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龍資源有限公司
DRAGON MINING
LIMITED

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

(Stock Code: 1712)

POSITIVE PROFIT ALERT

This announcement is made by Dragon Mining Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary information currently available to the Company, it is expected that the Group will record a net profit for the year ended 31 December 2019 ranging between approximately AU\$5.8 million and AU\$7.2 million, as compared to the net loss of AU\$9.5 million for the year ended 31 December 2018. Such improvement in net profit reflects both higher average gold prices and an increase in gold production. The main underlying factors were:

- (a) a significant increase in production of high-grade ore tonnes from underground stopes at Orivesi Mine (“**Orivesi**”) in the year 2019 following the Group’s development activities in the upper parts of Orivesi in the year 2018;
- (b) the processing in 2019 of an amount of high-grade Orivesi ore with an average grade of 9.4 g/t of gold which was originally scheduled for processing during the last two weeks of 2018 but was delayed due to operational problems; and
- (c) the commencement of processing the initial batch of ore from the Fäboliden Gold Mine at the Svartliden Plant in northern Sweden as announced on 10 September 2019.

The Company has yet to finalise the final results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on a preliminary review of the management accounts of the Group for the year ended 31 December 2019 which have not been audited or reviewed by the Company's auditors and/or the audit and risk management committee of the Company, and the actual results of the Group for the year ended 31 December 2019 may be different from what is disclosed herein. Shareholders and potential investors are advised to read carefully, the annual results announcement of the Company for the year ended 31 December 2019 which is scheduled to be issued on 9 March 2020 (Hong Kong time).

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 January 2020

As at the date of this announcement, the Board 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*