.00	1.22
						157.20	1.90	2.11
KU-1226	6838464.20	2508707.03	15.8	27.4	226.40	38.60	0.75	1.63
						42.15	0.60	2.88
						100.00	1.00	1.19
						155.00	2.00	17.82
KU-1227	6838464.34	2508707.31	16.9	9.5	176.75	94.00	1.30	34.00
KU-1228	6838464.00	2508706.23	1.6	-3.2	185.95	82.65	2.80	1.79

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 2 – Orivesi Gold Mine - Results from drilling of the up-dip continuation of Sarvisuo.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
KU-1257	6838480.95	2508866.21	329.16	35.39	151.00	92.10	0.90	2.20
						101.00	2.00	2.40
KU-1258	6838482.24	2508867.27	335.63	32.67	157.00	No significant intercepts		

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25/Au-AA26 (30g/50g FA with AAS finish) and Au-GRA22 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 3 – Jokisivu Gold Mine - Results from the underground drill program undertaken from the -85m level at Kujanakallio. September quarter results in red.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
HU/JS-449	6,072.73	9,453.37	252	10	290.40	187.00	1.00	2.25
						228.40	0.90	1.41
HU/JS-450	6,072.52	9,456.83	266	10	276.30	197.50	1.10	3.57
						211.55	0.95	9.50
						220.60	0.80	5.58
						234.65	0.85	3.67
						240.00	1.00	1.58
HU/JS-451	6,072.49	9,455.11	278	10	285.65	93.20	0.80	1.13
						147.35	0.85	1.85
						165.00	0.95	4.39



						190.40	0.90	1.06
						200.15	6.85	3.85
						243.90	0.55	99.20
						255.40	1.00	1.06
						270.10	1.30	1.09
HU/JS-452	6,072.73	9,453.37	252	-10	200.15	64.40	0.75	1.38
						100.00	0.60	2.71
						114.75	1.70	7.09
						130.90	0.45	4.33
						138.80	0.90	2.39
						156.00	1.00	1.63
						174.00	1.00	2.85
HU/JS-453	6,072.52	9,456.83	266	-10	222.95	73.00	0.90	12.75
						81.70	0.65	2.24
						124.00	1.20	1.08
						146.20	0.60	3.45
						169.30	1.25	2.12
						176.50	1.50	1.12
						181.00	1.50	1.21
						190.80	0.70	2.26
HU/JS-455	6,072.52	9,456.35	289	-10	278.15	152.15	1.75	5.44
						156.60	6.80	2.36
						188.30	1.00	1.13
						199.00	1.00	2.96
						203.10	0.65	4.72
						208.00	0.95	1.07

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA21 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland.

Appendix 4 – Jokisivu Gold Mine - Results from the final in-fill holes of the Kujankallio deposit at the.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
Profile 10								
HU/JS-445	6779503.75	2426151.17	206.0	-59.0		No significant intercept		
HU/JS-456	6779532.40	2426208.11	206.0	-62.0		93.10	0.90	1.43
						124.30	0.70	3.74

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using procedure Au-AA25 (30g FA with AAS finish) and Au-GRA21 (FA+gravimetric finish), following sample preparation at ALS facility in Outokumpu, Finland. Intercepts reported at a 1 g/t gold cut-off.

Appendix 5 – Kuusamo North Gold Project - Results from the fourth phase of diamond core drilling campaign targeting the Juomasuo deposit.

Hole ID	Northing	Easting	Dip	Azimuth	Length	From	Interval	Au	Co	Cu	U	TREO		
			(°)										(°)	(m)
KS/JS-127	7355450	4464270	-45	270	229.6	138.00	4.10	11.69	2,248	302	8	182		
						224.25	2.75	2.01	147	236	2	37		
KS/JS-128	7355450	4464350	-45	270	300.9	22.95	1.35	5.87	686	175	10	181		
						52.10	3.15	11.07	1,970	502	127	439		
						59.55	25.60	9.66	1,299	170	1,920	576		
						106.95	2.90	3.51	1,074	319	798	1,432		
						113.00	1.25	1.91	835	460	268	309		
						122.30	5.90	2.34	297	366	3	106		
						131.10	2.40	3.22	478	903	10	134		
						232.60	1.60	1.87	1,470	641	9	190		
KS/JS-129	7355474	4464061	-43	90	199.3	90.50	5.50	6.05	526	414	14	231		
						133.20	8.10	6.16	986	1,051	77	386		
						147.10	31.90	45.67	1,280	1,262	129	263		
						including		172.40	2.15	571.88	1,945	2,103	418	648
KS/JS-130	7355450	4464059	-45	90	214.7	121.85	1.45	1.92	990	513	68	248		
						131.60	4.75	2.98	634	223	5	218		
						140.60	2.20	3.77	1,412	514	110	242		
						146.15	2.45	3.26	871	422	434	250		
						167.20	2.80	8.34	528	447	5	103		



KS/JS-131	7355430	4464061	-45	90	211.7	No significant gold intercept						
KS/JS-132	7355510	4464040	-45	90	199.6	132.25	1.05	1.17	255	596	5	79
KS/JS-133	7355490	4463976	-45	90	299.7	143.70	0.90	3.72	115	335	10	47
KS/JS-134	7355470	4463969	-45	91.8	304.5	163.60	1.25	1.02	697	444	1,600	551
						246.50	5.10	5.32	898	759	4	171
						271.65	2.00	1.71	406	77	2	116
						280.90	3.55	15.07	1,018	635	6	197
KS/JS-135	7355471	4463960	-45	91.1	349.4	34.20	1.25	1.00	189	2	310	191
						189.45	2.70	4.51	678	730	3	296
KS/JS-136	7355450	4463960	-45	88.9	348.7	No significant gold intercept						
KS/JS-137	7355430	4463980	-45	91.1	375.1	301.70	1.05	7.30	60	308	3	144
KS/JS-138	7355450	4463980	-60	93.7	450.0	202.70	1.00	2.25	295	11	6	60
						213.80	1.70	1.34	373	458	63	103
						221.50	2.20	2.25	1,305	428	335	367
						341.75	1.95	4.44	521	241	6	189
KS/JS-139	7355335	4464082	-55	36	292.1	224.35	3.80	3.00	876	780	336	195
KS/JS-140	7355304	4464060	-55	36	349.2	99.95	2.10	1.03	453	6	5	81
						107.25	0.65	1.72	103	2	5	191
						167.65	6.15	2.56	1,559	20	148	325
						175.95	1.05	1.52	288	8	20	137

Preparation of half core samples was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. Total REO values have been calculated by the addition of REO values of Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb. The TREO values have been calculated as the sum of all REE as REE2O3, with the exception of Ce (CeO2), Pr (Pr6O11) and Tb (Tb4O7). Intercepts reported at a 1 g/t gold cut-off.

Appendix 6 – Kuusamo North Gold Project - Preliminary gold results for KS/JS-141.

Hole ID	Northing	Easting	Dip	Azimuth	Length	From	Interval	Au	Co	Cu	U	TREO
			(°)	(°)	(m)	(m)	(m)	(g/t)	(ppm)	(ppm)	(ppm)	(ppm)
KS/JS-141	4464231.1	7355576.6	-45	213	262.00	118.00	17.75	16.59	-	-	-	-
						Includes 4.9 metres @ 39.73 g/t gold from 120.95 metres						
						163.30	5.60	3.54	-	-	-	-
						210.05	2.00	2.92	-	-	-	-
						217.60	3.65	7.46	-	-	-	-

Preparation of half core samples was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25. Gold values exceeding 3 g/t were re-assayed by AU-GRA22 method. Intercepts reported at a 1 g/t gold cut-off. Multi-element results pending.

Appendix 7 – Kuusamo North Gold Project - Results from diamond core drilling at the Hangaslampi deposit.

Hole ID	Northing	Easting	Dip	Azimuth	Length	From	Interval	Au	Co	Cu	U	TREO
			(°)	(°)	(m)	(m)	(m)	(g/t)	(ppm)	(ppm)	(ppm)	(ppm)
KS/HL-65	7354575	4464396	-45	90	50.4	31.20	1.90	1.67	571	2	694	399
						35.70	0.25	2.86	3,180	4	14	255
						46.60	6.55	2.49	1,275	4	225	358
KS/HL-66	7354475	4464393	-45	90	55.6	15.20	2.50	9.33	79	4	2	195
KS/HL-67	7354425	4464377	-64	90	74.3	10.15	0.75	2.74	3,590	2	167	6,323
						15.10	5.00	3.40	716	4	9	888
						26.20	1.15	1.22	521	22	57	1,305
						29.95	1.45	1.52	315	9	12	157
KS/HL-68	7354425	4464267	-60	90	125.0	No significant gold intercepts						
KS/HL-69	7354413	4464367	-65	90	73.2	11.00	4.15	1.80	406	2	100	1,312
						43.00	12.45	7.15	499	4	78	372
KS/HL-70	7354413	4464329	-65	90	100.7	66.60	1.40	1.09	8	0	3	131
KS/HL-71	7354412	4464297	-65	90	121.9	60.55	1.30	1.01	989	2	13	420



						66.10	1.65	1.24	38	2	2	91
						70.85	4.80	1.80	33	2	4	104
						82.55	1.60	2.48	669	5	16	288
KS/HL-72	7354400	4464365	-58	90	65.1	7.00	2.10	2.33	26	1	1	66
						45.30	6.00	7.51	418	5	24	614
KS/HL-73	7354400	4464267	-59	90	143.1	95.35	9.00	30.17	214	2	3,158	593
KS/HL-74	7354375	4464368	-57	90	73.0	48.75	1.10	8.22	16	2	2	508
KS/HL-75	7354375	4464332	-55	90	95.1	No significant gold intercepts						
KS/HL-78	7354300	4464298	-45	90	120.2	No significant gold intercepts						

Preparation of half core samples was completed at the ALS Chemex facility in Outokumpu, Finland, and analysis completed at ALS Chemex Laboratories in Rosia Montana, Romania, and Vancouver, Canada, using procedures Au-AA25, ME-4ACD81, ME-ICP06, ME-MS81. Gold values exceeding 3 g/t and uranium values exceeding 1,000 ppm were re-assayed by AU-GRA22 and U-XRF-10 methods, respectively. Total REO values have been calculated by the addition of REO values of Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb. The TREO values have been calculated as the sum of all REE as REE₂O₃, with the exception of Ce (CeO₂), Pr (Pr₆O₁₁) and Tb (Tb₄O₇). Intercepts reported at a 1 g/t gold cut-off.

Appendix 8 – Svartliden Gold Mine - Results from Phase 12 Eastern Zone Depth Extensions 150-250 program. September quarter results highlighted in red.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
Profile 1875								
SV11430	7187139.60	1588683.63	341	-53	260.00	No significant intercepts		
Profile 1900								
SV11431	7187165.19	1588701.37	341	-51	215.00	175.0	1.00	1.04
						189.0	1.00	1.72
SV11432	7187131.88	1588712.66	341	-56	301.30	232.0	1.00	2.07
Profile 1950								
SV11433	7187197.61	1588743.19	341	-56	228.55	166.0	1.00	1.19
Profile 1975								
SV11434	7187185.31	1588773.84	341	-50	236.00	143.0	1.00	1.08
						181.0	4.00	9.37
SV11435	7187181.41	1588775.12	341	-56	260.40	No significant intercepts		
Profile 2000								
SV11436	7187166.53	1588806.40	341	-51	255.60	No significant intercepts		
Profile 2025								
SV11437	7187230.31	1588811.29	341	-58	205.40	No significant intercepts		
Profile 2075								
SV11438	7187270.72	1588850.09	341	-55	236.2	194.0	2.00	9.72
Profile 2100								
SV11447	7187236.75	1588888.29	341	-62	244.45	194.0	1.00	1.31
Profile 2125								
SV11439	7187199.77	1588927.31	341	-62	314.1	244.0	1.00	1.34
Profile 2150								
SV11440	7187251.40	1588936.11	341	-64	250.50	No significant intercepts		
Profile 2175								
SV11441	7187273.68	1588954.95	341	-61	235.7	199.0	1.00	2.14
Profile 2200								
SV11442	7187286.02	1588977.05	341	-54	223.9	169.0	1.00	3.46
						186.0	5.00	6.78
Profile 2225								
SV11443	7187303.60	1588997.63	341	-60	227.0	172.00	2.00	1.64
SV11444	7187292.29	1589001.46	341	-65	226.9	152.0	1.00	2.54
						179.0	2.00	1.74
						189.0	1.00	3.54
Profile 2250								
SV11445	7187311.31	1589021.30	341	-54	203.0	149.0	2.00	8.31
Profile 2275								
SV11446	7187300.15	1589051.35	341	-53	242.1	150.0	1.00	1.47
						168.0	1.00	1.70
						175.0	2.00	4.40



Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

Appendix 9 – Svartliden Gold Mine - Results from Phase 11 - Western Zone Depth Extensions 200-400 program.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
Profile 1475								
SV11401	7186946.11	1588327.17	341	-50	294.55	203.0	1.00	1.60
						266.0	4.00	5.10
Profile 1550								
SV11402	7186995.36	1588390.81	341	-56	298.90	208.0	6.00	1.28
						253.0	4.00	4.75
Profile 1625								
SV11404	7186980.33	1588474.87	341	-52	335.40	250.0	1.00	1.33
						277.0	1.00	1.47
						297.0	1.00	2.78
SV11411	7187026.28	1588458.404	341	-51	290.2	175.0	5.00	5.44
						185.0	1.00	1.68
						197.0	1.00	1.52
Profile 1650								
SV11408	7187030.96	1588483.41	341	-57	295.60	190.0	8.00	3.34
						202.0	1.00	9.29
						232.0	1.00	2.40
						251.0	7.00	6.44

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

Appendix 10 – Svartliden Gold Mine - Results from the Western Extensions (Phase 13) program.

Hole	North	East	Azimuth (°)	Dip (°)	Length (m)	From (m)	Interval (m)	Gold (g/t)
Profile 1350								
SV11541	7186956.86	1588191.42	341	-58	239.35	175.0	1.00	1.28
						187.0	2.00	3.58
Profile 1400								
SV11542	7187021.25	1588222.79	341	-65	178.80	135.0	1.00	8.39
						157.0	3.00	7.95
Profile 1425								
SV11544	7186933.61	1588278.16	341	-48	283.00	250.0	4.00	3.17
Profile 1450								
SV11543	7186918.071	1588257.689	341	-52	310.05	244.0	5.00	1.96
Profile 1725								
SV11546	7187061.845	1588551.77	341	-57	280.90	189.0	5.00	3.57
						250.0	1.00	1.85
						263.0	2.00	2.05
Profile 1750								
SV11547	7187082.301	1588571.718	341	-58	228.75	186.0	1.00	1.09

Analysis of half core was completed at ALS Chemex Laboratories in Rosia Montana, Romania, using method Au-AA25, following sample preparation at the ALS Chemex facility in Piteå, Sweden. Reported at a cut-off grade of 1.0 g/t gold.

**Notations:**

1.	<i>The information in this report that relates to Mineral Resources is based on information compiled by Mr Craig Allison, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Craig Allison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.</i>
2.	<i>The information in this report that relates to Mineral Resources is based on information 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 which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.</i>
3.	<i>The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Neale Edwards BSc (Hons), a Member of the Australian Institute of Geoscientists and Mr Matti Talikka MSc (Geology), a Member of the Australian Institute of Mining and Metallurgy, who are full time employees of the company and have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards and Mr Matti Talikka consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.</i>