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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)

**ANNOUNCEMENT OF THE INTERIM RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

The Board of Directors (the “**Board**”) of Dragon Mining Limited (the “**Company**” or “**Dragon Mining**”) announces the interim consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the period ended 30 June 2024 together with comparative figures for the corresponding period ended 30 June 2023 as follows:

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE 6 MONTHS ENDED 30 JUNE 2024

		6 months to 30 Jun 2024	6 months to 30 Jun 2023
		<i>AU\$'000</i>	<i>AU\$'000</i>
	<i>Note</i>	(Unaudited)	(Unaudited)
Revenue from customers		30,678	33,155
Cost of sales	2(a)	<u>(26,800)</u>	<u>(29,148)</u>
Gross profit		3,878	4,007
Other revenue	2(b)	330	206
Other income	2(c)	2,025	390
Mineral exploration expenditure		(88)	(179)
Management and administration expenses	2(d)	(2,621)	(2,171)
Other operating expense	2(d)	(1,170)	(225)
Finance costs	2(e)	(44)	(11)
Fair value gain on financial assets	2(f)	310	–
Foreign exchange gain/(loss)		<u>329</u>	<u>(1,368)</u>
Profit before tax		2,949	649
Income tax expense	3	<u>(978)</u>	<u>(623)</u>
Profit after income tax		<u>1,971</u>	<u>26</u>
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)			
Basic and diluted earnings per share	15	<u>1.25</u>	<u>0.02</u>

The notes on pages 7 to 27 form part of this interim results announcement.

CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2024

	6 months to 30 Jun 2024	6 months to 30 Jun 2023
	<i>AU\$'000</i>	<i>AU\$'000</i>
	(Unaudited)	(Unaudited)
Profit after income tax (brought forward)	<u>1,971</u>	<u>26</u>
Other comprehensive (loss)/income		
<i>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(1,298)</u>	<u>1,667</u>
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods (net of tax)	<u>(1,298)</u>	<u>1,667</u>
Total comprehensive income for the period	<u>673</u>	<u>1,693</u>
Profit attributable to:		
Members of Dragon Mining Limited	<u>1,971</u>	<u>26</u>
	<u>1,971</u>	<u>26</u>
Total comprehensive income attributable to:		
Members of Dragon Mining Limited	<u>673</u>	<u>1,693</u>
	<u>673</u>	<u>1,693</u>

The notes on pages 7 to 27 form part of this interim results announcement.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

		At 30 Jun 2024 <i>AU\$'000</i> (Unaudited)	At 31 Dec 2023 <i>AU\$'000</i> (Audited)
	<i>Note</i>		
CURRENT ASSETS			
Cash and cash equivalents		21,831	22,168
Trade and other receivables	4	4,631	3,416
Inventories	5	18,027	19,631
Financial assets	6	1,702	1,406
Other assets	7	1,162	1,071
TOTAL CURRENT ASSETS		47,353	47,692
NON-CURRENT ASSETS			
Property, plant, and equipment	8	45,229	47,730
Mineral exploration and evaluation costs	9	2,171	1,848
Right-of-use assets	10	229	1,241
Other assets	7	9,587	9,804
TOTAL NON-CURRENT ASSETS		57,216	60,623
TOTAL ASSETS		104,569	108,315
CURRENT LIABILITIES			
Trade and other payables	11	4,524	7,967
Provisions	12	3,333	2,222
Interest bearing liabilities	13	151	603
Other liabilities		103	85
Current tax liability	3	968	1,337
TOTAL CURRENT LIABILITIES		9,079	12,214
NON-CURRENT LIABILITIES			
Provisions	12	25,985	26,646
Interest bearing liabilities	13	74	697
TOTAL NON-CURRENT LIABILITIES		26,059	27,343
TOTAL LIABILITIES		35,138	39,557
NET ASSETS		69,431	68,758
EQUITY			
Contributed equity	14	140,408	140,408
Reserves		(901)	397
Accumulated losses		(70,076)	(72,047)
TOTAL EQUITY		69,431	68,758

The notes on pages 7 to 27 form part of this interim results announcement.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2024

	Contributed Equity AU\$'000	Accumulated Losses AU\$'000	Foreign Currency Reserve AU\$'000	Convertible Note Premium Reserve AU\$'000	Equity Reserve Purchase of Non- controlling Interest AU\$'000	Treasury Shares Reserve AU\$'000	Total Equity AU\$'000
At 31 December 2022 (Audited)	<u>140,420</u>	<u>(77,236)</u>	<u>(5,718)</u>	<u>2,068</u>	<u>1,069</u>	<u>(7)</u>	<u>60,596</u>
Profit after income tax for the period	-	26	-	-	-	-	26
Other comprehensive income	-	-	1,667	-	-	-	1,667
Total comprehensive income for the period	-	26	1,667	-	-	-	1,693
Share buy-back transactions	-	-	-	-	-	(5)	(5)
Cancellation of shares	(12)	-	-	-	-	12	-
Total transactions with owners	(12)	-	-	-	-	7	(5)
At 30 June 2023 (Unaudited)	<u>140,408</u>	<u>(77,210)</u>	<u>(4,051)</u>	<u>2,068</u>	<u>1,069</u>	<u>-</u>	<u>62,284</u>
At 31 December 2023 (Audited)	<u>140,408</u>	<u>(72,047)</u>	<u>(2,740)</u>	<u>2,068</u>	<u>1,069</u>	<u>-</u>	<u>68,758</u>
Profit after income tax for the period	-	1,971	-	-	-	-	1,971
Other comprehensive loss	-	-	(1,298)	-	-	-	(1,298)
Total comprehensive income for the period	-	1,971	(1,298)	-	-	-	673
At 30 June 2024 (Unaudited)	<u>140,408</u>	<u>(70,076)</u>	<u>(4,038)</u>	<u>2,068</u>	<u>1,069</u>	<u>-</u>	<u>69,431</u>

The notes on pages 7 to 27 form part of this interim results announcement.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 30 JUNE 2024

	6 months to 30 Jun 2024	6 months to 30 Jun 2023
	<i>AU\$'000</i>	<i>AU\$'000</i>
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Receipts from customers	31,488	34,340
Payments to suppliers and employees	(28,113)	(25,392)
Payments for mineral exploration	(183)	(274)
Interest received	330	206
Interest paid	(44)	(4)
Income taxes paid	(1,336)	(1,216)
	<hr/>	<hr/>
Net cash from operating activities	2,142	7,660
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for property, plant, and equipment	(835)	(1,067)
Payments for development activities	(1,148)	(107)
Payments for exploration and evaluation	(514)	(375)
	<hr/>	<hr/>
Net cash used in investing activities	(2,497)	(1,549)
	<hr/>	<hr/>
Cash flows from financing activities		
Lease liability payments	(88)	(39)
Payments for share buy-back	–	(5)
	<hr/>	<hr/>
Net cash used in financing activities	(88)	(44)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(443)	6,067
Cash and cash equivalents at the beginning of the period	22,168	17,671
Effects of exchange rate changes on cash and cash equivalents	106	(1,644)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	21,831	22,094
	<hr/>	<hr/>

The notes on pages 7 to 27 form part of this interim results announcement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Reporting entity

Dragon Mining Limited (the “**Company**” or the “**Parent Entity**”) was incorporated as an Australian Public Company, limited by shares on 23 April 1990, and is subject to the requirements of the Australian Corporations Act 2001 as governed by the Australian Securities and Investments Commission. The Company is domiciled in Australia and its registered office is located at Unit 202, Level 2, 39 Mends Street, South Perth, Western Australia 6151, Australia.

The Company’s announcement of the consolidated interim results for the period ended 30 June 2024 was authorised for issue at the meeting of the Board of Directors held on 21 August 2024.

The announcement comprises the Company and its subsidiaries (together the “**Consolidated Entity**” or the “**Group**”). The Company is a for profit entity, primarily involved in gold mining operations, mineral exploration, evaluation, and development of gold projects in the Nordic region. The Company has direct and indirect interests in its subsidiaries, all of which have substantially similar characteristics to a private company incorporated in Hong Kong, the particulars of which are set out below:

Name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company	Principal activities
Dragon Mining (Sweden) AB	Sweden 27 April 1993	SEK 100,000	100%	Gold Production
Viking Gold & Prospecting AB	Sweden 3 April 1996	SEK 100,000	100%	Dormant
Dragon Mining Oy	Finland 24 March 1993	EUR 100,000	100%	Gold Production
龍資源有限公司 (Dragon Mining Limited) ¹	Hong Kong 17 May 2017	HK\$1.00	100%	Dormant

¹ For translation purposes

b) Basis of preparation

Statement of compliance

The consolidated interim results set out in this announcement do not constitute the consolidated interim financial statements of the Group as at and for the period ended 30 June 2024 but are extracted from those consolidated interim financial statements.

The consolidated interim financial statements are condensed general purpose financial statements prepared in accordance with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and with International Accounting Standard (“**IAS**”), IAS 34 *Interim Financial Reporting*.

The consolidated interim financial statements do not include all notes of the type normally included within the consolidated annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the consolidated annual financial report.

The consolidated interim financial statements should be read in conjunction with the consolidated annual financial report for the year ended 31 December 2023 and considered together with any public announcements made by the Company during the period ended 30 June 2024.

The consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. These consolidated interim financial statements are presented in Australian dollars (“**AUD**”) and all values are rounded to the nearest thousand except when otherwise specified.

The Group has adopted the going concern basis for the preparation of this these consolidated interim financial statements.

c) Changes in accounting policies and disclosures

Except as disclosed below, the accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the Group’s consolidated annual financial statements for the year ended 31 December 2023.

d) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the consolidated annual financial statements for the year ended 31 December 2023. All relevant new and amended Accounting Standards and Interpretations which became applicable on 1 January 2024 have been adopted by the Group.

As a result of this review, the Directors have determined that there is no material impact from the new and revised Accounting Standards and Interpretations on the Company and, therefore, no material change is necessary to the Company’s accounting policies.

2. OTHER REVENUE, INCOME AND EXPENSES

	6 months to 30 June	
	2024	2023
	AU\$'000	AU\$'000
	(Unaudited)	(Unaudited)
(a) Cost of sales		
Cost of production net of inventory movements	23,629	23,961
Depreciation of mine properties, plant, and equipment	3,171	5,187
	<u>26,800</u>	<u>29,148</u>
<i>Cost of production net of inventory movements</i>		
Mining	12,877	12,260
Processing	9,486	8,197
Other production activities	350	723
Gold inventory movements	916	2,781
	<u>23,629</u>	<u>23,961</u>
(b) Other revenue		
Finance revenue and interest	330	206
	<u>330</u>	<u>206</u>
(c) Other income		
Net gain from cancellation of Crusher agreement	1,550	–
Service income	447	374
Other	28	16
	<u>2,025</u>	<u>390</u>
(d) Operating expenses		
Management and administration expenses	2,621	2,171
Depreciation of non-mine site assets	110	98
Rehabilitation costs and unwinding of discount	1,060	127
	<u>3,791</u>	<u>2,396</u>
(e) Finance costs		
Interest	5	4
Other	39	7
	<u>44</u>	<u>11</u>
(f) Fair value change in financial assets		
Fair value gain on investments at fair value through profit or loss	310	–
	<u>310</u>	<u>–</u>
(g) Total employee benefits including Directors' remuneration		
Wages and salaries	3,976	3,587
Defined contribution superannuation expense	843	767
	<u>4,819</u>	<u>4,354</u>

3. INCOME TAX

The Company is subject to income tax on profits arising in or derived from the jurisdiction in which the Company is domiciled and operates. Income tax expense is recognised based on management's estimate of the weighted average income tax rate expected for the full financial year.

No provision for Hong Kong profits tax has been made, as the Company had no assessable profits derived from or earned in Hong Kong during the period ended 30 June 2024 (30 June 2023: nil).

The Group has fully utilised its tax losses in Finland. For the period ended 30 June 2024, the Company has recognised an income tax expense of AU\$978,000 (30 June 2023: AU\$623,000) and tax liability of AU\$968,000 (31 December 2023: tax liability AU\$1,337,000).

	6 months to 30 June	
	2024	2023
	AU\$'000	AU\$'000
	(Unaudited)	(Unaudited)
<i>Income tax expense</i>		
The major components of income tax expense are:		
<i>Current income tax</i>		
Current income tax expense	978	623
Adjustments in respect of current income tax of previous year	757	1,919
Income tax payable	(757)	(1,919)
	<hr/>	<hr/>
Income tax expense reported in the consolidated interim statement of profit or loss	978	623
	<hr/>	<hr/>

4. TRADE AND OTHER RECEIVABLES

	At	At
	30 Jun 2024	31 Dec 2023
	AU\$'000	AU\$'000
	(Unaudited)	(Audited)
Trade receivables – amortised cost (i)	2,694	2,826
Other receivables (ii)	1,937	590
	<hr/>	<hr/>
	4,631	3,416
	<hr/>	<hr/>

- (i) Includes trade receivables for gold sold on-market and settled within two days. The probability of default is considered to be insignificant. All amounts have been collected subsequent to period end.
- (ii) Other receivables include bank guarantees held on deposit with National Australia Bank for the lease of the corporate premises. These deposits are rolled over every three months in accordance with the lease terms. Due to the short-term nature and credit rating of the counterparty, the probability of default is insignificant. The Company has also recognised a receivable of approximately \$1.3 million in relation to the cancellation of the Crusher agreement.

Ageing Analysis

An aged analysis of the trade debtors as at the end of the reporting period, based on invoice date, is as follows:

	At 30 Jun 2024 <i>AU\$'000</i> (Unaudited)	At 31 Dec 2023 <i>AU\$'000</i> (Audited)
<i>Amounts not yet due</i>		
Within 1 month	2,694	2,826
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	–	–
	<hr/>	<hr/>
Trade receivables	2,694	2,826
	<hr/>	<hr/>

5. INVENTORIES

	At 30 Jun 2024 <i>AU\$'000</i> (Unaudited)	At 31 Dec 2023 <i>AU\$'000</i> (Audited)
Ore and concentrate stockpiles – at cost	12,876	13,549
Gold in circuit valued – at cost	4,120	4,672
Raw materials and stores – at cost	1,031	1,410
	<hr/>	<hr/>
	18,027	19,631
	<hr/>	<hr/>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 Jun 2024 AU\$'000	At 31 Dec 2023 AU\$'000
Investments at fair value through profit or loss	<u>1,702</u>	<u>1,406</u>

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets comprise equity securities.

The fair value of investments in quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

Following initial recognition, equity shares are measured at fair value being the published price quotation in an active market. Changes therein are recognised in the consolidated statement of profit or loss and presented as an unrealised gain/(loss).

Investment in Aurion Resources Limited

At 30 June 2024, the Group continues to hold 2,582,910 shares in Aurion Resources Limited (TSXV: AU) (“**Aurion**”) representing approximately 1.89% of the number of issued common shares of Aurion. The fair value movement in the assets during the period was a gain of \$0.31 million (30 June 2023: nil). There have been no share sales as at the date of this announcement.

7. OTHER ASSETS

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Current		
Prepayments	523	295
Other receivables	<u>639</u>	<u>776</u>
	<u>1,162</u>	<u>1,071</u>
Non-current		
Environmental and other bonds at amortised cost	<u>9,587</u>	<u>9,804</u>

The environmental bonds relate to cash that has been deposited with Swedish and Finnish government authorities. The bonds are held in an interest-bearing account and can only be drawn down when rehabilitation programs have been completed and authorised by the relevant government authority.

8. PROPERTY, PLANT AND EQUIPMENT

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Land		
Gross carrying amount – at cost	<u>1,328</u>	<u>1,354</u>
Buildings		
Gross carrying amount – at cost	2,606	2,609
Less accumulated depreciation and impairment	<u>(2,454)</u>	<u>(2,414)</u>
Net carrying amount	<u>152</u>	<u>195</u>
Property, plant, and equipment		
Gross carrying amount – at cost	42,502	42,534
Less accumulated depreciation and impairment	<u>(38,374)</u>	<u>(37,144)</u>
Net carrying amount	<u>4,128</u>	<u>5,390</u>
Mine properties		
Gross carrying amount – at cost	160,551	160,226
Less accumulated amortisation and impairment	<u>(120,930)</u>	<u>(119,435)</u>
Net carrying amount	<u>39,621</u>	<u>40,791</u>
Total property, plant, and equipment		
Gross carrying amount – at cost	206,987	206,723
Less accumulated amortisation and impairment	<u>(161,758)</u>	<u>(158,993)</u>
Net carrying amount	<u>45,229</u>	<u>47,730</u>

Included within property, plant and equipment and mine properties are AU\$18.1 million of capitalised costs (31 December 2023: AU\$19.5 million) relating to Fäboliden.

At the end of each reporting period, the Group is required to review whether there is any indication that an asset may be impaired, in accordance with International Financial Reporting Standards. If any such indication exists, the Group shall estimate each asset or cash generating units (“CGU”) recoverable amount. The recoverable amount is determined as the higher of a CGU’s value in use (“VIU”) and its fair value less costs of disposal (“FVLCD”).

In assessing the CGUs, management of the Company has determined that the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets is the Vammala CGU. As the Svartliden Plant has an interdependency on the Vammala CGU, the impairment assessment of the Vammala CGU includes the Svartliden Plant. Expenditure relating to the development of Fäboliden has been capitalised as mine development and assessed as a separate asset to the Vammala CGU. The Group has determined that there is no active market for intermediate components.

The Company has reviewed the Vammala CGU and Fäboliden mine properties for new indications of impairment using both external and internal sources of information which includes the rejection of the Company's application for leave to appeal by the Supreme Court of Sweden, current performance, changes in exchange rates, gold price, market capitalisation and environmental permitting delays.

The Company identified one indicator of possible impairment, being the market capitalisation of the Company at 30 June 2024 was below the book value of its equity resulting in impairment testing being performed.

Vammala CGU

The Vammala CGU impairment assessment utilises a life of mine discounted cash flow ("DCF") model. The recoverable amount of AU\$60.5 million (31 December 2023: AU\$35.9 million) has been determined using the VIU methodology.

The key assumptions utilised in the impairment modelling included a gold price of US\$2,165 per ounce (31 December 2023: US\$1,825 per ounce), a USD:SEK exchange rate of 10.90 (31 December 2023: 10.69), a USD:EUR exchange rate of 0.90 (31 December 2023: 0.88) and a pre-tax discount rate of 7.2% (31 December 2023: 10.3%).

Sensitivity to changes in assumptions

The calculation of the recoverable value is most sensitive to the gold price and foreign exchange rates specifically EUR:USD.

A decrease in the gold price by -2.5% to US\$2,111 per ounce (31 December 2023: US\$1,779 per ounce in the Vammala CGU would decrease the recoverable value by AU\$4.8 million (31 December 2023: AU\$2.6 million) and would not result in impairment.

A decrease in the USD:EUR and SEK:EUR foreign exchange forecast rate of -2.5% in the Vammala CGU would decrease the recoverable value by AU\$4.1 million (31 December 2023: AU\$2.1 million) and would not result in impairment.

Fäboliden Mine Properties

Fäboliden comprises the open cut mining operation, the underground resources, and exploration assets. The key assumptions utilised in the impairment modelling have been provided by an Independent Technical Valuation dated 2 February 2024, that considers only the Mineral Resources beneath the open pit, that is, potentially underground mining material, and two exploration assets of the Company. Both the Mineral Resources below the open pit and the exploration tenements are valued using a comparable transactions method, including an environmental permit factor.

On 11 June 2024, the Supreme Court rejected the Company's application for leave to appeal. While this outcome was not unexpected, the Supreme Court did not provide the reasons for its decision. Notwithstanding that the Environmental Impact Assessment ("EIA") has already been approved by the Land and Environmental Court ("LEC") and the mining concession remains valid and in place, the path to production for Fäboliden must now be via a revised application to the LEC. The revised application will be updated to include the Company's measures aimed to mitigate the LEC concerns issued in its ruling on 28 June 2022. This revised application process is estimated to take 2 years.

Fäboliden underground resources

The underground resource at Fäboliden is valued using the comparable transactions methodology using resource multiples. The underground resources valuation is not co-dependent on the open cut mining operations.

Fäboliden exploration assets

The value of the exploration assets related to Fäboliden nr 11, are valued using area multiples and geoscientific approaches.

No impairment charges have been recognised for the period ended 30 June 2024 (31 December 2023: nil).

9. MINERAL EXPLORATION AND EVALUATION COSTS

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Balance at beginning of financial period	1,848	2,242
Additions	1,975	2,618
Exploration write-off	–	(300)
Reclassification to mine properties	(1,616)	(2,047)
Net foreign exchange movement	(36)	(665)
	<u>2,171</u>	<u>1,848</u>
Total mineral exploration and evaluation expenditure	<u>2,171</u>	<u>1,848</u>

The recoverability of the carrying amount of exploration and evaluation is dependent on the successful development and commercial exploitation, or alternatively through the sale of the respective area of interest.

10. RIGHT-OF-USE ASSETS

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Gross carrying amount – at cost	791	2,551
Less accumulated depreciation and impairment	<u>(562)</u>	<u>(1,310)</u>
Net carrying amount	<u>229</u>	<u>1,241</u>

Reconciliations

Reconciliations of the carrying amounts of right-of use asset classes at the beginning and end of the period:

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
<i>Property</i>		
Carrying amount at beginning of period	172	176
Additions	27	89
Depreciation	(53)	(85)
Net foreign exchange movement	<u>(12)</u>	<u>(8)</u>
Carrying amount at end of period	<u>134</u>	<u>172</u>
<i>Plant and equipment</i>		
Carrying amount at beginning of period	1,069	1,355
Additions	–	67
Net cancellation of right-of-use asset ¹	(938)	–
Depreciation	(20)	(437)
Net foreign exchange movement	<u>(16)</u>	<u>84</u>
Carrying amount at end of period	<u>95</u>	<u>1,069</u>
Total right-of-use assets	<u>229</u>	<u>1,241</u>

¹ Associated with the cancellation of Crusher lease in Finland following successful completion of arbitration proceedings.

The Group's lease liabilities are included in interest-bearing liabilities at note 13.

11. TRADE AND OTHER PAYABLES

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Trade payables and accruals	<u>4,524</u>	<u>7,967</u>

Ageing Analysis

An aged analysis of the trade creditors and accruals as at the end of the reporting period, based on invoice date, is as follows:

Within 1 month	4,522	7,967
1 to 2 months	2	–
2 to 3 months	–	–
Over 3 months	–	–
	<u>4,524</u>	<u>7,967</u>
Trade payables and accruals	<u>4,524</u>	<u>7,967</u>

12. PROVISIONS

	At 30 Jun 2024 AU\$'000 (Unaudited)	At 31 Dec 2023 AU\$'000 (Audited)
Current		
Employee entitlements	1,600	1,726
Rehabilitation	1,733	350
Other	–	146
	<u>3,333</u>	<u>2,222</u>
Non-current		
Employee entitlements	21	35
Rehabilitation	25,964	26,611
	<u>25,985</u>	<u>26,646</u>
<i>Rehabilitation movement</i>		
Balance at 1 January	26,961	30,791
Net increase/(decrease) in rehabilitation provision	615	(4,143)
Rehabilitation expenditure during the period	–	(934)
Discount unwinding	572	933
Net foreign exchange movement	(451)	314
	<u>27,697</u>	<u>26,961</u>
Balance at 30 June	<u>27,697</u>	<u>26,961</u>

The provisions for rehabilitation are recorded in relation to the gold mining operations for the rehabilitation of the disturbed mining area to a state acceptable to various Swedish and Finnish authorities. While rehabilitation is performed progressively where possible, final rehabilitation of the disturbed mining area is not expected until the cessation of production. Accordingly, the provisions are expected to be settled primarily at the end of the mine life, although some amounts will be settled during the mine life. Rehabilitation provisions are estimated based on survey data, external contracted rates, and the timing of the current mining schedule. Provisions are discounted based on rates that reflect current market assessments of the time value of money and the risks specific to that liability. The discount rate utilised for Finland at 30 June 2024 was 4.3% (31 December 2023: 4.5%) and in Sweden was 3.8% (31 December 2023: 4.0%). Additions during the relevant periods to the rehabilitation provision include obligations that do not have an associated mining asset recognised at the end of the reporting date and in this instance the increase in the provision is recognised as an expense in the profit and loss account for the period. The long-term inflation rates are 2.1% and 1.8% in Finland and Sweden, respectively (31 December 2023: 2.0% and 2.2%).

Svartliden Closure Plan

As at 30 June 2024, there have been no changes to the acid forming characteristics of the waste rock area included in the Group's Svartliden Closure Plan. On 18 November 2019, the Company submitted its appeal to the Court of Appeal ("COA") challenging, amongst other things, the additional security required by the Swedish Land and Environment Court ("LEC") for an engineered cover to the entire waste rock area. On 25 February 2022, the COA determined further studies are required to reduce the level of uncertainty in the investigations before it can consider the Environmental Protection Agency's ("EPA") request for additional collateral security.

The Company has since proposed a new investigation and provisional conditions including a provisional CPI increase of the current SEK 32.6 million (approximately AU\$4.6 million) collateral security bond by SEK 11.4 million (approximately AU\$1.6 million) to SEK 44.0 million (approximately AU\$6.2 million). The County Administration Board ("CAB") have stated that the provisional bond amount should be SEK 52.0 million (approximately AU\$7.4 million) while the EPA maintain the proposed conditions are insufficient and the security bond amount should be SEK 74.0 million (approximately AU\$10.5 million). There have been no further material developments as at the date of this announcement.

Vammala Environmental Permit

On 22 January 2024, the Supreme Administrative Court upheld the Vammala Environmental Permit but required additional environmental impact monitoring, an updated plan on the cessation of operations and an evaluation of whether the operations have caused damages to private individuals. The Company has included the financial impact of the ruling in its provision for rehabilitation at 30 June 2024.

The Group continues to complete progressive rehabilitation at all its sites. Rehabilitation expected to be undertaken in the subsequent reporting period has been recognised as a current liability.

13. INTEREST BEARING LIABILITIES

	At 30 Jun 2024 <i>AU\$'000</i> (Unaudited)	At 31 Dec 2023 <i>AU\$'000</i> (Audited)
Current		
Lease liabilities	<u>151</u>	<u>603</u>
Non-current		
Lease liabilities	<u>74</u>	<u>697</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period.

	At 30 Jun 2024 <i>AU\$'000</i> (Unaudited)	At 31 Dec 2023 <i>AU\$'000</i> (Audited)
As at 1 January	1,300	1,449
Additions	28	186
Payments	(88)	(526)
Reverse accrued payments ¹	(861)	–
Net foreign exchange movement	<u>(154)</u>	<u>191</u>
As at 30 June	<u>225</u>	<u>1,300</u>

¹ Reversal of accrued payments associated with cancellation of Crusher agreement.

Loan facility

The Company has an unsecured AU\$27.0 million loan facility with AP Finance Limited (“Loan Facility”). On 27 June 2024, the Company extended the expiry date of its Loan Facility from 30 June 2025 to 31 December 2025. All other terms and conditions remain unchanged. The Company has not made any drawdowns at the date of this announcement. The Loan Facility is available for immediate draw down if required.

14. CONTRIBUTED EQUITY

	At 30 Jun 2024	At 31 Dec 2023	At 30 Jun 2024	At 31 Dec 2023
	<i>Number of Shares</i>		<i>AU\$'000</i>	
Share capital				
Ordinary shares fully paid	158,096,613	158,096,613	140,408	140,408
	At 30 Jun 2024		At 31 Dec 2023	
Movements in issued capital	<i>AU\$'000</i>	<i>No. of Shares</i>	<i>AU\$'000</i>	<i>No. of Shares</i>
At 1 January	140,408	158,096,613	140,420	158,171,613
Share buy back and cancellation	—	—	(12)	(75,000)
Balance at 30 June	<u>140,408</u>	<u>158,096,613</u>	<u>140,408</u>	<u>158,096,613</u>

15. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible notes). There have been no post balance sheet movements impacting the diluted earnings per share.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30 Jun 2024	30 Jun 2023
Basic and diluted earnings per share		
Profit used in calculation of basic and diluted earnings per share (AU\$'000)	<u>1,971</u>	<u>26</u>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	<u>158,096,613</u>	<u>158,126,481</u>
Basic and diluted earnings per share (cents)	<u>1.25</u>	<u>0.02</u>

16. DIVIDENDS

The Board resolved not to declare any interim dividend for the period ended 30 June 2024 (30 June 2023: nil).

17. RELATED PARTY TRANSACTIONS

a) Subsidiaries

The consolidated financial statements include the financial statements of Dragon Mining Limited and the subsidiaries listed in the following table:

Name of Entity	Incorporation	Class	Equity Holding	
			2024	2023
			%	%
Dragon Mining (Sweden) AB	Sweden	Ordinary	100	100
Viking Gold & Prospecting AB	Sweden	Ordinary	100	100
Dragon Mining Oy	Finland	Ordinary	100	100
龍資源有限公司 (Dragon Mining Limited) ¹	Hong Kong	Ordinary	100	100

¹ For translation purposes

b) Transactions with related parties

Except as disclosed elsewhere in the notes to the consolidated financial statements, the Company has the following transactions with related parties that are also exempted from the continuing connected transactions disclosures according to Rules 14A.73(6) and 14A.73(8) of the Listing Rules.

- (i) The Company has effected Directors' and Officers' Liability Insurance.
- (ii) In addition to his role as the Company's Chief Financial Officer, Mr. Daniel Broughton provides Chief Financial Officer services (CFO Services) and the Company also provides administrative services (Administrative Services) including offering the use of certain space in the Company office premises located in Perth, Australia as its registered office to ASX listed gold explorer, Tanami Gold NL (Tanami) and ASX listed base metals mining and exploration company Metals X Limited (Metals X). Tanami is an associate of APAC Resources Limited, a substantial shareholder of the Company, and hence a connected person of Dragon Mining pursuant to Rule 14A.07 of Chapter 14A of the Listing Rules. Tanami is a Company of which Messrs Dew, Smith and Procter, the Company's Non-Executive Chairman, Executive Director, and Independent Non-Executive Director are also Non-Executive Directors. Metals X is a Company of which Mr. Brett Smith is also Executive Director.

- (iii) The provision of services to Tanami commenced from 8 September 2014. During the period, the Company charged Tanami AU\$55,500 (30 June 2023: AU\$55,909) for CFO Services of which AU\$9,250 was outstanding at 30 June 2024 (30 June 2023: nil) and AU\$63,313 (30 June 2023: AU\$62,485) for Administration Services of which AU\$10,552 was outstanding at 30 June 2024 (30 June 2023: nil).
- (iv) The provision of services to Metals X commenced from 1 December 2020. During the period, the Company charged Metals X AU\$86,233 (2022: AU\$59,164) for CFO Services of which AU\$10,672 was outstanding at 30 June 2024 (30 June 2023: nil) and AU\$210,549 (30 June 2023: AU\$167,453) for Administration Services of which AU\$31,392 was outstanding at 30 June 2024 (30 June 2023: nil). The increase in Administration Services provided to Metals X relates to the provision of increased accounting services.
- (v) The Company and Allied Group Limited (“**AGL**”) have a sharing of administrative and management services agreement (“**Agreement**”) pursuant to which, the Company agrees to engage AGL and AGL agrees to provide or procure its agents or nominees to provide administrative and management services as set out in the Agreement to the Company and its subsidiaries. As at 30 June 2024, AGL owns 45.36% (30 June 2023: 43.50%) interest in APAC Resources Limited (“**APAC**”), an entity with significant influence over the Group, for an indirect interests of 28.84% (30 June 2023: 28.84%). The Agreement was renewed on 23 December 2022 for a term of three years commenced on 1 January 2023 and ending 31 December 2025. During the period, AGL charged the Company HK\$123,000 or AU\$23,975 (30 June 2023: HK\$108,000 or AU\$20,681) for administrative and management services of which HK\$30,000, or AU\$5,801 was outstanding at 30 June 2024 (30 June 2023: HK\$32,000 or AU\$6,217).
- (vi) The Company has an unsecured AU\$27.0 million loan facility with AP Finance Limited (“**Lender**”). The Lender is a wholly owned subsidiary of AGL. As at 30 June 2024, AGL owns 45.36% (30 June 2023: 43.50%) interest in APAC, an entity with significant influence over the Group, with an indirect interest of 28.84% (30 June 2023: 28.84%).

Entity with significant influence over the Group

As at 30 June 2024, the following entities have significant influence over the Group:

- (i) Allied Properties Resources Limited (“**APRL**”), a wholly owned subsidiary of APAC, owns 45,596,727 (30 June 2023: 45,596,727) ordinary shares of the Company for an interest of 28.84% (30 June 2023: 28.84%).
- (ii) Sincere View International Limited owns 31,111,899 (30 June 2023: 31,111,899) ordinary shares of the Company for an interest of 19.59% (30 June 2023: 19.59%).

18. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are used by the chief operating decision makers in assessing performance and determining the allocation of resources.

The Group has identified its operating segments to be Finland and Sweden, based on geographical location, different national regulatory environments, and different end products. Dragon Mining Oy in Finland produces concentrate from the Vammala Production Centre and, processed ore from the Jokisivu Gold Mine. Dragon Mining (Sweden) AB, the primary entity operating in Sweden, produces gold bullion from concentrate at the Svartliden Production Centre.

Discrete financial information about each of these operating segments is reported to the Board and executive management team (the chief operating decision makers) on at least a monthly basis.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the consolidated annual financial statements.

Segment results include management fees and interest charged on intercompany loans, both of which are eliminated in the Group result. They also include foreign exchange movements on intercompany loans denominated in AUD, and external finance costs that relate directly to segment operations. This segment results also include intercompany sales of concentrate which occur at rates that reflect market value.

Unallocated corporate costs are non-segmental expenses such as head office expenses and finance costs that do not relate directly to segment operations.

Disaggregation of revenue and major customers

External sales in Finland relate to concentrate from the Vammala Production Centre in Finland. These sales are all made under an ongoing arrangement to one customer within the Group and the quantity of concentrate sales is agreed by the parties in advance of delivery.

Inter-segment sales in Finland relate to concentrate on-sold to the Svartliden Processing Centre for further processing.

External sales in Sweden relate to gold bullion sold on-market through National Australia Bank.

The Group's segments reflect the disaggregation of revenue by geography and product types as described above.

	Sweden At 30 Jun 2024 AU\$'000	Finland At 30 Jun 2024 AU\$'000	Unallocated At 30 Jun 2024 AU\$'000	Total At 30 Jun 2024 AU\$'000
Segment revenue				
Gold sales to external customers	30,678	–	–	30,678
Inter-segment sales	–	25,125	–	25,125
Elimination of inter-segment revenue	–	–	(25,125)	(25,125)
Total revenue	30,678	25,125	(25,125)	30,678
Other revenue				
Interest revenue	5	241	84	330
Total other revenue	5	241	84	330
Other income				
Net gain from cancellation of Crusher agreement	–	1,550	–	1,550
Other income	–	28	447	475
Total other income	–	1,578	447	2,025
Interest expense				
Finance costs	–	35	4	39
Unallocated interest expense	–	–	5	5
Total interest expense	–	35	9	44
Depreciation and amortisation	463	2,780	38	3,281
Total depreciation and amortisation	463	2,780	38	3,281
Other significant non-cash movements				
Fair value gain on financial assets	–	310	–	310
Total other significant non-cash movements	–	310	–	310

	Sweden At 30 Jun 2024 AU\$'000	Finland At 30 Jun 2024 AU\$'000	Unallocated At 30 Jun 2024 AU\$'000	Total At 30 Jun 2024 AU\$'000
Segment result				
Pre-tax segment result	(488)	3,822	–	3,334
Income tax expense	–	(978)	–	(978)
Post-tax segment result	<u>(488)</u>	<u>2,844</u>	<u>–</u>	<u>2,356</u>
Unallocated items:				
Corporate interest revenue				84
Corporate services revenue				447
Corporate costs				(1,775)
Finance costs				(9)
Foreign exchange loss				183
Elimination of inter-company interest, expense, and management fees in segment results				<u>685</u>
Profit after income tax as per the consolidated interim statement of profit or loss				<u>1,971</u>
	Sweden At 30 Jun 2024 AU\$'000	Finland At 30 Jun 2024 AU\$'000	Australia At 30 Jun 2024 AU\$'000	Total At 30 Jun 2024 AU\$'000
Non-current assets by geographic location	<u>29,741</u>	<u>27,272</u>	<u>203</u>	<u>57,216</u>
	Sweden At 30 Jun 2023 AU\$'000	Finland At 30 Jun 2023 AU\$'000	Unallocated At 30 Jun 2023 AU\$'000	Total At 30 Jun 2023 AU\$'000
Segment revenue				
Gold sales to external customers	33,156	(1)	–	33,155
Inter-segment sales	–	22,984	–	22,984
Elimination of inter-segment revenue	–	–	(22,984)	(22,984)
Total revenue	<u>33,156</u>	<u>22,983</u>	<u>(22,984)</u>	<u>33,155</u>
Other revenue				
Interest revenue	<u>12</u>	<u>193</u>	<u>1</u>	<u>206</u>
Total other revenue	<u>12</u>	<u>193</u>	<u>1</u>	<u>206</u>

	Sweden At 30 Jun 2023 AU\$'000	Finland At 30 Jun 2023 AU\$'000	Unallocated At 30 Jun 2023 AU\$'000	Total At 30 Jun 2023 AU\$'000
Interest expense				
Segment interest expense	–	1	3	4
Total interest expense	–	1	3	4
Depreciation and amortisation	178	5,069	38	5,285
Total depreciation and amortisation	178	5,069	38	5,285
Segment result				
Pre-tax segment result	(241)	1,614	–	1,373
Income tax expense	–	(623)	–	(623)
Post-tax segment result	(241)	991	–	750
Unallocated items:				
Corporate services revenue				239
Corporate costs				(1,396)
Finance costs				(14)
Elimination of inter-company interest, expense, and management fees in segment results				447
Profit after income tax as per the consolidated interim statement of profit or loss				26
	Sweden At 30 Jun 2023 AU\$'000	Finland At 30 Jun 2023 AU\$'000	Australia At 30 Jun 2023 AU\$'000	Total At 30 Jun 2023 AU\$'000
Non-current assets by geographic location	28,913	29,422	214	58,549

19. EXPENDITURE COMMITMENTS

a) Exploration commitments

Due to the nature of the Consolidated Entity's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the Consolidated Entity can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments. The approximate minimum level of exploration requirements to retain current tenements in good standing is detailed below.

	At 30 Jun 2024 AU\$'000	At 30 Jun 2023 AU\$'000
Within one year	86	28
One year or later and no later than five years	<u>241</u>	<u>200</u>
	<u>327</u>	<u>228</u>

b) Capital commitments

Commitments relating to the acquisition of equipment contracted for but not recognised as liabilities are as follows:

	At 30 Jun 2024 AU\$'000	At 30 Jun 2023 AU\$'000
Within one year	–	433
One year or later and no later than five years	<u>–</u>	<u>803</u>
	<u>–</u>	<u>1,236</u>

c) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities are as follows:

	At 30 Jun 2024 AU\$'000	At 30 Jun 2023 AU\$'000
Within one year	667	651
One year or later and no later than five years	<u>2,667</u>	<u>2,603</u>
	<u>3,334</u>	<u>3,254</u>

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of Directors and Executives. Directors and Executive Officers Remuneration that are not recognised as liabilities are not included in the Directors' or Executives' remuneration.

20. SIGNIFICANT EVENTS AFTER PERIOD END

There are no significant events after period end as at the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Nature of operations and principal activities

The Group comprises Dragon Mining Limited (“**Dragon Mining**” or the “**Company**”), the parent entity, and its subsidiaries (together referred to as the “**Group**”). Of these subsidiaries, the operating entities are Dragon Mining (Sweden) AB in Sweden and Dragon Mining Oy in Finland. Dragon Mining is an Australian company listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The Group operates gold mines and processing facilities in Finland and Sweden. In Finland, the Vammala Production Centre (“**Vammala**”) consists of a conventional 300,000 tonnes per annum crushing, milling and flotation plant (“**Vammala Plant**”), the Jokisivu Gold Mine (“**Jokisivu**”), the Orivesi Gold Mine (“**Orivesi**”) which ceased production in June 2019, and the Kaapelinkulma Gold Mine (“**Kaapelinkulma**”) which ceased production in April 2021, and the Uunimäki Gold Project (“**Uunimäki**”). Annual production from Finland is in the range of 20,000 to 30,000 ounces of gold in concentrate depending on the grade of ore and gold concentrate feed.

In Sweden, the operation is known as the Svartliden Production Centre (“**Svartliden**”), consisting of a 300,000 tonnes per annum carbon-in-leach processing plant (“**Svartliden Plant**”) together with the closed Svartliden Gold Mine (mining completed in 2013), and the Fäboliden Gold Mine (“**Fäboliden**”) where a campaign of test-mining was completed in September 2020.

The principal activities of the Group during the period were:

- Gold mining, and processing ore in Finland;
- Processing gold concentrate in Sweden; and
- Exploration, evaluation, and development of gold projects in the Nordic region.

There have been no significant changes in those activities during the period.

Health and Safety

Safety is one of the Group's main priorities, and every effort is made to safeguard the health and wellbeing of the Group's employees and contractors, together with the people in the communities in which the Group operates. The Group aims to go beyond what is expected to meet local health and safety legislation. This is because the Group cares for the people who work for it and also because safety is essential to an operationally sound business. The Group's Code of Conduct clearly communicates its commitment towards protecting employee health and safety including conflict resolution and fair dealing.

The Group strives to maintain its safety culture through its leadership team, which delivers a clear safety message to all employees. The Group has well documented safety procedures and visible safety boards located at its operations. Safety inductions to new employees and service agreements for suppliers of goods and services promote the Group's safety culture.

The Group maintains a significant number of health and safety measures, which are implemented upon commissioning of new equipment and monitored by way of periodic inspections. Prior to commissioning, each piece of equipment and machinery is subjected to a start-up check to ensure it meets the safety standards.

The Group reports the Lost Time Injury Frequency Rate ("LTIFR") to measure workplace safety and track the Group's implemented safety scheme. Lost Time Injuries ("LTI") are injuries that have occurred in the workplace and where an employee requires time off to recover. Calculating the frequency provides a key metric to track over time and compare against peers within the mining industry.

During the period, no LTI occurred at any the Group's operations. Vammala and Jokisivu recorded 281 and 513 LTI free days, respectively. In Sweden, Svartliden recorded 3,012 days LTI free and Fäboliden 1,996 days LTI free.

	30 Jun 2024	30 Jun 2023
Lost Time Injury Frequency Rate	<u>10.7</u>	<u>32.2</u>

The LTIFR calculation is based on the number of injuries resulting in one lost shift sustained over a specific period per 1,000,000 work hours worked by all employees including sub-contractors over that period.

The Group has not sustained any work-related fatalities at any of its operations since its incorporation.

OPERATIONS OVERVIEW

Finland Operations

Vammala Plant

During the period, 100% of the Vammala mill feed was sourced from Jokisivu. The Vammala Plant treated 140,523 tonnes of ore (30 June 2023: 166,330 tonnes) with an average head grade of 2.17 g/t gold (30 June 2023: 2.28 g/t) and achieved a process recovery of 83.1% (30 June 2023: 84.8%) to produce 8,164 ounces of gold in concentrate (30 June 2023: 10,295 ounces).

Vammala Production Centre **30 Jun 2024** 30 Jun 2023

Ore mined (tonnes)	153,869	178,712
Mined grade (g/t gold)	2.43	2.37
Ore milled (tonnes)	140,523	166,330
Head grade (g/t gold)	2.17	2.28
Process recovery (%)	83.1%	84.8%
Gold production (oz)	8,164	10,295

Jokisivu Gold Mine

During the period, stope production came from Kujankallio mining panels 570 and 645. Meanwhile, new zones at Kujankallio were being developed between the 85m and 145m levels along with the development of the Arpola 280 mining panel. Total ore mined from Jokisivu was 153,869 tonnes at 2.43 g/t gold; 98,730 tonnes of ore came from ore stopes (30 June 2023: 86,217 tonnes) and the remaining 55,139 tonnes of ore came from ore development (30 June 2023: 92,495 tonnes).

Jokisivu Gold Mine
30 Jun 2024 30 Jun 2023

Ore mined (tonnes)	153,869	178,712
Mined grade (g/t gold)	2.43	2.37

During the period, mining at Jokisivu focussed on developing the Arpola decline. Development of the Arpola decline progressed 323 metres from the 242m level to the 282m level.

Kaapelinkulma Gold Mine

Mining activities ceased in April 2021, and all stripping costs incurred during the development phase as part of the depreciable cost of building, developing, and constructing the mine have been fully amortised.

The Group is exploring the possibility of utilising waste rock outside the mine area as an aggregate. Should the waste rock use case become uneconomic, the Company will commence closure works and landscaping of the waste rock area in 2025.

The Group maintains valid exploration tenure at Kaapelinkulma, further details are provided later in the Advanced Projects and Exploration Review from page 47 to page 53.

Orivesi Gold Mine

Mining activities at Orivesi ceased in June 2019. The Company is awaiting approval of its Orivesi Closure Plan before it can commence rehabilitation work.

The Group maintains valid exploration tenure at Orivesi with exploration and evaluation activities in the area able to be continued.

Uunimäki Gold Project

The Uunimäki Gold Project (“**Uunimäki**”) is located 80 kilometres southwest of Tampere in the Satakunta region in southern Finland. The Uunimäki gold occurrence was discovered by the Geological Survey of Finland (“**GTK**”) during 2008. It represents an advanced gold opportunity within trucking distance to the Company’s Vammala Plant.

The Company maintains a legally valid Exploration Licence covering 89.22 hectares, which fully encompasses the Uunimäki gold occurrence. It is envisaged the Company will commence drilling at Uunimäki in 2025. No exploration drilling was undertaken during the current period.

Sweden Operations

Svartliden Production Centre

Svartliden is located in northern Sweden, approximately 750 kilometres by road north of Stockholm. It was established as part of an integrated operation comprising the Svartliden Plant and the Svartliden open-pit and underground gold mining operation (“**Svartliden Gold Mine**”). Brought into production in March 2005, Svartliden produced a total of 399,676 ounces of gold from the Svartliden Gold Mine; external concentrates up to the end of 2016; and ore from the test-mining campaign at Fäboliden.

Svartliden Plant

During the period, 100% of the Vammala flotation concentrate was processed at the Svartliden Plant, which has continued to operate at below break-even to ensure the retention of staff and operational facilities in readiness for the resumption of ore processing when full-scale mining at Fäboliden is achieved. Gold production from concentrate was impacted by 3.0% decrease in flotation concentrate tonnes milled and a 16.0% lower head grade to produce 8,650 ounces of gold from concentrate (30 June 2023: 9,451 ounces of gold from concentrate).

	Svartliden Plant	
	30 Jun 2024	30 Jun 2023
Vammala flotation concentrate milled (tonnes)	2,734	2,819
Concentrate process recovery (%)	95.8%	95.2%
Head grade (g/t gold)	92.4	109.7
Gold production from concentrate (oz)	8,650	9,451

Fäboliden Gold Mine

Fäboliden is located in northern Sweden, approximately 30 kilometres southeast of the Svartliden Plant. The Company conducted test-mining activities at Fäboliden from May to September 2019 and June to September 2020. During October and November 2021, further low-grade stockpiled material remaining on the surface from test-mining, was transported to Svartliden.

The Svartliden Plant has processed a total of 126,238 tonnes of ore from Fäboliden with an average grade of 2.5 g/t gold and a process recovery of 79.9% to produce 8,068 ounces of gold. The processing of Fäboliden ore from test-mining at the Svartliden Plant was completed in November 2021.

Overburden and pre-stripping costs incurred during the development phase of the test mine have been capitalised as part of the depreciable cost of building, developing, and constructing the mine. These capitalised costs will be depreciated over the life of the mine based on units of production. All capitalised costs that related only to test-mining have been fully written off.

Refer to the Permitting section covered under Operational Risks for further information on the Group's Environmental Permit to commence full-scale mining at Fäboliden.

Employees

The total number of employees and contractors of the Group as at 30 June 2024 was 72 (30 June 2023: 73). Total staff costs including Directors' emoluments amounted to AU\$4.8 million (30 June 2023: AU\$4.4 million). The Group periodically reviews remuneration packages. The Directors' service fees were reviewed and approved by the Remuneration Committee on 22 November 2022. The remuneration packages for our employees generally include a basic salary component and, in certain circumstances, performance-related incentive payments. We determine employee remuneration based on factors such as qualifications and years of experience, whilst the amount of annual incentive payment will be assessed and determined by the Remuneration Committee and the Board against the key performance indicators achieved. We also provide our employees with welfare benefits, including pension and healthcare, as well as other miscellaneous benefits. We provide training to our employees to improve the skills and professional knowledge they need for our operations and their personal development, including an initial training induction on work safety and environmental protection upon entering the Group, and prior to each exploration or operational activity.

Environment, Social and Governance

Dragon Mining has a robust, comprehensive system of governance. The Company views this as essential to the ongoing operation of the Company, and to balancing the interests of the Company's various stakeholders, including shareholders, customers, suppliers, Governments, and the various communities in which the Group operates.

The Group's performance is reported annually and reviewed by the Audit and Risk Management Committee and the Board. Details are outlined in the "Risk Management and Internal Control" section in the Corporate Governance Report included in the Company's published 2023 Annual Report.

The Board retains overall responsibility for the Group's ESG management and is committed to operating in a manner that contributes to the sustainable development of mineral resources through efficient, balanced, long-term management, while showing due consideration for the well-being of people; protection of the environment; and development of the local and national economies in the countries in which the Group operates.

The Group recognises its responsibility for minimising the impact of its activities on, and protecting, the environment. The Group is committed to developing and implementing sound practices in environmental design and management and actively operates to:

- work within the legal permitting framework and operate in accordance with our environmental management systems.
- identify, monitor, measure, evaluate and minimise our impact on the surrounding environment.
- give environmental aspects due consideration in all phases of the Groups mining projects, from exploration through to development, operation, production, and final closure; and
- act systematically to improve the planning, execution, and monitoring of its environmental performance.

Refer to the Environmental Review on pages 59 to 67 for discussion on the Group's compliance with relevant laws and regulation that have a significant impact on the Group.

The Company's approach to ESG Governance and Reporting is in accordance with Appendix C2, Environmental, Social and Governance Reporting Guide of the Listing Rules.

On 12 June 2024, the Group's Finnish entity, Dragon Mining Oy ("**DOY**") submitted its towards sustainable mining self-evaluation and social responsibility reports to Towards Sustainable Mining ("**TSM**") Finland network for approval. The report will be updated and published once a year on the TSM network website at <https://kaivosvastuu.fi/kaivostoiminta/2022-dragon-mining-oy>.

The Company's 2023 ESG Report is available on the Company's website at www.dragonmining.com (under the section Investor and Sustainability respectively) and www.irasia.com/listco/hk/dragonmining/index.htm (under section ESG Reports).

Operational Risks

The Group faces operational risks on an ongoing basis. The Company has adopted policies and procedures designed to manage and mitigate those risks wherever possible. However, it is not possible to avoid or even manage all possible risks. Some of the operational risks are outlined below but the total risk profile, both known and unknown, is more extensive.

Safety

LTI, serious workplace accidents or significant equipment failures may lead to harm to the Company's employees or other persons; temporary stoppage or closure of an operating mine; delays to production schedules and disruption to operations; with material adverse impact on the business.

The Company continues to work closely with all stakeholders to promote continuous safety improvements and Occupational Health and Safety (“**OH&S**”), with due consideration to evolving knowledge and technology, management practices and community expectations. The Group ensures it maintains compliance with the applicable laws, regulations, and standards of the countries, it operates in by:

- (i) improving and monitoring OH&S performance.
- (ii) training and ensuring its employees and contractors understand their obligations and are held accountable for their responsibilities.
- (iii) communicating and openly consulting with employees, contractors, government, and the community on OH&S issues; and
- (iv) developing risk management systems to appropriately identify, assess, monitor, and control hazards in the workplace.

Production

All of the Group's ore production for the period came from Jokisivu. The Company intends to submit a new application for an Environmental Permit to commence full-scale mining activities at Fäboliden to the Land and Environmental Court which includes additional measures to mitigate the concerns of the Land and Environmental Court. Any delays in the Company's new application for an Environmental Permit may adversely impact the Company's full year results for 2024.

The process recovery rate and production costs are dependent on many technical assumptions and factors, including the geological, physical, and metallurgical characteristics of ores. Any change in these assumptions and factors may have an adverse effect on the Group's production volume or profitability. Actual production may vary from expectation for a variety of reasons, including grade and tonnage. Plant breakdown or availability and throughput restraints may also affect the operation.

Permitting

The Group may encounter difficulties in obtaining all permits necessary for its exploration, evaluation, and production activities at its existing operations or pre-production assets. It may also be subject to ongoing obligations to comply with permit requirements, which can incur additional time and costs.

Vammala Permit

On 22 January 2024, the Supreme Administrative Court upheld the Vammala Environmental Permit, which amends the Vammala Plant production capacity from approximately 300,000 tonnes per annum to a maximum of 300,000 tonnes per annum.

Fäboliden Environment Permit Application

The Company submitted its Environmental Permit application for full-scale mining activities at Fäboliden to the Swedish Land and Environment Court ("**LEC**") in July 2018. The main hearing was held during April 2022. No material problems were indicated by the LEC, or the County Administration Board ("**CAB**"), who stated the permit is permissible on their suggested permit conditions.

On 28 June 2022, the LEC issued its ruling, and while the Environmental Impact Assessment (“EIA”) was approved, the Environmental Permit application was rejected. The LEC cited the impact that ore transport may have on reindeer herding and property owners along the public road and questioned the necessity of gold mining in general. In addition, some species protection issues were raised along with the court finding the water quality and discharge limit investigations difficult to understand.

Following the advice of its lawyers, the Company believes the impact of ore transportation can be mitigated through the application of measures, restrictions, and other conditions. The Company submitted a detailed appeal to Land and Environment Court of Appeal (“COA”) on 15 December 2022, which was denied on 14 March 2023. The COA did not provide the reasons for its decision.

The Company further appealed the COA decision to the Swedish Supreme Court on 6 April 2023, based on the same legal grounds as the initial appeal. On 11 June 2024, the Supreme Court rejected the Company’s application for leave to appeal. While this outcome was not unexpected, the Supreme Court did not provide the reasons for its decision.

Notwithstanding that the EIA has already been approved and the mining concession remains valid and in place, the path to production for Fäboliden must now be via a revised application to the LEC. The revised application will be updated to include the Company’s measures aimed to mitigate the LEC concerns issued in its ruling on 28 June 2022.

This revised application process is estimated to take 2 years, however significant further delay could materially and adversely affect the Company’s profitability. Such delays would likely require the Company to re-evaluate the continued operation of Svartliden.

FINANCIAL REVIEW

The Group’s operations for the period ended 30 June 2024 returned a profit before tax of AU\$2.9 million (30 June 2023: profit before tax AU\$0.7 million) and a profit after tax of AU\$2.0 million (30 June 2023: profit after tax AU\$0.02 million).

Such an improvement in net profit after tax when compared to the Corresponding Period is primarily attributable to higher average gold prices achieved over the Reporting Period and the following factors:

- (a) lower production-based depreciation and amortisation charges during the Reporting Period due to:
 - changes to the Vammala Permit limiting throughput to a maximum of 300,000 tonnes per annum; and
 - breakdown of the Vammala Plant ball mill during Q1 CY2024.
- (b) other income of AU\$1.6 million representing a net gain from cancellation of the Crusher agreement; and
- (c) recognition of the fair value gain on the Groups holding of 2,582,910 shares in Aurion Resources Limited (TSXV: AU) during the Reporting Period.

Revenue from Customers

The Group sold 9,025 ounces of gold which represents a 22.2% decrease in gold ounces sold for the period (30 June 2023: 11,599 ounces of gold sold). The impact on revenue was partially offset by a 14.2% higher average gold price achieved for the period of US\$2,208 per ounce of gold (30 June 2023: US\$1,933 per ounce of gold). As a result, revenue from customers was lower at AU\$30.7 million for the period (30 June 2023: AU\$33.2 million).

Cost of Sales

Cost of sales includes mining, processing, other production costs, gold inventory movements, depreciation expense and rehabilitation expense as follows:

	30 Jun 2024	30 Jun 2023	% Change
Total gold sold (oz)	9,025	11,599	(22.2%)
Total gold produced (oz)	8,164	10,295	(20.7%)
	30 Jun 2024	30 Jun 2023	% Change
	<i>AU\$'000</i>	<i>AU\$'000</i>	
Cost of sales			
(i) Mining costs	12,877	12,260	5.0%
(ii) Processing costs	9,486	8,197	15.7%
Other production costs	350	723	(51.6%)
(iii) Gold inventory movements	916	2,781	(67.1%)
(iv) Depreciation expense	3,171	5,187	(38.9%)
Total cost of sales	26,800	29,148	(8.1%)

- (i) Mining costs increased by 5.0% when compared to the previous period. Despite a 13.9% decrease in ore tonnes mined. Mining costs were impacted by increased ground support and the higher cost associated with mining at depth. The Group's Finnish operations mined 153,869 ore tonnes from Jokisivu (30 June 2023: 178,712 ore tonnes) at an average cost of AU\$83.84 per ore tonne mined (30 June 2023: AU\$68.51 per ore tonne mined) representing an increase of 22.4% per ore tonne mined.
- (ii) Group processing costs increased by 15.7%, which includes both Vammala and Svartliden. Vammala processing costs were AU\$5.4 million (30 June 2023: AU\$4.4 million) representing an increase of 22.7% Vammala processed 140,523 ore tonnes (30 June 2023: 166,330 ore tonnes) representing a decrease of 15.5%. Vammala processing unit costs were AU\$38.43 per ore tonne milled (30 June 2023: AU\$26.20 per ore tonne milled), an increase of 46.7%. Svartliden processed 2,734 tonnes of concentrate at 92.4g/t from Vammala (30 June 2023: 2,819 tonnes of concentrate at 110.0g/t), a decrease of in tonnes 3.0% and 16% in grade. Svartliden processing costs increased by 10.1% to AU\$1,499.63 per tonne of concentrate for the period (30 June 2023: AU\$1,361.78 per tonne of concentrate).

- (iii) When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. During the period, the Group sold more gold than it produced. The decrease in gold inventory resulted in AU\$0.9 million of costs being recycled from inventory to cost of sales (30 June 2023: AU\$2.8 million). Fluctuations in inventory levels and value are a normal part of the Group's business operations which stem from the timing of gold pours, shipments, grade, and ore source impacting leaching and residence times, and inventory valuations.
- (iv) Depreciation is incurred on a unit of production basis and is aligned to mined or milled tonnes over Ore Reserves, dependent on the class of asset. Production-based depreciation and amortisation charges were lower during the period due to:
- changes to the Vammala Permit limiting throughput to a maximum of 300,000 tonnes per annum; and
 - breakdown of the Vammala Plant ball mill during Q1 CY2024.

Gross Profit

A 7.5% decrease in revenue from customers and a 8.1% decrease in cost of sales delivered a gross profit margin of 12.6% for the period (30 June 2023: gross profit margin of 12.1%).

Management and Administration and Other Expenses

Other expenses include corporate costs, and rehabilitation provision changes associated with the Group's non-producing assets recognised directly in profit or loss and depreciation of non-mining assets.

There were no evaluation costs written off as part of the Group's regular review of capitalised exploration and evaluation costs.

Working Capital, Liquidity and Gearing Ratio

At 30 June 2024, the Group had net assets of AU\$69.4 million (31 December 2023: AU\$68.8 million); a working capital surplus of AU\$38.3 million (31 December 2023: surplus AU\$35.5 million); and a closing market capitalisation of AU\$52.3 million or HK\$270.4 million (31 December 2023: AU\$49.1 million or HK\$260.9 million). A market capitalisation deficiency compared to net assets is an indication of possible impairment. At the end of each period, the Group performs impairment testing which did not result in any asset impairment write downs for the period.

As at 30 June 2024, the Group had AU\$21.8 million in cash and cash equivalents (31 December 2023: AU\$22.2 million), including approximately AU\$2.9 million restricted use net proceeds from the Company's Placement of Shares completed in January 2021. During the year, the Group has funded its activities with positive cash inflows from its Finnish operations.

As at 30 June 2024, the Company's gearing ratio was 0.3% (31 December 2023: 1.9%), calculated by dividing total borrowings by total equity.

Interest Bearing Liabilities – AU\$27 million Unsecured Loan Facility with AP Finance Limited

The Company has an unsecured AU\$27.0 million loan facility with AP Finance Limited (“**Loan Facility**”).

On 27 June 2024, the Company extended the Loan Facility availability period from 30 June 2025 to 31 December 2025. All other terms and conditions associated with the Loan Facility remain unchanged. The Company has not made any drawdowns since balance date.

Use of Net Proceeds from the Company's Placement

The net proceeds from the Placement in January 2021, were HK\$39.6 million (approximately AU\$6.6 million at that time), the entire amount will be used to contribute, in part, to the funding of the various environmental bonds relating to the Company's operations in Finland and Sweden. The net placing price, after deducting such fees, costs, and expenses, is approximately HK\$1.99 per share (approximately AU\$0.33 per share at that time) under the Placement.

To date, the Company has utilised HK\$24.6 million (approximately AU\$4.6 million) of the net proceeds to fund the environmental bond of €2.8 million in relation to the Group’s Jokisivu Gold Mine in Finland. The Company can apply for progressive release of the environmental bond from the Regional State Administration Agency upon completion of the rehabilitation work. The unutilised net proceeds of HK\$15.0 million (approximately AU\$2.9 million) is expected to be utilised by 31 December 2024.

Purpose	Proposed use of proceeds <i>HK\$ Million</i>	Purpose of proceeds expressed as	Actual amount utilised from 22 Jan 2021 to 30 Jun 2024 <i>HK\$ Million</i>	Unutilised as at 30 Jun 2024 <i>HK\$ Million</i>	Revised expected timeline for the unutilised amount
		% of net proceeds %			
Fund environmental bond obligations	\$39.6	100%	\$24.6	\$15.0	To be utilised by 31 December 2024

The Company operates a number of assets in both Finland and Sweden each with its own requirement for environmental bonds. As at 30 June 2024, approximately 38% of the net proceeds remain available to fund the Group’s environmental bond obligations for its operations in Finland and Sweden.

The net proceeds were initially expected to be used within 12 months from the Placement completion date. The reason for revising the expected timeline for the unutilised amount is that the Company has appealed each of the bonding requirements, arguing for a reduction in the quantum of the environmental bonds, while certain third parties have also appealed some of the bonding requirements but arguing the quantum should be increased instead. As at 30 June 2024, the various appeal proceedings were on-going and therefore the net proceeds were not yet utilised to fund the Group’s environmental bond obligations.

The revised expected timeline for the unutilised amount is subject to the actual time taken for the appeals to be processed, as well as the final adjudication by the Courts on the deadline for the Group to settle the payment for the environmental bonds. To the best estimates of the Company, based on its experience with the time to process appeals in the Environmental Courts in Finland and Sweden, the Company expects the majority of the appeals would have progressed, if not concluded, by the end of 2024. Based on the above and subject to any subsequent further appeals to be made by the Company and/or third parties, it is anticipated that the net proceeds will be utilised by 31 December 2024.

On receipt of confirmation from the relevant Environmental Courts in Finland and Sweden, the Company will update its shareholders as and when appropriate if there are material developments on the usage of the proceeds of the Placement.

Financial Risks

Details of the Company's Financial Risk exposures are provided as follows:

Foreign Exchange

The Company sells its bullion and gold concentrate in USD. Most of its costs are denominated in SEK and EUR, while the Company's presentation currency is AUD.

The Company may use foreign exchange forwards from time to time to reduce exposure to unpredictable fluctuations in the foreign exchange rates if considered suitable by the Directors. No hedging of foreign exchange exposure was used during the period.

The Group hold 2,582,910 shares in Aurion Resources Limited (TSXV.AU), a company listed on the Toronto Stock Exchange whose shares are quoted in Canadian dollars ("CAD").

Commodity Price

The Company is exposed to movements in the gold price. The Company may use a variety of financial instruments (such as gold forwards and gold call options) from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams if considered suitable by the Directors. At present the Company has no plans to hedge commodity price risk.

Liquidity

The Company is exposed to liquidity risk through its financial liabilities and its obligations to make payment on its financial liabilities as and when they fall due. The Company maintains a balance in its approach to funding using debt and/or equity raisings.

Credit

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposure to credit risk at the reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Credit risk is managed on a group basis and predominantly arises from cash and cash equivalents deposited with banks and financial institutions, trade and other receivables, environmental and other bonds. The Company has policies in place to ensure that sales are made to customers with an appropriate credit history.

Interest Rate

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flow from a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to manage its exposure to interest rate risk by holding cash in short term, fixed and variable rate deposits with reputable high credit quality financial institutions. The Company constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and/or the mix of fixed and variable interest rates.

Costs

Fuel, power, labour and all other costs can vary from existing rates and assumptions.

Charges on Company Assets

Other than the right-of-use assets which are subject to lease, there were no charges on the Company's assets as at 30 June 2024 and 31 December 2023.

Contingent Liabilities

As at 30 June 2024, the Group has not made any material changes to any of its contingent liabilities as disclosed in the Company's 2023 Annual Report.

Company Strategy and Future Developments

The Company is principally engaged in gold exploration, mining, and processing in the Nordic region. The Company's objective is to focus on the development of existing and new mining assets in reasonable proximity to our process plants in Vammala, Finland and Svartliden, Sweden. The Company operates with a long-term business strategy to operate responsibly considering the interests of all stakeholders including its staff, contractors, and the public including civic groups, together with the environment and the general amenity of its areas of operation. It aims to produce positive financial outcomes through (i) the economic operations of its operating mines and process plants; (ii) development of new projects consistent with the Company's objective, such as the Group's newest operations at Fäboliden; and (iii) attention to the Company's corporate governance and social responsibilities, including a focus on ongoing safety and environmental compliance, and ongoing positive interaction with the communities within which it operates.

On 11 June 2024, the Swedish Supreme Court rejected the Group's application for leave to appeal the rejection of its application for an Environmental Permit to commence full-scale mining activities at Fäboliden. The Company intends to submit a new application to the Land and Environmental Court which includes the new mitigation measures provided to remedy the concerns of the Land and Environmental Court noted in its decision of 28 June 2022.

On 25 January 2024, the Group executed a toll treatment agreement with nearby operation, Botnia Exploration Ab ("**Botnia**") in Sweden. The contribution from the toll treatment of Botnia's gold bearing ore will assist the Company in reducing the cost of operating the Svartliden Plant. Toll treatment activities are expected to commence in the second half of 2024.

The Company has not repurchased any shares in the Company (“**Shares**”) during the period, pursuant to the Buy-back Mandate granted by shareholders of the Company at the annual general meeting held 22 May 2023. The Buy-back Mandate has been renewed at the annual general meeting held 23 May 2024 (“**AGM**”). Pursuant to the renewed Buy-back Mandate, the Company is allowed to buy back up to 15,809,661 Shares, being 10% of the total number of issued Shares as at the date of the AGM, in the open market at approximate timing (the “**Share Buy-back**”). The Company will carry out any Share Buyback in compliance with the constitution of the Company, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs, the Corporations Act 2001 (Cth) in Australia and all other applicable laws and regulations to which the Company is subject.

Significant Investments Held, Material Acquisitions and Disposal of Subsidiaries, Associates or Joint Ventures and Future Plans for Material Investments or Capital Assets

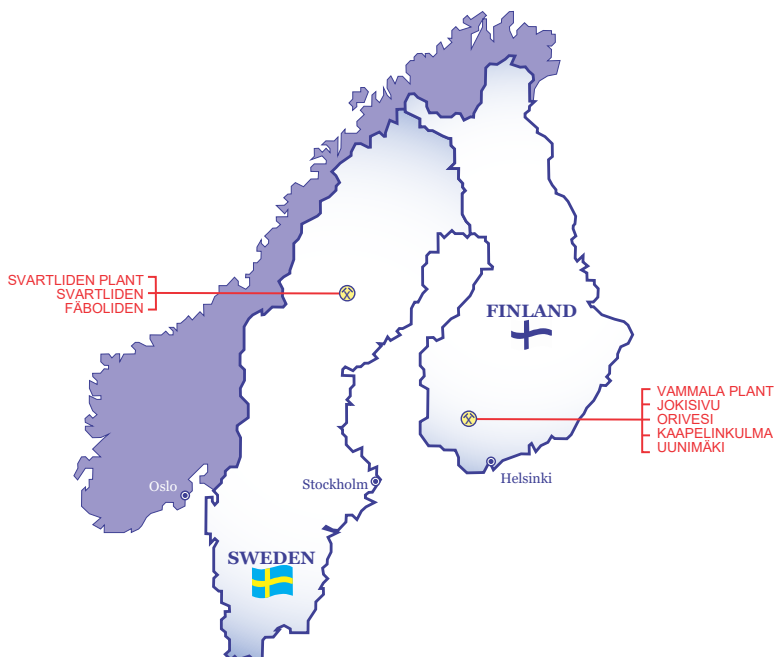
Other than those disclosed in this announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates, or joint ventures during the period. Apart from those disclosed in this announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

Purchase, Sale or Redemption of the Company’s Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares during the six months ended 30 June 2024.

ADVANCED PROJECTS AND EXPLORATION REVIEW

Dragon Mining is an established gold producer that holds a portfolio of prospective projects in Sweden and Finland. Since first entering the Nordic Region in 2000, the Company has successfully brought into operation a series of open-cut and underground gold mines that have produced over 800,000 ounces of gold. This has been achieved through the Company's ongoing commitment to actively explore its project holding to preserve and grow the Company's production profile.



Project Location

During the period, the Company continued to advance exploration activities on the Company's key project with drilling campaigns completed at the Jokisivu Gold Mine (“**Jokisivu**”) in southern Finland. A total of 47 diamond core drill holes were completed for an advance of 5,220.90 meters (30 June 2023: 43 diamond core holes for an advance of 5,304.20 meters).

In addition to drilling, the Company received the final results for drilling campaigns completed at Jokisivu in late 2023.

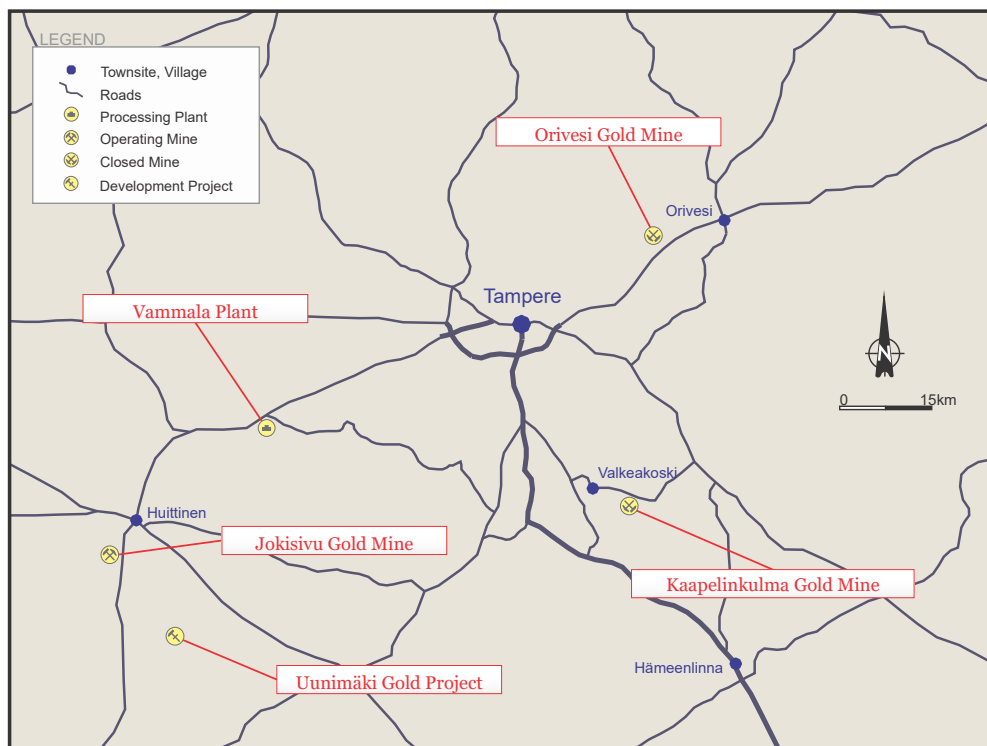
The information in this review that relates to exploration activities has been taken from announcements previously released to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on:

- 23 January 2024 – Final Results Received for the Kujankallio Drilling Campaign at Jokisivu.
- 8 April 2024 – Drilling returns High Grade Intercepts from the Jokisivu Gold Mine.

These releases can be found at www.hkexnews.hk (Stock Code: 1712) and www.dragonmining.com.

Exploration Finland

In southern Finland, the Company holds a series of projects that encompass a total area of 1,155.13 hectares, which collectively form the Vammala Production Centre (“**VPC**”). The VPC is located 165 kilometres northwest of the Finnish capital Helsinki and includes the Vammala Plant, a 300,000 tonnes per annum conventional crushing, milling and flotation facility, the operational Jokisivu gold mine, Kaapelinkulma (“**Kaapelinkulma**”) where mining ceased in April 2021, Orivesi Gold Mine (“**Orivesi**”) where mining ceased in 2019 and the Uunimäki Gold Project (“**Uunimäki**”).



Vammala Production Centre

At Jokisivu, 47 underground diamond core holes were drilled during the period for an advance of 5,520.90 metres (30 June 2023: 43 holes for 5,304.20 metres). Drilling was undertaken over several campaigns including:

- 6 holes, 944.40 metres of a 13-hole campaign that targeted the Arpola area between the 250m and 390m levels (“**Arpola-3 2023**”).
- 24 holes, 2,641.00 meters in a 24-hole campaign that targeted the Arpola area between the 280m and 380m levels (“**Arpola-1 2024**”).
- 8 holes, 809.00 metres in a 12-hole campaign that is targeting the Arpola area between the 125m and 160m levels (“**Arpola-2 2024**”).
- 9 holes, 826.50 metres in a 15-hole campaign that is targeting the Arpola area between the 240m and 260m levels. (“**Arpola-3 2024**”).

– *Arpola-3 2023*

Final assays were received for all holes from the Arpola-3 2023 underground diamond core campaign that was drilled from the 205m level targeting the Arpola lode system between the 250m and 390m levels.

Assays returned several significant intercepts at a cut-off level of 1.00 g/t gold including:

- 1.50 metres @ 83.40 g/t gold from 38.00 metres in drill hole HU/JS-1300.
- 0.70 metres @ 14.80 g/t gold from 46.80 metres in drill hole HU/JS-1300.
- 1.30 metres @ 7.53 g/t gold from 9.00 metres in drill hole HU/JS-1302.
- 1.50 metres @ 6.83 g/t gold from 81.00 metres in drill hole HU/JS-1302.
- 1.85 metres @ 4.34 g/t gold from 4.40 metres in drill hole HU/JS-1303.
- 5.60 metres @ 2.01 g/t gold from 113.00 metres in drill hole HU/JS-1303.
- 5.95 metres @ 2.02 g/t gold from 120.20 metres in drill hole HU/JS-1303.

- 8.90 metres @ 1.81 g/t gold from 106.80 metres in drill hole HU/JS-1304.
- 3.10 metres @ 3.10 g/t gold from 126.00 metres in drill hole HU/JS-1305.
- 7.20 metres @ 4.89 g/t gold from 108.50 metres in drill hole HU/JS-1306.
- 0.90 metres @ 13.90 g/t gold from 94.60 metres in drill hole HU/JS-1307.
- 3.45 metres @ 5.47 g/t gold from 105.60 metres in drill hole HU/JS-1311.
- 3.00 metres @ 2.65 g/t gold from 138.00 metres in drill hole HU/JS-1312.
- 3.20 metres @ 8.15 g/t gold from 147.80 metres in drill hole HU/JS-1312.

The results received are considered encouraging and align well with expectations, identifying and better defining the extent and geometry of the extensions to known mineralised zones in the Arpola area. The results also provide additional information to support future mine planning and development.

– *Arpola-1 2024*

Results were received for the initial 7 holes during the period from the Arpola-1 2024 underground diamond core campaign that was drilled from the 230m and 235m levels targeting the Arpola lode system between the 220m and 380m levels.

Assays have yielded a series of significant intercepts at a cut-off level of 1.00 g/t gold including:

- 0.65 metres @ 11.40 g/t gold from 62.10 metres in drill hole HU/JS-1317.
- 1.00 metres @ 14.90 g/t gold from 78.50 metres in drill hole HU/JS-1319.
- 3.00 metres @ 13.29 g/t gold from 55.00 metres in drill hole HU/JS-1324.
- 1.50 metres @ 22.20 g/t gold from 66.00 metres in drill hole HU/JS-1324.

Assay results are pending for the final 17 holes and will be released to the Stock Exchange once available.

The results received to date align well with expectations, better defining the extent and geometry of the extensions to known mineralised zones in the Arpola area.

– ***Arpola-2 2024***

Drilling will continue on the final 4 holes of the 12-hole Arpola-2 2024 campaign during the second half of 2024. Final assay results will be released to the Stock Exchange once available.

– ***Arpola-3 2024***

Drilling will continue on the final 6 holes of the 15-hole Arpola-3 2024 campaign during the second half of 2024. Final assay results will be released to the Stock Exchange once available.

Final assay results were also received during the period for the final 13 holes from a 23-hole underground diamond core drilling program that was drilled during 2023 targeting the Kujankallio Main Zone and Kujankallio Hinge Zone between the 660m and 680m levels.

Results from the final series of holes returned several significant intercepts greater than 1.0 g/t gold including:

- 1.00 metre @ 11.56 g/t gold from 74.50 metres in HU/JS-1276.
- 1.00 metre @ 10.65 g/t gold from 7.00 metres in HU/JS-1279.
- 2.20 metres @ 5.02 g/t gold from 92.00 metres in HU/JS-1281.
- 2.50 metres @ 17.28 g/t gold from 124.70 metres in HU/JS-1297.
- 1.90 metres @ 8.00 g/t gold from 132.60 metres in HU/JS-1297.
- 4.50 metres @ 2.68 g/t gold from 78.50 metres in HU/JS-1298.
- 3.90 metres @ 3.80 g/t gold from 152.50 metres in HU/JS-1298.
- 7.10 metres @ 3.75 g/t gold from 177.30 metres in HU/JS-1299.

These intercepts supported the previously released significant intercepts from the initial ten holes of the Kujankallio campaign:

- 4.25 metres @ 13.47 g/t gold from 104.15 metres in HU/JS-1265.
- 1.60 metres @ 26.91 g/t gold from 109.75 metres in HU/JS-1269.
- 3.70 metres @ 3.03 g/t gold from 20.00 metres in HU/JS-1270.
- 6.00 metres @ 8.86 g/t gold from 86.50 metres in HU/JS-1270.
- 1.00 metre @ 17.00 g/t gold from 53.00 metres in HU/JS-1271.
- 3.25 metres @ 4.25 g/t gold from 77.55 metres in HU/JS-1271.

Kaapelinkulma Gold Mine

No exploration activities were undertaken at Kaapelinkulma during the period.

Orivesi Gold Mine

No exploration activities were undertaken on the Orivesi group of tenements during the period.

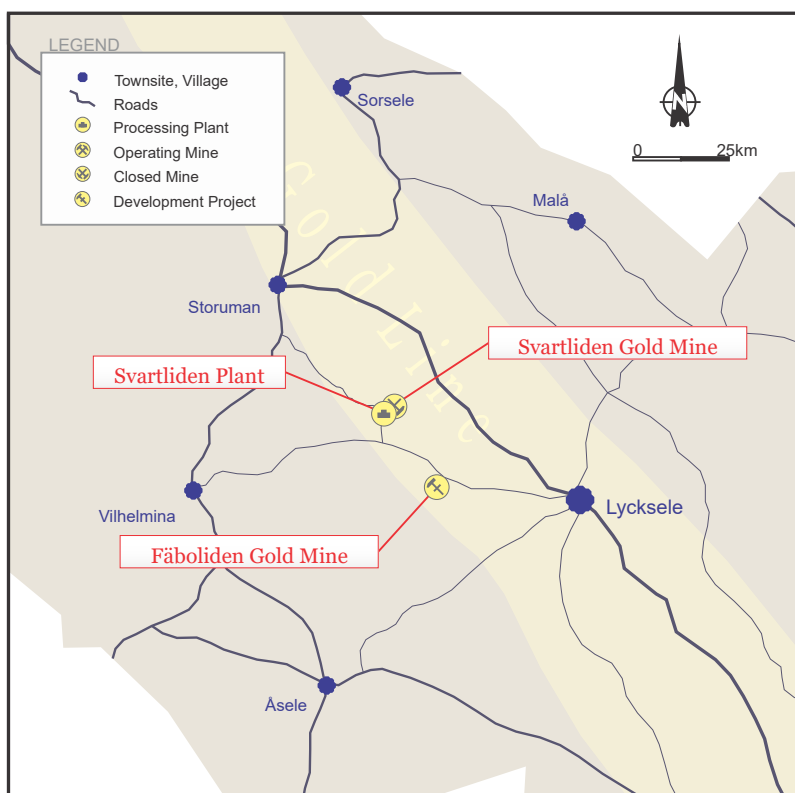
Uunimäki Gold Project

The Company has an Exploration Licence covering 89.22 hectares encompassing the Uunimäki gold occurrence in southern Finland.

Uunimäki represents an advanced gold opportunity that has previously been subjected to diamond core drilling (36 holes, 3,424 metres) and other exploratory activities including ground geophysical surveys and geochemical till surveys by the Geological Survey of Finland. The Exploration Licence became legally valid in July 2023, the Company commencing on reviews of historical work as part of the Company's internal QAQC process. It is envisaged the Company will commence drilling at Uunimäki in 2025.

Exploration Sweden

In northern Sweden, the Company holds 2,818.46 hectares of tenure, which collectively is known as the Svartliden Production Centre (“SPC”). Located 750 kilometers north of Stockholm, the SPC includes the Svartliden Plant, a 300,000 tonne per annum conventional comminution and carbon in leach (“CIL”) plant, the Fäboliden Gold Mine (“Fäboliden”) and the closed Svartliden Gold Mine (“Svartliden”).



Svartliden Production Centre

Fäboliden Gold Mine

Following the ruling received from the Land and Environment Court in Sweden pertaining to the Environmental Permit to commence full-scale mining at Fäboliden, no exploration activities were undertaken during the period on the Fäboliden group of tenements.

Svartliden Gold Mine

No exploration activities were undertaken during the period on the Svartliden group of tenements.

Resources and Reserves

The Company completed its annual update of Mineral Resources and Ore Reserves for the Company's projects in the Nordic region during the period.

The Mineral Resources reported as of 31 December 2023 and inclusive of Ore Reserves returned a total for the Group of 14,000 kt grading 3.2 g/t gold for 1,400 k'ozs for the Jokisivu Gold Mine, Kaapelinkulma Gold Mine and Orivesi Gold Mine in Finland and the Fäboliden Gold Mine and Svartliden Gold Mine in Sweden. The Group total represents a 1.0% decrease in tonnes and grade and a 2.0% decrease in ounces when compared to the total Mineral Resource for the Group as of 31 December 2022.

Updating of the Ore Reserves lifted the total Ore Reserve for the Group to 4,200 kt grading 2.7 g/t gold for 370 k'ozs from the Jokisivu Gold Mine and Fäboliden Gold Mine. This represents a 1.0% increase in tonnes, 1.0% decrease in grade and no change in ounces, when compared to the total Group Ore Reserve as of 31 December 2022.

The Mineral Resource and Ore Reserve estimates were reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") and are based on information compiled by a Competent Person as defined in the JORC Code. Mineral Resource and Ore Reserve information presented in this report has previously been released in detail to the Stock Exchange on the 18 March 2024 – Annual Update of Mineral Resource and Ore Reserve Estimates.

Table 1 - Mineral Resource estimates for the Vammala Production Centre in southern Finland and the Svartliden Production Centre in northern Sweden as of 31 December 2023. Mineral Resources are reported inclusive of Ore Reserves.

Mineral Resources	Measured			Indicated			Inferred			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)
Group Total -												
31 December 2023	860	3.7	100	6,800	3.0	650	6,400	3.3	670	14,000	3.2	1,400

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to two significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.

Mineral Resources are reported on a dry in-situ basis.

Percentage variances between the 31 December 2023 and 31 December 2022 estimates are calculated using unrounded estimates.

The Group total Mineral Resources were reported at various project specific cut-off grades ranging from 0.9 g/t gold to 2.6 g/t gold based on operating costs, mining and processing recoveries from project actuals and gold prices ranging from US\$1,500 per troy ounce to US\$2,172 per troy ounces that have been extrapolated for the potential economic extraction of the resource at a level approximating 120% of an average consensus forecast gold prices ranging from US\$1,260 per troy ounce to US\$1,810 per troy ounce.

Ore Reserves	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)	Tonnes (kt)	Gold (g/t)	Ounces (kcozs)
Group Total – 31 December 2023	470	2.6	39	3,700	2.7	330	4,200	2.7	370

Ore Reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to two significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.

Ore Reserve estimates are reported on a dry tonne basis.

Percentage variances between the 31 December 2023 and 31 December 2022 estimates are calculated using unrounded estimates.

Ore Reserves for the Jokisivu Gold Mine were reported at an economic in-situ stope ore cut-off grade of 1.4 g/t gold and in-situ ore development cut-off grade of 0.8 g/t gold is based on a medium-term consensus forecast gold price of US\$1,810 per troy ounce gold, a EUR:USD exchange rate of 1.10, process recovery of 85%, mining factors and costs.

Ore Reserves for the Fäboliden Gold Mine were reported at an in-situ ore cut-off grade is 1.33 g/t gold is based on a long-term consensus forecast gold price of US\$1,500 per troy ounce, a USD:SEK exchange rate of 8.66, process recovery of 80%, mining factors and costs.

Competent Persons Statement

The information in this report that relates to Exploration Results was previously released to the Stock Exchange on 23 January 2024 – Final Results Received for the Kujankallio Drilling Campaign at Jokisivu and 8 April 2024 – Drilling returns High Grade Intercepts from the Jokisivu Gold Mine. These documents can be found at www.hkex.com.hk (Stock Code: 1712). It fairly represents information and supporting documentation compiled by Mr. Neale Edwards who is a full-time employee of Dragon Mining Limited a Fellow of the Australian Institute of Geoscientists. Mr. Edwards has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Edwards has previously provided written consent for the 23 January 2024 and 8 April 2024 releases.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results as reported on the 23 January 2024 and 8 April 2024, and the assumptions and technical parameters underpinning the results in the 23 January 2024 and 8 April 2024 releases continue to apply and have not materially changed.

The information in this report that relates to Mineral Resource estimates dated 31 December 2023 for the Jokisivu Gold Mine was previously released to the Stock Exchange 18 March 2024 – Annual Update of Mineral Resource and Ore Reserve Estimates. This document can be found at www.hkex.com.hk (Stock Code: 1712). It is based on information compiled by Mr. Shaun Searle an associate of MoJoe Mining Pty Ltd and a member of the Australian Institute of Geoscientists. Mr. Searle has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Searle has provided written consent for the inclusion in the Report of the matters on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates dated 31 December 2021 for the Kaapelinkulma Gold Mine and Fäboliden Gold Mine was previously released to the Stock Exchange on the 23 March 2022 - Dragon Mining's Mineral Resources and Ore Reserves Updated. This document can be found at www.hkex.com.hk (Stock Code: 1712). It is based on information compiled by Mr. Shaun Searle who is an associate of MoJoe Mining Pty Ltd and a member of the Australian Institute of Geoscientists. Mr. Searle has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Searle has previously provided written consent for the 23 March 2022 release.

The information in this report that relates to Mineral Resource estimates dated 31 December 2019 for the Orivesi Gold Mine was previously released to the Stock Exchange on the 27 March 2020 – Resources and Reserves Updated for Dragon Mining's Nordic Projects. This document can be found at www.hkex.com.hk (Stock Code: 1712). It fairly represents information and supporting documentation that was compiled or supervised by Mr. David Allmark who was a full-time employee of RPM Advisory Services Pty Ltd and a Registered Member of the Australian Institute of Geoscientists at the time of the report in 2020. Mr. Allmark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code 2012 Edition. Mr. Allmark has previously provided written consent for the 27 March 2020 release.

The information in this report that relates to Mineral Resource estimates dated 31 December 2016 for the Svartliden Gold Mine were previously released to the ASX on the 28 February 2017 – Mineral Resources Updated for Dragon Mining's Nordic Projects. This document can be found at <https://www.asx.com.au/asx/v2/statistics/announcements.do> (Code: DRA). It fairly represents information and supporting documentation that was compiled or supervised by Mr. Jeremy Clark who was a full-time employee of RPM Global Asia Limited and a Registered Member of the Australasian Institute of Mining and Metallurgy at the time of the report in 2017. Mr. Jeremy Clark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Written consent was previously provided by Mr. Jeremy Clark for the 28 February 2017 release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource estimates as reported on the 18 March 2024, 23 March 2022, 27 March 2020 and 28 February 2017 and the assumptions and technical parameters underpinning the results in the 18 March 2024, 23 March 2022, 27 March 2020 and 28 February 2017 continue to apply and have not materially changed.

Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full-time employee of Dragon Mining and 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 confirms that the form and context in which the Mineral Resource estimates presented in this report have not been materially modified and are consistent with the 18 March 2024, 23 March 2022, 27 March 2020 and 28 February 2017 releases.

The information in this report that relates to Ore Reserves for the Jokisivu Gold Mine was previously released to the Stock Exchange 18 March 2024 – Annual Update of Mineral Resource and Ore Reserve Estimates. This document can be found at www.hkex.com.hk (Stock Code: 1712). It is based on information compiled by Mr. Joe McDiarmid, a full-time employee of MoJoe Mining Pty Ltd and who is a Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Written consent was previously provided by Mr. McDiarmid for the 18 March 2024 release.

The information in this report that relates to Ore Reserves for the Fäboliden Gold Mine is based on information compiled and reviewed by Mr. Joe McDiarmid, who is a Chartered Professional of the Australasian Institute of Mining and Metallurgy and is a full-time employee of MoJoe Mining Pty Ltd. It was previously released to the Stock Exchange on the 23 March 2022 - Dragon Mining's Mineral Resources and Ore Reserves Updated. This document can be found at www.hkex.com.hk (Stock Code: 1712). Mr. McDiarmid has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Written consent was previously provided by Mr. McDiarmid for the 23 March 2022 release.

The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves as reported on the 18 March 2024 and 23 March 2022, and the assumptions and technical parameters underpinning the results in the 18 March 2024 and 23 March 2022 releases continue to apply and have not materially changed.

Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full-time employee of Dragon Mining and 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 confirms that the form and context in which the Ore Reserve estimates presented in this report have not been materially modified and are consistent with the 18 March 2024 and 23 March 2022 releases.

ENVIRONMENTAL REVIEW

The Company is very clear on the need to earn the respect and support of the community by operating in a socially responsible manner, and by demonstrating a tangible commitment to environmental sustainability.

The Company's operations are subject to environmental regulations under statutory legislation in relation to its exploration and mining activities. The Company believes that it has adequate systems in place for the management of its requirements under those regulations and is not aware of any breach of such requirements as they apply to the Company, except as indicated below.

Finland

Vammala Production Centre

The Company has previously advised that the Regional State Administration Agencies (“**AVI**”) had issued a new Environmental Permit to process approximately 300,000 tonnes per annum of ore at Vammala. The permit contained new crushing conditions, which the Company appealed to the Vaasa Administrative Court (“**VAC**”) and then the Supreme Administrative Court (“**SAC**”).

On 22 January 2024, the SAC upheld the Vammala Environmental Permit decision that amended the Vammala Plant production capacity from approximately 300,000 tonnes per annum to a maximum of 300,000 tonnes per annum. In addition, the SAC requested additional monitoring and an Environmental Impact Assessment (“**EIA**”), an updated closure and aftercare plan and an evaluation of whether the operations caused damage to some private individuals, which are to be submitted to AVI by the end of CY2024. On 5 April 2024, the additional water monitoring plan was approved by the Pirkanmaa Centre for Economic Development, Transport, and the Environment (“**PIR ELY**”). Following the approval, three (3) new ground water monitoring pipes were installed at Vammala during June 2024. Sampling to determine whether the operations caused damage to some private individuals was carried out by KVVY Tutkimus Oy (“**KVVY**”) during April and May 2024.

The hearing to approve an updated plan for the tailings surface structures and financial guarantee for the extractive waste handling was held by AVI between 22 February to 2 April 2024. AVI requested a rejoinder related to the statements given during the hearing period to which the Company responded on 16 May 2024. The Company has requested leave of 6 months to place the bond once the AVI decision is final.

The dust control work in the tailings area has been carried out with a liming and sprinkler water system as necessary. According to the latest summary report received on 18 January 2024 from the dust monitoring company Promethor Oy, the dust amounts have been below the guideline limit values at all measurement points. Dust monitoring summary reports were sent to supervising authority PIR ELY. The Company has three (3) continuous dust monitoring units, one in the corner of the tailings area and two in the yard areas of the nearby neighbors.

Noise measurements of the Vammala mobile crushing unit were carried out during 20 February 2024. Envineer Oy carried out the work and the measurements were taken in the areas nearest the neighbours. The final report was received on 25 March 2024 and sent to PIR ELY. According to the report, the measured noise levels at all measurement points were below the daytime average guideline value of 55 decibels.

The Kovero-oja ditch clearing work was completed during March 2024 and about 400 metres of ditch was cleared. The Kovero-oja ditch is a discharge water ditch. Water flow in the ditch improved significantly following the clearing work.

The periodic inspection by PIR ELY was held at Vammala on 30 May 2024. The inspection went well and only 2 minor corrections are needed.

The annual water monitoring report for 2023 was completed by KVVY on 23 February 2024 and submitted to the relevant authority. Based on monitoring results, the water quality at the Kovero-oja ditch and Horvelo load points met the requirements of the Environmental Permit. Although there is variation in the load level between years, the load in the Kovero-oja ditch has decreased since 2013. However, the effect of the waters of the Vammala Mill area on the water quality of the Kovero-oja ditch can still be clearly seen from the water's high electrolyte concentration and high nickel and sulfate concentrations. Based on the monitoring results, the effect of discharge waters from the Vammala Plant to the water quality of the nearby lake Rautavesi is minor. During June 2024, plans for the tailings dam area raising at Vammala were received from the dam designer and sent to relevant authorities.

Orivesi Gold Mine

The Company has previously advised that its closure plan for the Orivesi mine, completed by Envineer, had been submitted to AVI for approval. On 6 June 2024, Envineer finalised the Natura assessment, which was also sent to AVI. The Natura assessment supplements the Orivesi closure plan. The Natura assessment has determined that the closure of the mine will not endanger the conservation goals of the Natura area, but because of the long-time span of the closure measures there are uncertainties. The Natura assessment includes some suggestions on how to mitigate the uncertainties and avoid potential harm to Lake Ala-Jalkajärvi.

The annual water monitoring report from the year 2023 was completed by KVVY on 12 February 2024. The report was sent to the authorities. The cessation of mine's discharge water is reflected in the reduction of the electrical conductivity and sulphate concentrations in the surface level water quality in lake Peräjärvi, but also in the lake's intermediate water level compared to previous years. The metal concentrations in Lake Ala-Jalkajärvi have decreased significantly in recent years and the effect is also gradually reflected in the metal concentrations in the next lake Peräjärvi. The pH of the Lake Ala-Jalkajärvi water remained about 7 pH, which reduces the harmful effects of metals. Many metal concentrations are still significantly high in relation to environmental quality standards and ecological reference values and have a significant impact on the ecology of the lake. Preventing the release of metals from and to bottom sediments remains very important and the pH of the lake cannot be allowed to fall below 6 without risk.

No indications on the effects of mining water have been observed in recent years in Paarlahti, which is the most distant monitoring point. There has been no discharge of water from the mine site since mid-2019.

Jokisivu Gold Mine

On 15 February 2021, the Company received the new Environmental Permit from AVI. The Environmental Permit included a significant, but not unexpected bond increase of 3.4 million EUR (approximately AU\$5.6 million) and a few new conditions that will be difficult to achieve. On 26 March 2021, the Company submitted an appeal to the VAC Administrative Court in relation to Environmental Permit Order 16, which required the waste rock area to be partially landscaped before the completion of mining operations. On 27 January 2023, the decision from the VAC overruling the updated Environment Permit, except for one amendment to the Permit Order 22 reducing the bond amount to 2.8 million EUR (approximately AU\$4.6 million), was received. According to the VAC, the Environmental Permit update was overruled as they considered AVI did not have sufficient technical information available to issue a revised Environmental Permit. In response to this, and following discussion with AVI, the Company together with Envineer and KVVY, commenced work to update the Environmental Permit application to include updates, reviews and surveys related to waste management plan, waste rocks, water balance and water body impact assessment, noise, and dust issues as well as risk assessment and closing works.

On 14 February 2024, the draft versions of the Environmental Permit application and other related documents were shared with AVI and the ELY Centre of South-West Finland (“**VAR ELY**”) prior to a joint meeting. VAR ELY has also requested an Environmental Impact Assessment (“**EIA**”). VAR ELY has confirmed that there is no need for an EIA to be completed during the update process of Jokisivu Environmental Permit application.

The annual water monitoring report from the year 2023 was completed by KVVY on 13 February 2024. The report was sent to the authorities. Based on the monitoring results, the sulphate and nitrogen load to the Paukkionoja ditch and further to the Loimijoki river turned upwards again during 2023. This was partly due to rainfall for the year 2023 was clearly higher than in the previous year. The total volume discharged in 2023 was 251,458 m³ (2022: 169,314 m³), which is the highest annual flow measured since 2013 when the measuring well was installed. The metal load also increased in the year 2023 compared to 2022. Diffuse load determines the water quality of the Paukkionoja ditch at the time of high flows and the nutrient level of the water in Paukkionoja ditch is sometimes raised significantly above the natural level above the mine. Despite this, the effects of mine waters are clearly visible in Paukkionoja ditch, and especially with smaller flows, the sulfate, chloride and nitrogen concentrations of the water rise significantly below the mine. Clearly elevated concentrations of nickel and cadmium have been recorded in the Paukkionoja ditch at a point downstream of the mine in late summer between 2017 and 2023. There were also occasional increases in cobalt, zinc, uranium and copper concentrations in the downstream of the mine compared to upstream. However, based on the monitoring results, the effects of discharge waters from the Jokisivu mine to the water quality of the nearby river Loimijoki are minor.

On 17 April 2024, PIR ELY and VAR ELY approved the use of approximately 16,000 tonnes of waste rock in the Vammala B-tailings area decantation well structure and as an erosion protection material for the outside and inside of the B pond area.

Since October 2023, the Company installed four (4) vibration meters on the privately owned properties of neighbours in close proximity to the mine. The latest summary report of the vibration measurement was received on 9 April 2024 from the vibration monitoring company. According to the report, the vibrations from the period January-March 2024 are clearly below the guideline values and vibration levels do not pose a risk to structures/buildings. A copy of the report was provided to the property owners.

VAR ELY approved the crushing of up to 100,000 tonnes of ore and waste rock at the Jokisivu mine during CY 2024. The current plan is to crush ore at Jokisivu from July to September 2024.

Kaapelinkulma Gold Mine

The Company is investigating the possibility of utilising waste rock outside the mine area following the receipt of advice from the Geological Survey of Finland (“**GTK**”) on the potential for Kaapelinkulma waste rock to have possible uses outside of the mine area. On 15 March 2024 a proposal and the GTK report was sent to PIR ELY with timetables on how the Company is going to proceed with utilising the waste rock and closing works. On 19 March 2024, the PIR ELY sent their statements where PIR ELY considers the proposed utilising plan is sufficient and for the time being, the PIR ELY sees no obstacle to the beneficial use of waste rock outside the mining area. Should the waste rock use case become uneconomic, the Company will commence closure works and landscaping of the waste rock area in 2025.

PIR ELY confirmed earlier that the supplemented closure plan is now in compliance with the Environmental Permit and no further supplements are needed. PIR ELY also confirmed the research plan for contaminated soils that was prepared by Envineer have been accepted. Planned contaminated soil cleaning works would commence in line with the closure plan.

The annual water monitoring report 2023 was finished on 21 February 2024 by KVVY and sent to PIR ELY and the city of Valkeakoski. No water has been pumped from the open pit mine since April 2021, but the water from the waste rock area and the field areas will continue to be diverted through the two settling ponds to the measuring well and from there onwards into the discharge ditch. Based on the 2023 report, the average concentrations of nitrogen, sulphate and chloride had decreased significantly from the 2020-2021 levels and were similar to the 2017-2018 pre-monitoring levels. In 2023, the concentrations of aluminum, arsenic and uranium in the Haavanoja ditch below the mine had also decreased from the 2020-2021 levels. Monitoring will continue in 2024 in accordance with the post-monitoring program that PIR ELY had previously approved.

Uunimäki exploration area

Before the start of diamond drilling activities in Uunimäki area, a habitat type bird survey and flying squirrel survey will be carried out. Envineer was selected to undertake this work, and the field works for these surveys are now ongoing. The survey reports will be received later during CY 2024.

Sweden

Svartliden Rehabilitation Plan (U3)

The Company has previously announced that work to update the Svartliden Rehabilitation Plan (“**Closure Plan**”) was submitted to the Swedish Land and Environment Court (“**LEC**”) in April 2017. In May 2018, the Company updated the Closure Plan cost assessment and provided its responses to comments received from the Environmental Protection Agency (“**EPA**”) and the County Administrative Board (“**CAB**”), both of whom considered the Closure Plan and the proposed security bond as insufficient. From 24 to 26 April 2019, the Closure Plan, U1 and U2 investigations were heard by the LEC. On 3 September 2019, the LEC delivered its rulings on each of the matters. On 18 November 2019, the Company lodged an appeal in the Land and Environment Court of Appeal (“**COA**”) against the following rulings by the LEC:

- the 41.0 million SEK (approximately AU\$6.4 million) additional collateral security being requested;
- the Permit conditions during the closure phase; and
- restrictions that would prevent the CAB from incrementally returning the Company’s security bond as rehabilitation work progresses.

On 21 February 2021, the Company submitted its responses to statements issued by the CAB, EPA and Vapsten reindeer herders to the COA. The main hearing in the COA was held on 21-22 September 2021. On 25 February 2022, the COA determined further studies are required to reduce the level of uncertainty in the investigations before it can consider the question of additional collateral security.

On 17 February 2023, the Company proposed a drilling and sampling program of the waste rock dump along with humidity cell testing and additional investigations. The Company also proposed a provisional bond increase of approximately 10.7 million SEK to 44.0 million SEK:

On 8 December 2023, the EPA claimed the Company's proposed additional investigations are not detailed enough and that the proposed provisional bond increase is insufficient. The EPA maintains the bond should be 74 million SEK, in line with the 2019 LEC ruling. The LEC requested the Company respond to the EPA's statement, and a short response was provided to the LEC on 22 March 2024. The CAB stated they have no comments on the proposed additional investigations and that the provisional bond amount should be set to 52 million SEK.

On 19 April 2024, the Company provided further details on the proposed provisional bond amount to the LEC in response to a question from the LEC regarding the absence of removal costs for the processing plant.

Svartliden Change Permit for Fäboliden Ore Processing

On 30 June 2021, the Company submitted its EIA with the change permit application to the LEC. The change permit is a prerequisite for production in Fäboliden in addition to the current processing of Vammala concentrate.

On 30 October 2023, the LEC deemed the case ready for ruling, however no indication was given when a ruling will be issued.

Fäboliden Environmental Permit

The Company submitted its Environmental Permit application for full-scale mining activities at Fäboliden to the LEC in July 2018. The main hearing was held during April 2022. The CAB stated the permit is permissible based on their suggested permit conditions.

On 28 June 2022, the LEC issued its ruling, and while the EIA was approved, the Environmental Permit application was rejected. The LEC cited the impact that ore transport may have on reindeer herding and property owners along the public road and questioned the necessity of gold mining in general. In addition, some species protection issues were raised along with the court finding the water quality and discharge limit investigations difficult to understand.

Following the advice of its lawyers, the Company believes the impact of ore transportation can be mitigated through the application of measures, restrictions, and other conditions. The Company submitted a detailed appeal to COA on 15 December 2022 which was denied on 14 March 2023. The COA did not provide the reasons for its decision.

The Company further appealed the COA decision to the Swedish Supreme Court on 6 April 2023, based on the same legal grounds as the initial appeal. On 11 June 2024, the Supreme Court rejected the Company's application for leave to appeal. While this outcome was not unexpected, the Supreme Court did not provide the reasons for its decision.

Notwithstanding that the EIA has already been approved and the mining concession remains valid and in place, the path to production for Fäboliden must now be via a revised application to the LEC. The revised application will be updated to include the Company's measures aimed to mitigate the LEC concerns issued in its ruling on 28 June 2022.

This revised application process is estimated to take 2 years.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance is essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

During the period, the Company applied the principals of, and complied with, the applicable code provisions set out in the section headed Part 2 – Principles of good corporate governance, code provisions and recommended best practices of the Corporate Governance Code under Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the period ended 30 June 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Audit and Risk Management Committee consists of three Independent Non-Executive Directors. The Audit and Risk Management Committee has reviewed the interim results of the Company for the period ended 30 June 2024, including the accounting principles and practices adopted by the Company. The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the related notes thereto for the period ended 30 June 2024 as set out in the interim results announcement, have been agreed by the Company's Auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the period. The work performed by the Company's Auditors in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Audit and Assurance Standards Board and consequently, no assurance has been expressed by Ernst & Young on this interim results announcement.

DIVIDENDS

No dividend has been paid or declared since the commencement of the period and no dividend has been recommended by the Directors for the period ended 30 June 2024 (30 June 2023: nil).

SIGNIFICANT EVENTS AFTER PERIOD END

There are no significant events after period end as at the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the designated website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the Company's website at www.irasia.com/listco/hk/dragonmining/ and www.dragonmining.com. The Company's interim report for the half-year period ended 30 June 2024 will be dispatched to the shareholders of the Company and published on the above websites in due course.

On behalf of the Board
Dragon Mining Limited
Arthur George Dew
Chairman

Hong Kong, 21 August 2024

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; Ms. Lam Lai as Non-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*