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 RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "**Board**") of Dragon Mining Limited (the "**Company**" or "**Dragon**") announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 together with comparative figures for the corresponding year in 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024** *AU$'000*	2023 *AU$'000*
Revenue from customers	*2(a)*	**72,804**	60,495
Cost of sales	*2(b)*	**(51,608)**	(54,550)
Gross profit		**21,196**	5,945
Other revenue	*2(c)*	**736**	602
Other income	*2(d)*	**2,589**	9,089
Mineral exploration expenditure		**(206)**	(274)
Management and administration expenses	*2(e)*	**(5,799)**	(5,087)
Exploration and evaluation costs written off	*2(e)*	**–**	(300)
Other operating (expense)/benefit	*2(e)*	**(1,548)**	658
Finance costs	*2(f)*	**(1,187)**	(992)
Fair value gain/(loss) on financial assets	*2(g)*	**338**	(411)
Foreign exchange gain/(loss)		**924**	(1,703)
Profit before tax		**17,043**	7,527
Income tax expense	*3*	**(4,167)**	(2,338)
Profit after income tax		**12,876**	5,189
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)			
Basic and diluted earnings per share	*20*	**8.14**	3.28

The notes on pages 6 to 70 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	AU$'000	*AU$'000*
Profit after income tax (brought forward)	**12,876**	5,189
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,130**	2,978
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)	**1,130**	2,978
Total comprehensive income for the year	**14,006**	8,167
Profit attributable to:		
Members of Dragon Mining Limited	**12,876**	5,189
	12,876	5,189
Total comprehensive income attributable to:		
Members of Dragon Mining Limited	**14,006**	8,167
	14,006	8,167

The notes on pages 6 to 70 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024** *AU$'000*	2023 *AU$'000*
CURRENT ASSETS			
Cash and cash equivalents	*4*	**40,313**	22,168
Trade and other receivables	*5*	**2,570**	3,416
Inventories	*6*	**19,257**	19,631
Financial assets	*7*	**1,826**	1,406
Other assets	*8*	**866**	1,071
TOTAL CURRENT ASSETS		**64,832**	47,692
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**53,306**	47,730
Mineral exploration and evaluation costs	*10*	**1,436**	1,848
Right-of-use assets	*11*	**411**	1,241
Other assets	*8*	**12,587**	9,804
TOTAL NON-CURRENT ASSETS		**67,740**	60,623
TOTAL ASSETS		**132,572**	108,315
CURRENT LIABILITIES			
Trade and other payables	*12*	**8,318**	7,967
Provisions	*13*	**3,624**	2,222
Interest bearing liabilities	*14*	**180**	603
Other liabilities		**80**	85
Current tax liability		**3,122**	1,337
TOTAL CURRENT LIABILITIES		**15,324**	12,214
NON-CURRENT LIABILITIES			
Provisions	*13*	**34,257**	26,646
Interest bearing liabilities	*14*	**227**	697
TOTAL NON-CURRENT LIABILITIES		**34,484**	27,343
TOTAL LIABILITIES		**49,808**	39,557
NET ASSETS		**82,764**	68,758
EQUITY			
Contributed equity	*15*	**140,408**	140,408
Reserves	*17*	**1,527**	397
Accumulated losses		**(59,171)**	(72,047)
TOTAL EQUITY		**82,764**	68,758

The notes on pages 6 to 70 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Convertible Note Premium Reserve	Equity Reserve Purchase of Non-controlling Interest	Treasury Shares	Total Equity
	AU$'000	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*
At 1 January 2023	140,420	(77,236)	(5,718)	2,068	1,069	(7)	60,596
Profit after income tax for the year	–	5,189	–	–	–	–	5,189
Other comprehensive income	–	–	2,978	–	–	–	2,978
Total comprehensive income for the year	–	5,189	2,978	–	–	–	8,167
Transactions with owners, recorded direct to equity							
Share buy-back transactions	(12)	–	–	–	–	7	(5)
Total transactions with owners	(12)	–	–	–	–	7	(5)
At 31 December 2023	140,408	(72,047)	(2,740)	2,068	1,069	–	68,758
At 1 January 2024	**140,408**	**(72,047)**	**(2,740)**	**2,068**	**1,069**	**–**	**68,758**
Profit after income tax for the year	**–**	**12,876**	**–**	**–**	**–**	**–**	**12,876**
Other comprehensive income	**–**	**–**	**1,130**	**–**	**–**	**–**	**1,130**
Total comprehensive income for the year	**–**	**12,876**	**1,130**	**–**	**–**	**–**	**14,006**
At 31 December 2024	**140,408**	**(59,171)**	**(1,610)**	**2,068**	**1,069**	**–**	**82,764**

The notes on pages 6 to 70 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**2024**	2023
		AU$'000	*AU$'000*
Cash flows from operating activities			
Receipts from customers		**76,239**	60,541
Payments to suppliers and employees		**(49,763)**	(49,588)
Payments for mineral exploration		**(206)**	(456)
Interest received		**736**	601
Interest paid		**(28)**	(7)
Income taxes paid		**(2,382)**	(2,423)
Net cash from operating activities	*4*	**24,596**	8,668
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,160)**	(2,478)
Payments for development activities		**(1,865)**	(1,385)
Payments for exploration and evaluation		**(1,152)**	(1,161)
Proceeds from sale of net smelter royalty		**–**	6,435
Payment for rehabilitation bonds		**(2,782)**	(4,640)
Net cash used in investing activities		**(6,959)**	(3,229)
Cash flows from financing activities			
Lease liability payments		**(165)**	(167)
Payments for share buy-back		**–**	(5)
Net cash used in financing activities		**(165)**	(172)
Net increase in cash and cash equivalents		**17,472**	5,267
Cash and cash equivalents at the beginning of the year		**22,168**	17,671
Effects of exchange rate changes on cash and cash equivalents		**673**	(770)
Cash and cash equivalents at the end of the year	*4*	**40,313**	22,168

The notes on pages 6 to 70 form part of this annual results announcement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND SUMMARY OF MATERIAL ACCOUNTING INFORMATION

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 results for the year ended 31 December 2024 was authorised for issue at the meeting of the Board of Directors held on 13 March 2025.

The announcement of the results of the Company for the year ended 31 December 2024, comprise the Company and its subsidiaries (together referred to as the "**Group**"). The Group is a for profit entity, primarily involved in gold mining operations and gold mineral exploration. The Company has direct and indirect interests in its subsidiaries, all of which have 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
Dragon Gold Mining Limited	Hong Kong 28 November 2024	HK$1.00	100%	Dormant

[1] *For translation purposes*

b) **Basis of preparation**

Statement of compliance

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2024 but are extracted from those consolidated financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") which collectively includes all applicable individual IFRS, International Accounting Standards ("**IAS**"), and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

All IFRSs effective for the accounting period commencing 1 January 2024 have been adopted by the Group and, except as noted below, accounting policies have been consistently applied throughout all periods presented. The adoption of the new and revised standards and interpretations effective 1 January 2024 had no material impact on the financial position or performance of the Group. The Group's accounting policies have been updated to reflect the new standards where applicable.

These consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are required to be measured at fair value.

The Group has adopted the going concern basis for the preparation of this announcement.

c) **Basis of consolidation**

Control is achieved when the Company is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights in an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The income, expenses, assets, and liabilities of a subsidiary acquired or disposed of during the year are included in the Company's consolidated statement of profit or loss or the consolidated statement of financial position from the date the Company gains control until the date the Company ceases to have control.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control of a subsidiary, the Company:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of any investment retained;
- recognises the fair value of the consideration received;
- recognises any surplus or deficit in the consolidated statement of profit or loss; and
- reclassifies the Company's share of items previously recognised in other comprehensive income to the consolidated statement of profit or loss or retained earnings as appropriate.

Investments in subsidiaries are carried at cost less impairment in the Company's separate statement of financial position.

d) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from the sale of gold bullion and concentrate when control of the product has been transferred to the customer.

Bullion sales

Bullion is sold on the market through the Group's metal account. The only performance obligation under the contract is the sale of gold bullion. Revenue from bullion sales is recognised at a point in time when control passes to the buyer. This generally occurs when the Group instructs the refiner to transfer the gold to the customer by crediting the metal account of the customer. As all performance obligations are satisfied at that time, there are no remaining performance obligations under the contract. The transaction price is determined at transaction date and there are no further adjustments to this price.

Toll milling revenue

The Group provides toll treatment services to a third party at its Svartliden Plant with toll milling revenue recognised in accordance with *IFRS 15 - Revenue from Contracts with Customers* ("**IFRS 15**"). The Groups' performance obligations include the processing of ore, refining services, and selling the produced gold and silver. The Group is paid a fixed fee per dry metric tonne of ore delivered to the delivery point at the Svartliden Plant and the Company accepts custody of the ore for the sole purpose of treating it. The Group is paid a production fee based on a tiered percentage of the sale proceeds, dependent on the gold head grade.

While the ore is physically delivered to the Svartliden Plant for processing, the legal and beneficial ownership of the ore remains with the customer. The Group must process the ore in accordance with good operating practice and to the agreed production plan. The Group will sell all bullion through its metal account with all sale proceeds held on trust and paid into the customers nominated bank account within three (3) business days of receiving cleared funds.

The fixed fee is based on a set amount per tonne and can be reliably measured as the ore is delivered and processed. The production fee is recognised over time as the ore is processed, but with some considerations due to the variable nature of the fee as follows:

- Initial recognition: as the Group processes the ore, it recognises revenue only to the extent of the portion of the service completed. The revenue is measured based on the best estimate of the eventual sale proceeds, and it considers the expected head grade of the ore (based on preliminary analysis) and the current market price for gold and silver.

- Constraint on variable consideration: under IFRS 15, the Group needs to apply the constraint on variable consideration. This means it can only recognise the portion of the production fee for which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is resolved.

- Subsequent adjustments: as uncertainties are resolved, the Group adjusts the amount of revenue recognised when:

    - the final head grade of the ore is determined.

    - the gold and silver are sold, and the final sale proceeds are known.

The Group recognises the full amount of the production fee once the bullion is sold and the sale proceeds are measurable, and the collection is reasonably assured.

e) Income taxes

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and for unused tax losses.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting or taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent it is probable that a taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

Tax consolidation legislation

The Company implemented the Australian tax consolidation legislation as of 1 July 2003. The Company has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

f) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of good and services tax ("**GST**") except:

- where the GST incurred on a purchase of goods and services is not recoverable from the tax authority; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the tax authority, is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

g) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each company is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Group Companies

The results and financial position of all the subsidiaries of the Company (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that reporting date;

- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction date, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any monetary items that form part of the net investment in a foreign entity are taken to shareholders' equity. When a foreign operation is sold, or borrowings are repaid the proportionate share of such exchange differences are recognised in the consolidated statement of profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

h) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. This category includes trade receivables relating to concentrate sales that are subject to quotation period pricing.

The terms of the concentrate sales contract contain provisional pricing arrangements. Adjustments to the sales price are based on movements in metal prices up to the date of final pricing. The final settlement is based on the monthly average LME gold price for the month following delivery (the "**quotational period**"). Movements in the fair value of the concentrate debtors are recognised in other revenue. The Group did not sell any concentrate to external customers during the year.

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost.

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

i) Inventories

Finished goods, gold concentrate, gold in circuit and stockpiles of unprocessed ore have been valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure.

Costs are assigned to stockpiles and gold in circuit inventories based on weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the cost to sell. Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

j) **Financial assets and liabilities**

Initial recognition and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortised cost.

The classification of financial assets at initial recognition, depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**OCI**").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

- Fair value through OCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the consolidated statement of profit or loss and presented net within other gains/(losses) in the year in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through OCI are not reported separately from other changes in fair value.

Hedging

Hedges of a net investment in a foreign operation are accounted for in a similar way as cash flow hedges. Gains or losses on the effective portion of the hedge are recognised directly in equity (in the foreign currency translation reserve) while any gains or losses relating to the ineffective portion are recognised in the consolidated statement of profit or loss. On disposal of the foreign operation, the cumulative value of gains or losses recognised in the foreign currency translation reserve are transferred to profit or loss.

Hedge Ineffectiveness

The Group aims to transact only highly effective hedge relationships, and in most cases the hedging instruments have a 1:1 hedge ratio with the hedged items. However, at times, some hedge ineffectiveness can arise and is recognised in the statement of profit or loss in the period in which it occurs.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with debt instruments carried at amortised cost and/or fair value through OCI. The Group applies the simplified approach permitted by *IFRS 9 Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

k) Deferred waste

The Group incurs stripping (waste removal) costs during the development and production phase of its operations. When development stripping costs are incurred, expenditure is capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a unit of production ("**UOP**") method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping costs incurred in the production phase create two benefits:

- the production of inventory; or
- improved access to future ore.

Where the benefits are realised in the form of inventories produced in the period, production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred, and the benefit is improved access to future ore, the costs are recognised as a stripping activity asset in mine properties. If the costs of the inventories produced and the stripping asset are not separately identifiable, an allocation is undertaken based on the waste to ore stripping ratio (for the ore component concerned). If mining of waste in a period occurs more than the expected stripping ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life of component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventories produced.

Amortisation is provided using a UOP method over the life of the identified component of orebody. The UOP method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves) component.

l) Property, plant, and equipment

Mine properties: areas in production

Areas in production represent the accumulation of all acquired exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to an area of interest in which mines are being prepared for production or the economic mining of a mineral reserve has commenced.

When further development expenditure, including waste development, is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward to the extent that a future economic benefit is established, otherwise such expenditure is classified as part of the cost of production. Amortisation of costs is provided using a UOP method (with separate calculations being made for each mineral resource).

The UOP method results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

The costs are carried forward to the extent that these costs are expected to be recouped through the successful exploitation of the Group's mining leases. The net carrying value of each mine property is reviewed regularly and, to the extent that its carrying value exceeds its recoverable amount, the excess is fully provided against in the financial year in which it is determined.

Plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

The cost of an item of plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant, and equipment other than mining plant and equipment and land. The depreciation rates used for each class of depreciable assets are:

Other plant and equipment	5–50%
Buildings	4–33%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

Impairment

The carrying values of mine properties, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Refer to note 1(o).

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

m) **Mineral exploration and evaluation costs**

Exploration expenditure is expensed to the consolidated statement of profit or loss as and when it is incurred and included as part of cash flows from operating activities in the consolidated statement of cash flows. Exploration costs are only capitalised to the consolidated statement of financial position if they result from an acquisition.

Evaluation expenditure is capitalised to the consolidated statement of financial position. Evaluation is deemed to be activities undertaken from the beginning of the definitive feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource before moving into the development phase.

The criteria for carrying forward costs are:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or

- Exploration and/or evaluation activities in the area of interest have not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area are continuing.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

Farm out arrangements

In respect of Farm Outs, the Company does not record any expenditure made by the Farmee on its account. Where there is capitalised exploration expenditure it also does not recognise any gain or loss on its exploration and evaluation Farm Out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Cash received from the Farmee is treated as a reimbursement of expenditure incurred (where expenditure is capitalised) or gains on disposal if there is no capitalised expenditure.

n) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities normally of three months or less, and bank overdrafts excluding any restricted cash. Restricted cash is not available for use by the Company and is therefore not considered highly liquid (i.e., rehabilitation bonds).

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the consolidated statement of financial position.

o) Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds ("**CGU**") its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its ("**VIU**") and its fair value less costs of disposal ("**FVLCD**"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) Trade and other payables

Trade and other payables are carried at amortised cost due to their short-term nature and they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

r) Interest bearing liabilities

Interest bearing liabilities includes leases, loans, and borrowings.

Leases

The Group assesses each contract at inception to determine whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets:

Property	5–50%
Plant and equipment	4–33%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy note 1(o).

The Group's right-of-use assets are stated in note 11.

Short-term leases and low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are stated in note 14.

Loans and borrowings

All loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated considering any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the consolidated statements of profit or loss when the liabilities are derecognised, as well as through the amortisation process.

s) Employee benefits

Wages, salaries, and other short-term benefits

The liability for wages, salaries and other short-term benefits is recognised at the present value of expected future payments.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds or national government bonds as appropriate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions made by the Group to employee superannuation funds, defined contribution plans, are charged to the consolidated statement of profit or loss in the period employees' services are provided.

t) Restoration and rehabilitation costs

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation, and revegetation of affected areas.

An obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting on the provision is recorded as a finance cost in the consolidated statement of profit or loss. The carrying amount capitalised is depreciated over the life of the related asset.

u) Earnings per share

Basic earnings per share ("**EPS**") is calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares.

The result is then divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.

v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

There were no borrowing costs eligible for capitalisation during the year (2023: no borrowing costs eligible for capitalisation).

w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Operating segments results are regularly reviewed by the Company's chief operating decision makers and are used to make decisions about the allocation of resources and to assess performance using discrete financial information. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- geographical location;
- national regulatory environment;
- nature of the products and services; and
- nature of the production processes.

Operating segments that do not meet the quantitative criteria as prescribed by *IFRS 8 Operating Segments* are reported separately. An operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the consolidated financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for all other segments.

x) Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

y) Significant accounting judgements

There are no significant accounting judgements, apart from those involving material estimates and assumptions stated in policy note 1(z), impacting the amounts recognised in the consolidated financial statements.

z) Material accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The ore reserves, mineral resources or mineralisation are reported in accordance with the Aus.IMM Australian Code for reporting of Identified Mineral Resources and Ore Reserves (the "**Code**").

The information has been prepared by or under supervision of competent persons as identified by the Code. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Changes in reported Reserves and Resources estimates can impact the carrying value of property, plant and equipment through depreciation, provisions for mine rehabilitation, restoration and dismantling obligations, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the consolidated statement of comprehensive income. However, quantification of the future impact is not considered practicable.

Mine rehabilitation provisions

The Group assesses its mine rehabilitation provision half-yearly in accordance with the accounting policy stated in note 1(t). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site.

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents the Group's best estimate of the present value of the future rehabilitation costs required. The restoration activities in relation to Svartliden and Orivesi are expected to commence once all necessary approvals have been obtained.

Impairment of non-financial assets

In accordance with accounting policy note 1(o), the Group 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 properties and assessed as a separate asset to the Vammala CGU. The Group has determined that there is no active market for intermediate components.

In determining whether the Vammala CGU recoverable amount is the higher of FVLCD of disposal or VIU against which asset impairment is to be considered, the Group undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its mine properties, forward estimates of:

- mine life, including quantities of mineral reserves and resources for which there is a high degree of confidence of economic extraction with given technology;
- production levels and demand;
- metal price;
- inflation;
- cash costs of production;
- discount rates applicable to the cash-generating unit; and
- future legal changes and/or environmental permits.

In determining the recoverable value of Fäboliden mine properties, the Group conducted a market value assessment of the Fäboliden mineral resource using comparable market transactions to derive a valuation multiple per resource ounce having regard to the current status of the project including consideration of the Environmental permit reapplication process.

Impairment is recognised when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount for the Vammala CGU and Fäboliden mine properties is determined using the higher of the CGU's value in use and fair value less costs of disposal, classified as level 3 on the fair value hierarchy. Any variation in the assumptions used to determine the value in use or fair value less costs of disposal would result in a change to the assessed recoverable value. If the variation in assumption had a negative impact on recoverable value, it could indicate a requirement for impairment of non-current assets.

Refer to note 9 for further discussion of the current year impairment trigger assessment and calculation of the CGU recoverable values.

Income taxes

The Group is subject to income taxes in Australia, Sweden, and Finland. The Group's accounting policy for taxation stated in note 1(e) requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated statement of financial position.

Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless the repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends, and other capital management transactions. Judgements are also required about the application of income tax legislation.

aa) Accounting standards and interpretations issued but not yet effective

The following accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 31 December 2024 and are outlined below:

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective 1 January 2025)

The amendments to *IAS 21 The Effects of Changes in Foreign Exchange Rates* ("**IAS 21**") specify that when a currency is not exchangeable into another, an entity must estimate the spot exchange rate at the measurement date, aiming to reflect the rate of an orderly exchange transaction under prevailing economic conditions. This estimation can be based on an observable exchange rate or another estimation technique. Additionally, entities must disclose how the non-exchangeability of currencies impacts their financial performance, position, and cash flows, with early adoption of these amendments permitted and requiring disclosure.

IFRS S2 – Climate-Related Financial Disclosures (effective 1 January 2025)

IFRS S2 Climate-related Financial Disclosures ("**IFRS S2**") mandates that entities disclose information under four key pillars: *Governance, Strategy, Risk Management*, and *Metrics and Targets*. Under the Governance pillar, entities must provide details on the governance processes, controls, and procedures used to monitor and manage climate-related risks and opportunities. The Strategy pillar requires information on how the entity's strategy addresses these risks and opportunities, including the use of scenario analysis to assess the resilience of the strategy and business model. This analysis must consider at least two scenarios: one where global temperatures are limited to 1.5°C, aligning with the Paris Agreement, and another where temperatures significantly exceed 2°C.

The Risk Management pillar focuses on how climate-related risks and opportunities are identified, assessed, prioritised, and monitored, and how these processes integrate into the entity's overall risk management framework. Finally, under Metrics and Targets, entities must disclose their performance against climate-related metrics, including Scope 1, 2, and 3 greenhouse gas emissions, assets, or activities vulnerable to climate risks, capital deployment, internal carbon pricing, and any climate-related performance metrics in executive remuneration. Entities are also required to disclose progress towards any set targets. These disclosures aim to provide stakeholders with reliable, comparable, and decision-useful information about the entity's exposure to climate-related risks and opportunities, its response strategies, and its performance in managing these factors.

In the first annual reporting period in which an entity applies IFRS S2, the entity is not required to disclose comparative information or Scope 3 greenhouse gas emissions.

IFRS S1 – General Requirements for Sustainability Related Financial Disclosures (voluntary) (effective 1 January 2025)

The application of *IFRS S1-General Requirements for Sustainability Related Financial Disclosures* ("**IFRS S1**") is voluntary. Entities may choose to apply this Standard, which addresses sustainability-related disclosures beyond climate. Earlier application of IFRS S1 is permitted provided that the entity also applies IFRS S2 at the same time.

IFRS S1 includes the conceptual foundations and general requirements for preparing sustainability-related financial disclosures. These requirements address the reporting entity, materiality, comparatives, as well as the location and timing of reporting. These conceptual foundations and general requirements are also reflected in Appendix D of IFRS S2 so that an entity that is only disclosing climate-related financial information only needs to apply IFRS S2.

Clarification and Measurement of IFRS 7 and IFRS 9 Financial Instruments (effective 1 January 2026)

The amendments to *IFRS 7 Financial Instruments: Disclosures* ("**IFRS 7**") and *IFRS 9 Financial Instruments* ("**IFRS 9**") introduce several key changes: they clarify that a financial liability is derecognised on the settlement date when the obligation is discharged, cancelled, or expires. They also provide an option to derecognise financial liabilities settled through electronic payment systems before the settlement date under specific conditions. For financial asset classification, the amendments specify how to assess contractual cash flow characteristics, particularly those linked to ESG or other contingent features, and how to evaluate non-recourse features and contractually linked instruments for the SPPI test. Additionally, these changes mandate enhanced disclosures in IFRS 7 for financial instruments with contingent terms, including ESG-linked features, and for equity instruments measured at fair value through other comprehensive income.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

Annual Improvements and Amendments to IFRS 7 Financial Instruments Disclosures (effective 1 January 2026)

Annual improvements and amendments to IFRS 7 include updates to the language on unobservable inputs for gain or loss on derecognition, with a cross-reference added to *IFRS 13 Fair Value Measurement* ("**IFRS 13**"). The introduction to implementation guidance has been clarified to indicate that it does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements. The disclosure of deferred differences between fair value and transaction price has been amended to ensure consistency with the requirements in IFRS 7 and the terminology used in IFRS 9 and IFRS 13.

Paragraph 37 of IFRS 7 has been amended to replace the term 'cost method' with the phrase 'at cost', following deletion of the definition of 'cost method'.

Earlier application of the amendments is permitted.

Annual Improvements and Amendments to IFRS 9 Financial Instruments (effective 1 January 2026)

Annual amendments to IFRS 9 include updates for the derecognition of lease liabilities requiring the lessee to recognise any resulting gain or loss in profit or loss. Earlier application of the amendments is permitted.

These amendments to IFRS 9 clarify that when a lease liability is extinguished, the lessee must recognise any resulting gain or loss in profit or loss, although it does not address distinguishing between lease modifications under *IFRS 16 Leases* and extinguishments under IFRS 9.

Additionally, to avoid confusion, the term 'transaction price' as defined by *IFRS 15 Revenue from Contracts with Customers* ("**IFRS 15**") has been replaced with 'the amount determined by applying IFRS 15'. Narrow-scope amendments to IFRS 9, effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

Amendments to IFRS 1 First-Time Adoption of International Financial Reporting Standards (effective 1 January 2026)

IFRS 1 First-Time Adoption of International Financial Reporting Standards ("**IFRS 1**") paragraph B5 and B6 have been amended to include cross references to the qualifying criteria for hedge accounting in IFRS 9. The intention of this amendment is to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. Earlier application is permitted.

IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)

IFRS 18 Presentation and Disclosure in Financial Statements ("**IFRS 18**") has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by IFRS 18 are:

- The presentation of newly defined subtotals in the statement of profit or loss:

- The disclosure of management-defined performance measures ("**MPM**"); and

- Enhanced requirements for grouping information (i.e. aggregation and disaggregation).

IFRS 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including *IAS 7 Statement of Cash Flows*. IFRS 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss. For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity.

IFRS 18 also requires several disclosures in relation to MPM's, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by IFRS 18 or another standard. IFRS 18 will replace *IAS 1 Presentation of Financial Statements*.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective date deferred, however early application is permitted)

The amendments to *IFRS 10 Consolidated Financial Statements* ("**IFRS 10**") and *IAS 128 Investments in Associates and Joint Ventures* ("**IAS 128**") clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in *IFRS 3 Business Combinations* ("**IFRS 3**"). Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards and Interpretations

The Group has adopted all new and amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are relevant to the Group and effective as at 1 January 2024.

The adoption of these new and amended Accounting Standards and Interpretations did not impact the accounting policies or the consolidated financial statements of the Group.

2. OTHER REVENUE, INCOME AND EXPENSES

		2024	2023
		AU$'000	*AU$'000*
(a)	**Revenue from customers**		
	Revenue from gold sales	**70,658**	60,495
	Revenue from toll milling services[1]	**2,146**	–
		72,804	60,495

[1] On 1 September 2024, the Group commenced a toll treatment arrangement with nearby operation, Botnia Exploration AB. Toll milling revenue consists of a fixed fee per ore tonne delivered for treatment at the Group's Svartliden Plant and a production fee based on a tiered percentage of the sale proceeds, dependent on head grade. Refer to note 1(d) for the Group's accounting policy relating to the recognition of toll milling revenue.

(b)	**Cost of sales**		
	Cost of production net of inventory movements	**45,009**	44,895
	Depreciation of mine properties, plant and equipment	**6,599**	9,655
		51,608	54,550
	Cost of production net of inventory movements		
	Mining costs	**24,388**	23,603
	Processing costs	**19,458**	18,397
	Other production costs	**792**	1,553
	Gold inventory movements	**371**	1,342
	Cost of production net of inventory movements	**45,009**	44,895
(c)	**Other revenue**		
	Finance revenue and interest	**735**	601
	Rent and sundry revenue	**1**	1
		736	602
(d)	**Other income**		
	Net gain from cancellation of Crusher agreement[2]	**1,550**	–
	Sale of net smelter royalty	**–**	8,252
	Service income	**920**	777
	Other income	**119**	60
		2,589	9,089

[2] Associated with cancellation of the Crusher agreement in Finland following successful completion of arbitration proceedings. At year end, the Group has recognised an impairment loss of AU$0.8 million against the Crusher receivable, refer to note 2(e).

		2024	2023
		AU$'000	*AU$'000*
(e)	**Operating expenses**		
	Management and administration expenses	**5,799**	5,087
	Exploration and evaluation costs written off	**–**	300
	Impairment loss against net gain from cancellation of Crusher agreement[(3)]	**755**	–
	Depreciation of non-mine site assets	**220**	281
	Rehabilitation costs/(reduction)	**573**	(939)
		7,347	4,729

(3) At year end, the Group has recognised an impairment loss of AU$0.8 million against the net receivable from cancellation of the Crusher agreement.

		2024	2023
(f)	**Finance costs**		
	Rehabilitation unwinding of discount	**1,159**	933
	Interest expense	**11**	7
	Other finance costs	**17**	52
		1,187	992
(g)	**Fair value change in financial assets**		
	(Gain)/loss on investments at fair value through profit or loss	**(338)**	411
		(338)	411
(h)	**Total employee benefits including Directors' remuneration**		
	Wages and salaries	**8,158**	7,512
	Defined contribution superannuation expense	**1,803**	1,658
		9,961	9,170
	Wages and salaries included in:		
	Cost of sales	**6,761**	6,289
	Management and administration expense	**3,200**	2,881
		9,961	9,170

3. INCOME TAX

		2024	2023
		AU$'000	*AU$'000*
(a)	**Income tax expense**		
	The major components of income tax expense are:		
	Current income tax		
	Current income tax expense	**4,167**	2,338
	Adjustments in respect of current income tax of previous year	**–**	–
	Deferred income tax		
	Income tax benefit arising from previously unrecognised tax loss	**–**	–
	Relating to origination and reversal of temporary differences	**–**	–
	Income tax expense reported in the statement of comprehensive income	**4,167**	2,338
(b)	**Amounts charged or credited directly to equity**		
	Deferred income tax related to items charged/(credited) directly to equity	**–**	–
(c)	**Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate**		
	Accounting profit before income tax	**17,043**	7,527
	At the Group's statutory income tax rate of 30% in Australia (2023: 30%)	**5,113**	2,258
	Adjustments in respect of current income tax in foreign jurisdiction	**–**	–
	Effect of different rates of tax on overseas income	**(1,818)**	(712)
	Net non-deductible expense and non-assessable income	**979**	118
	Tax (benefit)/losses and other temporary differences not recognised as benefit not probable	**(107)**	674
	Aggregate income tax expense	**4,167**	2,338
(d)	**Recognised deferred tax assets and liabilities**		
	Deferred tax assets (excluding tax losses)		
	Leave entitlements	**80**	94
	Rehabilitation provision	**3,565**	3,015
	Lease liabilities	**80**	32
	Share issue and listing costs	**14**	27
	Mine properties, property, plant, and equipment	**3,269**	700
	Accruals	**88**	115
	Temporary differences not recognised	**(6,835)**	(3,715)
	Set off deferred tax liabilities pursuant to set off provisions	**(261)**	(268)
	Deferred income tax assets	**–**	–
	Deferred tax liabilities		
	Accelerated deduction		
	Mine properties, property, plant, and equipment	**(120)**	(71)
	Financial assets	**(8)**	(6)
	Set off deferred tax assets pursuant to set off provisions	**128**	77
	Deferred income tax liabilities	**–**	–

(e) Tax losses

The Group has tax losses of approximately AU$21.8 million in Australia (2023: AU$20.8 million) and approximately AU$41.0 million in Sweden (2023: AU$41.1 million) that are available indefinitely for offsetting against future taxable profits of the jurisdictions in which the losses arose. The Australian tax consolidated group has available capital losses amounting to AU$2.6 million (2023: AU$2.6 million). The Group utilised its tax losses in Finland during the year (2023: the Group utilised its tax losses in Finland during the year).

The benefits of the tax losses will only be obtained by the companies in the Consolidated Entity if:

(i) they continue to comply with the provisions of the Income Tax Legislation relating to the deduction of losses of prior periods;

(ii) they earn sufficient assessable income to enable the benefits of the deductions to be realised; and

(iii) there are no changes in Income Tax Legislation adversely affecting the Company's ability to realise the benefits.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Tax consolidation

Effective 1 July 2003, for the purpose of income taxation, Dragon Mining Limited and its 100% Australian owned subsidiaries formed a Tax Consolidation Group ("**Tax Group**"). Members of the Tax Group have entered into a tax sharing and funding arrangement whereby each entity in the Tax Group has agreed to pay a tax equivalent amount to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the Tax Group.

For the year ended 31 December 2024, there are no tax consolidation adjustments (2023: nil). The nature of the tax funding arrangement for the Tax Group is such that no tax consolidation adjustments (contributions by or distributions to equity participants) would be expected to arise. The head entity of the Tax Group is Dragon Mining Limited. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

4. CASH AND CASH EQUIVALENTS

	2024	2023
	AU$'000	*AU$'000*
Cash at bank and on hand	**39,858**	19,484
Restricted cash[1]	**455**	2,684
	40,313	22,168

[1] Restricted use cash represents the net proceeds remaining from the Placement of shares completed in January 2021. In accordance with the terms and conditions of the Placing Agreement, the entire net proceeds are to be used for the payment of the additional environmental bonds in Finland and Sweden. For further information relating to the utilisation of restricted use cash during the year, refer to note 8.

	2024	2023
	AU$'000	*AU$'000*
(a) Reconciliation of net profit after tax to net cash flows from operations		
Net profit after tax	**12,876**	5,189
Adjustments for:		
Depreciation and amortisation	**6,819**	9,936
Exploration write-off	**–**	300
Unwinding of rehabilitation provision discount	**1,159**	933
Net foreign exchange (gain)/loss	**(251)**	934
Consideration shares	**–**	(1,817)
Fair value (gain)/loss on financial assets	**(338)**	411
Changes in operating assets and liabilities		
Decrease in receivables	**846**	46
Increase in other assets	**(553)**	(1,850)
Decrease in inventory	**374**	360
Increase/(decrease) in trade creditors	**3,161**	(1,350)
Increase/(decrease) in provisions	**503**	(4,424)
Net operating cash flows	**24,596**	8,668

	2024	2023
	AU$'000	*AU$'000*

(b) Reconciliation of liabilities from financing activities

Opening balance – 1 January	**1,300**	1,449
Cash flows:		
Repayment of lease liabilities	**(165)**	(167)
Non-cash changes:		
Additions to lease liabilities	**282**	186
Accrued payments	**–**	(359)
Cancellation of Crusher agreement[(2)]	**(1,019)**	–
Foreign exchange adjustments on borrowings and lease liabilities	**9**	191
Balance at year end	**407**	1,300

(2) Associated with cancellation of the Crusher agreement in Finland following successful completion of arbitration proceedings.

5. TRADE AND OTHER RECEIVABLES

	2024	2023
	AU$'000	*AU$'000*
Trade receivables – amortised cost [(i)]	**657**	2,826
Other receivables [(ii)]	**1,913**	590
	2,570	3,416

(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 year end.

(ii) Includes the AU$1.5 million receivable from the cancellation of a Crusher agreement in Finland following successful completion of arbitration proceedings. An impairment loss of AU$0.8 million has been recognised against the carrying value of the Crusher receivable at year end. 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 Groups' exposure to credit risk and interest rate risk are stated in notes 25(d) and 25(e).

Aging analysis

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

	2024	2023
	AU$'000	*AU$'000*
Amounts not yet due		
Within 1 month	**657**	2,826
1 to 2 months	**–**	–
2 to 3 months	**–**	–
Over 3 months	**–**	–
Trade receivables	**657**	2,826

6. INVENTORIES

	2024	2023
	AU$'000	*AU$'000*
Ore and concentrate stockpiles – at cost	**12,470**	13,549
Gold in circuit valued – at cost	**4,236**	4,672
Gold bullion on hand – at cost	**1,492**	–
Raw materials and stores – at cost	**1,059**	1,410
	19,257	19,631

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	AU$'000	*AU$'000*
Investments at fair value through profit or loss	**1,826**	1,406

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). Refer to note 1(j) for the Group's policy relating to the disclosure of financial assets.

Investment in Aurion Resources Limited

At 31 December 2024, the Group continues to hold 2,582,910 shares in TSX Venture Exchange listed company Aurion Resources Limited (TSXV: AU) ("**Aurion Resources**"), representing approximately 1.89% of the number of issued common shares of Aurion Resources. The fair value movement in the shares at year end was a gain of AU$0.42 million (2023: loss of AU$0.41 million). There have been no share sales as at the date of this announcement.

8. OTHER ASSETS

	2024	2023
	AU$'000	*AU$'000*
Current		
Prepayments	**398**	295
Other receivables	**468**	776
	866	1,071
Non-current		
Environmental and other bonds at amortised cost	**12,587**	9,804

During the year, the Company utilised HK$12.4 million (approximately AU$2.3 million) from the net proceeds of HK$39.6 million (approximately AU$7.6 million) to fund the Vammala Environmental Bond. The Company can apply for progressive release of the environmental bonds from the Regional State Administration Agency upon completion of the rehabilitation work. 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.

9. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	AU$'000	AU$'000
Land		
Gross carrying amount – at cost	**1,379**	1,354
Buildings		
Gross carrying amount – at cost	**2,612**	2,609
Less accumulated depreciation and impairment	**(2,496)**	(2,414)
Net carrying amount	**116**	195
Property, plant and equipment		
Gross carrying amount – at cost	**43,836**	42,534
Less accumulated depreciation and impairment	**(39,316)**	(37,144)
Net carrying amount	**4,520**	5,390
Mine properties		
Gross carrying amount – at cost	**171,116**	160,226
Less accumulated amortisation and impairment	**(123,825)**	(119,435)
Net carrying amount	**47,291**	40,791
Total property, plant and equipment		
Gross carrying amount – at cost	**218,943**	206,723
Less accumulated amortisation and impairment	**(165,637)**	(158,993)
Net carrying amount	**53,306**	47,730

Included within property, plant and equipment and mine properties are AU$19.2 million of capitalised costs (31 December 2023: AU$19.5 million) relating to Fäboliden mine properties.

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 Accounting Standards. If any such indication exists, the Group shall estimate each asset or cash generating unit ("**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 indications of impairment using both external and internal sources of information which included current performance, changes in exchange rates, gold price, market capitalisation and environmental permitting delays. The Company identified the following indications of possible impairment that resulted in impairment testing being performed at year end:

- a market capitalisation deficiency compared to net assets for the Vammala and Fäboliden CGU's; and

- delays in obtaining an Environmental Permit to commence full-scale mining activities at Fäbolioden.

Vammala CGU

The Vammala CGU impairment assessment utilises a life of mine discounted cash flow ("**DCF**") model. The recoverable amount of AU$84.3 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 weighted average gold price of US$2,405 per ounce (31 December 2023: US$1,825 per ounce), a USD:SEK exchange rate of 10.69 (31 December 2023: 10.69), a SEK:EUR exchange rate of 0.08 (31 December 2023: 0.09) and a pre-tax discount rate of 7.0% (31 December 2023: 8.1%).

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 fall in the gold price to US$2,345 per ounce (31 December 2023: US$1,779 per ounce) (i.e., -2.5% in each consensus forecast year) in the Vammala CGU would decrease the recoverable value by AU$6.1 million (31 December 2023: AU$2.6 million) and would not result in impairment. A decrease in the foreign exchange forecast rate of -2.5% in the Vammala CGU would decrease the recoverable value by AU$5.6 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.

On 11 June 2024, the Supreme Court of Appeal rejected the Company's leave of appeal application notwithstanding that the Environmental Impact Assessment ("**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 Swedish Land and Environment Court ("**Environment Court**"). The revised application will be updated to include the Company's measures aimed to mitigate the Environment Courts concerns issued in its ruling on 28 June 2022 and is estimated to take 2 years.

The Group has determined the recoverable value of the Fäboliden mine properties based on its estimated FVLCD using a market comparison approach (level 3 in the fair value hierarchy). In this regard, the Group conducted a market value assessment for the Fäboliden JORC compliant Mineral Resources using comparable market transactions to derive a valuation multiple per resource ounce.

Fäboliden mine properties valuation	Low	Mid	High
JORC compliant Mineral Resources (Koz) [1]	1,000	1,000	1,000
Valuation multiple (AU$/oz)	27	34	41
Valuation of Mineral Resources (AU$,000)	27,403	34,254	41,105

[1] The mineral resources are based upon the Mineral Resource Estimate as at 31 December 2023 previously released to the Stock Exchange on 18 March 2024 – *Annual Update of Mineral Resource and Ore Reserve*.

Fäboliden exploration assets

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

No impairment has been recognised for the year ended 31 December 2024 (31 December 2023: nil).

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period:

	2024	2023
	AU$'000	*AU$'000*
Land		
Carrying amount at beginning of year	**1,354**	1,305
Net foreign exchange movement	**25**	49
Carrying amount at end of year	**1,379**	1,354
Buildings		
Carrying amount at beginning of year	**195**	267
Depreciation	**(82)**	(89)
Net foreign exchange movement	**3**	17
Carrying amount at end of year	**116**	195

	2024	2023
	AU$'000	*AU$'000*
Property, plant and equipment		
Carrying amount at beginning of year	**5,390**	4,428
Additions	**2,137**	2,362
Disposals	**(1,558)**	–
Accumulated depreciation of disposed asset	**875**	–
Depreciation	**(3,047)**	(1,080)
Net foreign exchange movement	**723**	(320)
Carrying amount at end of year	**4,520**	5,390
Mine properties		
Carrying amount at beginning of year	**40,791**	48,427
Additions	**522**	606
Increase in rehabilitation assets	**6,724**	(4,147)
Write off	**–**	(387)
Reclassification of evaluation costs	**3,547**	2,047
Depreciation	**(4,390)**	(8,214)
Net foreign exchange movement	**97**	2,459
Carrying amount at end of year	**47,291**	40,791

10. MINERAL EXPLORATION AND EVALUATION COSTS

	2024	2023
	AU$'000	*AU$'000*
Balance at beginning of year	**1,848**	2,242
Additions	**3,103**	2,618
Exploration write-off	**–**	(300)
Reclassification to mine properties	**(3,547)**	(2,047)
Net foreign exchange movement	**32**	(665)
Total mineral exploration and evaluation expenditure	**1,436**	1,848

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.

11. RIGHT-OF-USE ASSETS

	2024	2023
	AU$'000	*AU$'000*
Gross carrying amount – at cost	**869**	2,551
Less accumulated depreciation and impairment	**(458)**	(1,310)
Net carrying amount	**411**	1,241

Reconciliations

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

	2024	2023
	AU$'000	*AU$'000*
Right-of-use assets – property		
Carrying amount at beginning of year	**172**	176
Additions	**294**	89
Depreciation	**(134)**	(85)
Net foreign exchange movement	**8**	(8)
Carrying amount at end of year	**340**	172
Right-of-use assets – plant and equipment		
Carrying amount at beginning of period	**1,069**	1,355
Net cancellation of right-of-use asset[1]	**(938)**	–
Depreciation	**(43)**	(437)
Net foreign exchange movement	**(17)**	84
Carrying amount at end of year	**71**	1,069
Total right-of-use assets	**411**	1,241

(1) Associated with cancellation of the Crusher agreement in Finland following successful completion of arbitration proceedings.

The Groups' lease liabilities are included in note 14.

12. TRADE AND OTHER PAYABLES

	2024	2023
	AU$'000	*AU$'000*
Trade payables and accruals	**8,318**	7,967

Ageing Analysis

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

	2024	2023
	AU$'000	*AU$'000*
Within 1 month	**8,318**	7,967
1 to 2 months	**–**	–
2 to 3 months	**–**	–
Over 3 months	**–**	–
Trade payables and accruals	**8,318**	7,967

13. PROVISIONS

	2024	2023
	AU$'000	*AU$'000*
Current		
Employee entitlements	**1,810**	1,726
Rehabilitation	**1,814**	350
Other	**–**	146
	3,624	2,222
Non-current		
Employee entitlements	**28**	35
Rehabilitation	**34,229**	26,611
	34,257	26,646
Rehabilitation movement		
Balance at 1 January	**26,961**	30,791
Net increase/(decrease) in rehabilitation provision	**6,724**	(4,143)
Rehabilitation expenditure/(reduction)	**573**	(934)
Discount unwinding	**1,159**	933
Net foreign exchange movement	**626**	314
Balance at 31 December	**36,043**	26,961

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 the 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 31 December 2024 was 3.2% (31 December 2023: 4.5%) and in Sweden 2.5% (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. The long-term inflation rates are 1.8% and 1.8% in Finland and Sweden, respectively (31 December 2023: 2.0% and 2.2%).

Svartliden closure plan

On 25 September 2024, the Environment Court ruled that the entire waste rock dump is acid forming/ potentially acid forming, requiring a hard cover. In its ruling, the Environment Court ordered the Company to place an additional collateral security of 32.0 million SEK (approximately AU$4.7 million), bringing the total security to 65.0 million SEK (approximately AU$9.5 million).

The Environment Court ruling gained legal force on 18 February 2025. The Company has 3 months from that date to place the additional collateral security.

The Company has updated the Svartliden closure costs for year end to reflect this change.

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 financial impact of the court ruling has been included in the Vammala provision for rehabilitation as at the date of this announcement. 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.

14. INTEREST BEARING LIABILITIES

	2024	2023
	AU$'000	*AU$'000*
Current		
Lease liabilities	**180**	603
Non-current		
Lease liabilities	**227**	697
	407	1,300

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

	2024	2023
	AU$'000	*AU$'000*
As at 1 January	**1,300**	1,449
Additions	**282**	186
Payments	**(165)**	(526)
Cancellation of Crusher agreement[1]	**(1,019)**	–
Net foreign exchange movement	**9**	191
As at 31 December	**407**	1,300

[1] Cancellation of liability following cancellation of the Crusher agreement in Finland.

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 2 December 2024, the Company extended the expiry date of its Loan Facility from 30 June 2025 to 31 December 2026. 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.

15. CONTRIBUTED EQUITY

	2024	2023	**2024**	2023
	Number of shares		***AU$'000***	*AU$'000*
Ordinary shares paid in full	**158,096,613**	158,096,613	**140,408**	140,408

	2024		2023	
Movements in issued capital	***AU$'000***	***No. of shares***	*AU$'000*	*No. of shares*
Balance at 1 January	**140,408**	**158,096,613**	140,420	158,171,613
Share buy back and cancellation	**–**	**–**	(12)	(75,000)
Balance at 31 December	**140,408**	**158,096,613**	140,408	158,096,613

16. DIVIDENDS

No dividend has been paid or declared since the commencement of the year and no dividend has been recommended by the Directors for the year ended 31 December 2024 (31 December 2023: nil).

17. RESERVES

	2024	2023
	AU$'000	*AU$'000*
Foreign currency translation reserve	**(1,610)**	(2,740)
Convertible note premium reserve	**2,068**	2,068
Equity reserve-purchase of non-controlling interest	**1,069**	1,069
	1,527	397

Summary of foreign currency translation reserve

This reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

Summary of convertible note premium reserve

This reserve is used to record the equity component of any convertible notes on issue. This is a historical reserve, and no convertible notes are currently on issue.

Summary of equity reserve – purchase of non-controlling interest

This reserve is used to record differences between the consideration paid for acquiring the remaining non-controlling interest and the carrying value of net assets attributed to the non-controlling interest. This is a historical reserve, and all subsidiaries are now wholly owned.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

Directors' and Executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Directors

Mr Arthur G Dew	Non-executive Director and Chairman of the Board (appointed 7 February 2014)
Mr Wong Tai Chun Mark	Alternate Director to Mr Arthur G Dew (appointed 19 May 2015)
Mr Brett R Smith	Executive Director and Chief Executive Officer (appointed 7 February 2014)
Ms Lam Lai	Non-executive Director (appointed 18 July 2019)
Mr Carlisle C Procter	Independent Non-executive Director (appointed 19 May 2015)
Mr Pak Wai Keung Martin	Independent Non-executive Director (appointed 5 November 2018)
Mr Poon Yan Wai	Independent Non-executive Director (appointed 5 November 2018)

Executives

Mr Neale M Edwards	Chief Geologist (appointed 19 August 1995)
Mr Daniel K Broughton	Chief Financial Officer (appointed 8 September 2014)

(b) Compensation of key management personnel

Key management personnel

	for the year ended 31 December	
	2024	2023
	AU$	*AU$*
Short-term	**1,402,013**	1,320,242
Long-term	**61,380**	74,747
Post-employment	**147,664**	124,297
Total	**1,611,057**	1,519,286

The remuneration of Key Management Personnel ("**KMP**") is determined by the Remuneration Committee having a regard to the position, experience, qualification and performance of the individuals and market trends.

Five highest paid employees

The five highest paid employees during the year included one Director and four specified employees, for both 2024 and 2023 years.

Details of the remuneration for the year of the remaining four highest paid employees who is neither a Director nor Chief Executive of the Company are as follows:

	for the year ended 31 December	
	2024	2023
	AU$	*AU$*
Salaries, allowances, and benefits in kind	**908,824**	1,099,928
Performance related bonuses	**220,948**	107,578
Pension scheme contributions	**140,146**	182,254
Total	**1,269,918**	1,389,760

The number of non-Director and non-Chief Executive highest paid employees whose remuneration fell within the following bands, presented in Hong Kong Dollars, is as follows:

	for the year ended 31 December	
	2024	2023
Nil to HK$1,000,000	**–**	–
HK$1,000,001-HK$1,500,000	**–**	1
HK$1,500,001-HK$2,000,000	**3**	2
HK$2,000,001-HK$2,500,000	**1**	1
HK$2,500,001-HK$3,000,000	**–**	–
HK$3,000,001-HK$3,500,000	**–**	–
Total	**4**	4

In dollars		Short-Term Salary & Fees	Bonuses	Other Long-Term Benefits Annual Leave Accrued	Long Service Leave Accrued	Post-Employment Super-annuation Benefits	Total Emoluments	Proportion of Remuneration Performance Related
Directors		*AUD*	*AUD*	*AUD*	*AUD*	*AUD*	*AUD*	*%*
Mr Arthur G Dew[(i)]	2024	90,000	–	–	–	10,125	100,125	–
(Non-Executive Chairman)	2023	90,000	–	–	–	9,675	99,675	–
Mr Brett R Smith[(ii)]	2024	336,735	200,000	17,991	4,926	71,664	631,316	32%
(Executive Director)	2023	320,700	200,000	28,797	6,460	55,475	611,432	33%
Ms Lam Lai	2024	40,000	–	–	–	–	40,000	–
(Non-Executive Director)	2023	40,000	–	–	–	–	40,000	–
Mr Carlisle C Procter	2024	40,000	–	–	–	4,500	44,500	–
(Independent Non-Executive Director)	2023	40,000	–	–	–	4,300	44,300	–
Mr Poon Yan Wai	2024	30,000	–	–	–	–	30,000	–
(Independent Non-Executive Director)	2023	30,000	–	–	–	–	30,000	–
Mr Pak Wai Keung Martin	2024	30,000	–	–	–	–	30,000	–
(Independent Non-Executive Director)	2023	30,000	–	–	–	–	30,000	–
Mr Mark Wong	2024	–	–	–	–	–	–	–
(Alternate Director)	2023	–	–	–	–	–	–	–
Total all specified Directors	**2024**	**566,735**	**200,000**	**17,991**	**4,926**	**86,289**	**875,941**	**23%**
	2023	**550,700**	**200,000**	**28,797**	**6,460**	**69,450**	**855,407**	**23%**
Specified Executives								
Mr Neale M Edwards	2024	225,432	–	6,473	4,243	25,361	261,509	–
(Chief Geologist)	2023	224,448	–	10,906	8,171	24,131	267,656	–
Mr Daniel K Broughton	2024	339,846	70,000	21,033	6,714	36,014	473,607	15%
(Chief Financial Officer)	2023	335,094	10,000	14,346	6,067	30,716	396,223	3%
Total all named Executives	**2024**	**565,278**	**70,000**	**27,506**	**10,957**	**61,375**	**735,116**	**10%**
	2023	**559,542**	**10,000**	**25,252**	**14,238**	**54,847**	**663,879**	**2%**
Total all specified Directors and Executives	**2024**	**1,132,013**	**270,000**	**45,497**	**15,883**	**147,664**	**1,611,057**	**17%**
	2023	**1,110,242**	**210,000**	**54,049**	**20,698**	**124,297**	**1,519,286**	**14%**

Notes:

(i) Mr Arthur Dew received certain emoluments from Allied Group Limited in relation to his services to the Allied Group Limited ("**AGL**"), a company that owns a 45.36% (2023: 43.5%) interest in APAC Resources Limited ("**APAC**") as at 31 December 2024 who is a significant shareholder of the Company.

(ii) Mr Brett Smith is also the Chief Executive Officer of the Company and his remuneration disclosed above includes those for services rendered by him as Chief Executive Officer. On 14 March 2024, Mr Smith's remuneration was increased by 5% to AU$336,735 exclusive of superannuation benefits.

The Executive Director remuneration shown above is for the provision of services in connection with the management of the affairs of the Company and the Group.

The Non-Executive Director and Independent Non-Executive Directors' remuneration shown above are for their services as Directors of the Company.

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

No Director proposed for re-election at the annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

19. REMUNERATION OF AUDITORS

The Auditor of Dragon Mining Limited is Ernst & Young.

	2024	2023
	AU$	*AU$*
Fees for audit and review of any statutory financial reports covering the Group	**271,656**	296,616
Fees for assurance services that are required by legislation to be provided by the auditor	**14,560**	12,480
Fees for other services		
–Tax compliance	**24,000**	22,000
–Tax advice	**33,200**	83,899
–Other services	**3,198**	–
Total	**346,614**	414,995
Ernst & Young (other than Australia)		
Fees for audit and review of any statutory financial reports covering the Group	**103,616**	113,244
Total	**103,616**	113,244

20. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit 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 profit after tax 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:

	2024	2023
	AU$	*AU$*
Basic and diluted earnings per share		
Profit after tax used in calculation of basic and diluted earnings per share (AU$'000)	**12,876**	5,189
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	**158,096,613**	158,126,481
Basic and diluted earnings per share (cents)	**8.14**	3.28

21. 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 2024**	**Equity** 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
Dragon Gold Mining Limited [2]	Hong Kong	Ordinary	**100**	N/A

1. *For translation purposes.*

2. *Incorporated on 28 November 2024.*

(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 (ASX: TAM) ("**Tanami Gold**") and ASX listed base metals mining and exploration company Metals X Limited (ASX: MLX) ("**Metals X**"). Tanami Gold 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 Gold 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 Gold commenced from 8 September 2014. For the year ending 31 December 2024, the Company charged Tanami Gold AU$124,380 (31 December 2023: AU$111,409) for CFO Services of which AU$22,630 was outstanding at 31 December 2024 (31 December 2023: AU$9,250) and AU$135,831 (31 December 2023: AU$126,656) for Administration Services of which AU$19,520 was outstanding at 31 December 2024 (31 December 2023: AU$10,552). The increase in Administration Services provided to Tanami Gold relates to the provision of company secretarial and accounting services that were provided during the year.

(iv) The provision of services to Metals X commenced from 1 December 2020. For the year ending 31 December 2024, the Company charged Metals X AU$166,290 (31 December 2023: AU$123,197) for CFO Services of which AU$26,351 was outstanding at 31 December 2024 (31 December 2023: AU$10,672) and AU$430,966 (31 December 2023: AU$357,027) for Administration Services of which AU$62,753 was outstanding at 31 December 2024 (31 December 2023: AU$31,392). The increase in Administration Services provided to Metals X relates to the provision of increased accounting services.

(v) The Company and 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 31 December 2024, AGL owns 45.36% (31 December 2023: 43.50%) interest in APAC, an entity with significant influence over the Group, for an indirect interests of 29.65% (31 December 2023: 28.84%). The Agreement commenced on 1 January 2023 for a term of three years ending 31 December 2025. For the year ending 31 December 2024, AGL charged the Company HK$313,000 or AU$60,948 (31 December 2023: HK$302,000 or AU$58,296) for administrative and management services of which HK$68,000, or AU$13,929 was outstanding at 31 December 2024 (31 December 2023: HK$69,000, or AU$13,067).

(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 31 December 2024, AGL owns 45.36% (31 December 2023: 43.50%) interest in APAC, an entity with significant influence over the Group, for an indirect interests of 29.65% (31 December 2023: 28.84%). Refer to note 14 for Information about the Loan Facility.

Entities with significant influence over the Group

As at 31 December 2024, the following entities have significant influence over the Group:

(i) Allied Properties Resources Limited ("**APRL**"), a wholly owned subsidiary of APAC, owns 46,877,727 (31 December 2023: 45,596,727) ordinary shares of the Company for an interest of 29.65% (31 December 2023: 28.84%).

(ii) Sincere View International Limited owns 31,111,899 (31 December 2023: 31,111,899) ordinary shares of the Company for an interest of 19.59% (31 December 2023: 19.59%).

22. 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 Sweden and Finland, based on geographical location, different national regulatory environments, and different end products. Dragon Mining (Sweden) AB, the primary entity operating in Sweden, produces gold bullion from the processing of Vammala flotation concentrate and a toll treatment arrangement at the Svartliden Production Centre. Dragon Mining Oy in Finland produces gold concentrate from the Vammala 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 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. 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 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 2024 *AU$'000*	Finland 2024 *AU$'000*	Unallocated 2024 *AU$'000*	Total 2024 *AU$'000*
Segment revenue				
Gold sales to external customers	**70,658**	**–**	**–**	**70,658**
Inter-segment sales	**–**	**66,547**	**–**	**66,547**
Elimination of inter-segment revenue	**(66,547)**	**–**	**–**	**(66,547)**
Toll milling revenue	**2,146**	**–**	**–**	**2,146**
Total revenue from customers	**6,257**	**66,547**	**–**	**72,804**
Other income/(expense)				
Other revenue	**190**	**333**	**213**	**736**
Other income	**–**	**1,669**	**920**	**2,589**
Cost of sales	**(9,475)**	**(42,133)**	**–**	**(51,608)**
Management and administration expenses	**(178)**	**(1,982)**	**(3,639)**	**(5,799)**
Other operating (expense)/benefit	**(726)**	**(2,993)**	**2,171**	**(1,548)**
Finance costs	**(564)**	**(822)**	**199**	**(1,187)**
Foreign exchange gain/(loss)	**(29)**	**653**	**313**	**937**
Other (expense)/income	**(31)**	**150**	**–**	**119**
	(10,813)	**(45,125)**	**177**	**(55,761)**
Pre-tax segment (loss)/profit	**(4,556)**	**21,422**	**177**	**17,043**
Income tax expense	**–**	**(4,167)**	**–**	**(4,167)**
Post-tax segment (loss)/profit	**(4,556)**	**17,255**	**177**	**12,876**

	Sweden 2024 *AU$'000*	Finland 2024 *AU$'000*	Australia 2024 *AU$'000*	Total 2024 *AU$'000*
Total assets	**66,759**	**54,404**	**11,409**	**132,572**
Total liabilities	**15,464**	**33,318**	**1,026**	**49,808**

	Sweden 2023 *AU$'000*	Finland 2023 *AU$'000*	Unallocated 2023 *AU$'000*	Total 2023 *AU$'000*
Segment revenue				
Gold sales to external customers	55,775	4,720	–	60,495
Inter-segment sales	–	44,366	–	44,366
Elimination of inter-segment revenue	(44,366)	–	–	(44,366)
Total revenue from customers	11,409	49,086	–	60,495
Other income/(expense)				
Other revenue	190	370	42	602
Other income	–	8,312	777	9,089
Cost of sales	(11,424)	(43,126)	–	(54,550)
Management and administration expenses	(261)	(1,265)	(3,561)	(5,087)
Other operating (expense)/benefit	(808)	(1,033)	2,499	658
Finance costs	(169)	(807)	(16)	(992)
Foreign exchange loss	(243)	(508)	(952)	(1,703)
Other expense	(20)	(554)	–	(574)
	(12,735)	(38,611)	(1,211)	(52,557)
Pre-tax segment (loss)/profit	(1,326)	10,060	(1,207)	7,527
Income tax expense	–	(2,338)	–	(2,338)
Post-tax segment (loss)/profit	(1,326)	7,722	(1,207)	5,189

	Sweden 2023 *AU$'000*	Finland 2023 *AU$'000*	Australia 2023 *AU$'000*	Total 2023 *AU$'000*
Total assets	40,596	54,116	13,603	108,315
Total liabilities	9,784	26,136	3,637	39,557

23. ROYALTY CONTRACTS

(i) Hanhimaa royalty

The Group has a right to a 2% Net Smelter Return ("**NSR**") on future mineral production from Agnico Eagle Mines Limited ("**Agnico Eagle**") with respect to the Hanhimaa Gold Project in northern Finland. Agnico Eagle will have the right to buy back 1 percentage point of the 2% NSR at any time for €2.0 million cash. The Hanhimaa Gold Project is an early-stage exploration project as at 31 December 2024 and therefore the Company has not recognised any receivables from this agreement, as the risk of reversal is considered significant

(ii) Endomines royalty

The Group has a right to a 1% NSR up to €1.5 million from Endomines Oy with respect to the Mining Properties in the Hattu Schist Belt in eastern Finland ("**Mining Properties**") as described in the Purchase Agreement dated 12 October 2006. The NSR is only payable from the Mining Properties, after the Mineral Resource as defined at the Pampalo Gold Mine, at the date of sale has been mined.

24. EXPENDITURE COMMITMENTS

(a) Exploration commitments

Due to the nature of the Group'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 Group 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.

	2024	2023
	AU$'000	*AU$'000*
Within one year	**64**	54
One year or later and no later than five years	**232**	250
	296	304

(b) Capital commitments

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

	2024	2023
	AU$'000	*AU$'000*
Within one year	**–**	433
One year or later and no later than five years	**–**	803
	–	1,236

(c) Short-term lease expense commitments

Future operating lease commitments not provided for in the consolidated financial statements are as follows:

	2024	2023
	AU$'000	*AU$'000*
Within one year	**–**	–
One year or later and no later than five years	**–**	1
	–	1

(d) 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:

	2024	2023
	AU$'000	*AU$'000*
Within one year	**677**	651
One year or later and no later than five years	**2,709**	2,603
	3,386	3,254

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of Directors and Executives referred to in note 18. Directors and Executive Officers Remuneration that are not recognised as liabilities are not included in the Directors' or Executives' remuneration.

25. FINANCIAL INSTRUMENTS

(a) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and commodity price risk), credit risk, liquidity risk, and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks, where considered appropriate, to minimise potential adverse effects on financial performance without limiting the Group's potential upside.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to foreign currency and gold price risk and assessments of market forecasts for foreign exchange and gold prices. Liquidity risk is measured through the development of rolling future cash flow forecasts at various gold prices and foreign exchange rates.

Risk management is carried out by executive management with guidance from the Audit and Risk Management Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risks, by using derivative financial instruments.

The Group also has a risk management program to manage its financial exposures that includes, but is not limited to, the use of derivative products, principally forward gold sales and foreign currency contracts. The Group does not enter financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in economic derivatives, hedging coverage of foreign currency and gold, credit allowances, future cash flow forecast projections and financial instruments if considered necessary.

(b) Instruments recognised at amounts other than fair value

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements at amortised cost represents their respective net fair values.

(c) Fair values for instruments recognised at fair value

At 31 December 2024, the Group has the following trade receivables at fair value through profit or loss.

	As at 31 December 2024				As at 31 December 2023			
	Quoted market price Level 1	**Valuation technique - market observable inputs Level 2**	**Valuation technique - non-market observable input Level 3**	**Total**	Quoted market price Level 1	Valuation technique - market observable inputs Level 2	Valuation technique - non-market observable input Level 3	Total
	AU$'000	***AU$'000***	***AU$'000***	***AU$'000***	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*
Financial assets at fair value through profit or loss	**1,826**	**–**	**–**	**1,826**	1,406	–	–	1,406

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market. Trade receivables relate to concentrate sales that are still subject to price adjustments where the final consideration to be received will be determined based on prevailing London Metals Exchange ("**LME**") metal prices at the final settlement date. Sales that are still subject to price adjustments at balance sheet date are fair valued by applying a discounted cash flow model incorporating credit risk and forward pricing to estimate the present value of the final settlement price using the LME forward metals prices at balance date.

The Group holds 2,452,910 shares in Aurion Resources whose shares are quoted in Canadian dollars. The shares are measured at fair value with changes therein reflected in the consolidated statement of profit or loss.

There were no transfers between Level 1 and Level 2 during the year.

(d) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at 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. The Group's credit risk predominantly arises from cash, cash equivalents, deposits with banks and financial institutions and other receivables.

While the Group has policies in place to ensure that sales of its products are made to customers with an appropriate credit history, the Group does have a concentration of credit risk in relation to its gold concentrate sales in Finland due to dependence for a significant volume of its sales revenues on one buyer. There is generally a six-week turnaround between shipment of gold concentrate and payment from a gold concentrate customer. The Company reduces its credit risk in relation to gold concentrate receivables in Finland by insuring 90% of the nominal value of an assigned or internal invoice with a reputable high credit quality Nordic financial institution.

However, as invoices are raised at the end of each month and shipments occur frequently throughout the month, there is credit exposure to the smelting company for the value of one month of shipments as insurance coverage commences when an invoice is raised. Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to Board approval. No financial guarantees have been given during the year (2023: nil).

In relation to managing other potential credit risk exposures, the Group has in place policies that aim to ensure that derivative counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to any one financial institution is limited as far as is considered commercially appropriate. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	2024	2023
	AU$'000	*AU$'000*
Cash and cash equivalents		
Counterparties with external credit ratings		
AA-	**40,313**	22,168
A	**–**	–
Total cash and cash equivalents	**40,313**	22,168

	2024	2023
	AU$'000	*AU$'000*
Trade and other receivables		
Counterparties with external credit ratings		
AAA	**825**	466
AA-	**468**	11
A+	**–**	–
A-	**–**	–
Counterparties with no defaults in the past	**1,277**	2,939
Total trade and other receivables	**2,570**	3,416

For the purposes of determining credit exposures on receivables, receivable amounts that have been factored are evaluated against the credit rating of the factoring bank, where the factored amount is insured.

	2024 AU$'000	2023 AU$'000
Environmental and other bonds		
Counterparties with external credit ratings		
AAA	**5,364**	9,804
AA+	**7,223**	–
Counterparties with no defaults in the past	**–**	–
Total environmental and other bonds	**12,587**	9,804

(e) Interest rate risk

At balance date, the Group had the following financial assets and liabilities exposed to interest rate risk that are not designated as cash flow hedges:

2024	Note	Floating interest rate AU$'000	Fixed interest rate AU$'000	Non-interest bearing AU$'000	Total AU$'000	Average Interest Rate %
Financial assets						
Cash and cash equivalents	*(1)*	**40,313**	**–**	**–**	**40,313**	**4.1%**
Trade receivables-fair value through profit or loss		**–**	**–**	**–**	**–**	**–%**
Environmental bonds		**12,587**	**–**	**–**	**12,587**	**–%**
		52,900	**–**	**–**	**52,900**	**3.1%**
Financial liabilities						
Lease liabilities		**–**	**407**	**–**	**407**	**–%**
		–	**407**	**–**	**407**	**–%**

2023	Note	Floating interest rate AU$'000	Fixed interest rate AU$'000	Non-interest bearing AU$'000	Total AU$'000	Average interest rate %
Financial assets						
Cash and cash equivalents	*(1)*	22,168	–	–	22,168	1.9%
Trade receivables-fair value through profit or loss		–	–	–	–	-%
Environmental bonds		9,804	–	–	9,804	–%
		31,972	–	–	31,972	1.3%
Financial liabilities						
Lease liabilities		–	1,300	–	1,300	–%
		–	1,300	–	1,300	–%

(1) Includes HK$2.6 million (approximately AU$0.5 million) of restricted use net proceeds remaining from the Company's Placement of shares issued on 22 January 2021.

The Group holds 2,452,910 shares in Aurion Resources whose shares are quoted in Canadian dollars. The shares are measured at fair value with changes therein reflected in the consolidated statement of profit or loss in accordance with accounting policy note 1(j).

The Group regularly 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.

(f) Foreign exchange risk

As the Group sells its bullion and gold concentrate in USD and the majority of costs are denominated in Swedish Krona ("**SEK**") and Euro ("**EUR**"), an appreciating EUR and SEK, or a weakening USD exposes the Group to risks related to movements in the USD:SEK and USD:EUR exchange rates.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

As part of the risk management policy of the Group, financial instruments (foreign exchange contracts) may be used from time to time to reduce exposure to unpredictable fluctuations in the USD:SEK and USD:EUR exchange rates. Within this context, programs undertaken are structured with the objective of minimising the Group's exposure to these fluctuations.

The value of any financial instruments at any point in time will, in times of volatile market conditions, show substantial variation over the short-term. The facilities provided by the Group's various counterparties do not contain margin calls.

The Company and Group's financial performance is also affected by movements in AUD:SEK and AUD:EUR. In accordance with the requirements of International Financial Reporting Standards, exchange gains and losses on intercompany loans that do not form part of the Company's net investment in foreign operations are recognised in the consolidated statement of profit or loss.

For the year ended 31 December 2024, the Company did not enter or hold any foreign exchange derivatives. At balance date, the Group had the following significant exposure to foreign currencies:

	2024	2023
	AU$'000	*AU$'000*
USD exposure		
Entity with EUR functional currency		
Cash and cash equivalents	**24,884**	6,424
Trade receivables	**853**	3,108
Entity with SEK functional currency		
Cash and cash equivalents	**95**	260
Trade payables	**(4,808)**	(1,330)
Entity with AUD functional currency		
Cash and cash equivalents	**15**	5,143
Net USD exposure	**21,039**	13,605
EUR exposure		
Entity with AUD functional currency		
Cash and cash equivalents	**2**	8
Trade payables	**–**	(4)
Entity with SEK functional currency		
Cash and cash equivalents	**23**	218
Trade payables	**(374)**	(377)
Net EUR exposure	**(349)**	(155)
AUD exposure		
Entity with EUR functional currency		
Cash and cash equivalents	**369**	366
Intercompany loan	**3,594**	–
Entity with SEK functional currency		
Intercompany loan	**(3,902)**	(1,545)
Net AUD exposure	**61**	(1,179)
HKD exposure		
Entity with AUD functional currency		
Cash and cash equivalents	**519**	2,684
Trade receivables	**63**	57
Trade payables	**–**	(19)
Net HKD exposure	**582**	2,722
CAD exposure		
Entity with AUD functional currency		
Financial assets	**26**	20
Entity with EUR functional currency		
Financial assets	**1,799**	1,386
Net CAD exposure	**1,825**	1,406

(g) Commodity price risk

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group, a variety of financial instruments (such as gold forwards and gold call options) may be used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. For the year ended 31 December 2024, the Company did not enter or hold any commodity derivatives (31 December 2023: nil).

The Group is exposed to commodity price volatility on the sale of gold in concentrate, which is priced on, or benchmarked to, open market exchanges, specifically the London Metal Exchange ("**LME**"). The exposure is outlined as trade and other receivables – fair value through profit or loss in note 5.

(h) Sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for the prior year.

31 December 2024		**Interest rate risk -0.25%**		**Interest rate risk +0.25%**	
		Profit	**Equity**	**Profit**	**Equity**
	Note	***AU$'000***	***AU$'000***	***AU$'000***	***AU$'000***
Financial assets					
Cash and cash equivalents	*(1)*	**(101)**	**(101)**	**101**	**101**
Trade receivables-fair value through profit or loss	*(2)*	**–**	**–**	**–**	**–**
Financial assets at fair value through profit or loss	*(3)*	**–**	**–**	**–**	**–**
Environmental bonds	*(5)*	**(31)**	**(31)**	**31**	**31**
Total (decrease)/increase		**(132)**	**(132)**	**132**	**132**

31 December 2023		Interest rate risk -0.25%		Interest rate risk +0.25%	
		Profit	Equity	Profit	Equity
	Note	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*
Financial assets					
Cash and cash equivalents	*(1)*	(55)	(55)	55	55
Trade receivables-fair value through profit or loss	*(2)*	–	–	–	–
Financial assets at fair value through profit or loss	*(3)*	–	–	–	–
Environmental bonds	*(5)*	(25)	(25)	25	25
Total (decrease)/increase		(80)	(80)	80	80

31 December 2024		**Foreign exchange -10%**		**Foreign exchange +10%**	
		Profit	**Equity**	**Profit**	**Equity**
	Note	***AU$'000***	***AU$'000***	***AU$'000***	***AU$'000***
Financial assets					
Cash and cash equivalents	*(1)*	**(2,591)**	**(2,591)**	**2,591**	**2,591**
Trade and other receivables	*(2)*	**(92)**	**(92)**	**92**	**92**
Financial assets at fair value through profit or loss	*(3)*	**(183)**	**(183)**	**183**	**183**
Intercompany loans	*(4)*	**(31)**	**(31)**	**31**	**31**
Financial liabilities					
Trade payables		**518**	**518**	**(518)**	**(518)**
Total (decrease)/increase		**(2,379)**	**(2,379)**	**2,379**	**2,379**

31 December 2023		Foreign exchange -10%		Foreign exchange +10%	
		Profit	Equity	Profit	Equity
	Note	*AU$'000*	*AU$'000*	*AU$'000*	*AU$'000*
Financial assets					
Cash and cash equivalents	*(1)*	(1,510)	(1,510)	1,510	1,510
Trade and other receivables	*(2)*	(311)	(311)	311	311
Financial assets at fair value through profit or loss	*(3)*	(141)	(141)	141	141
Intercompany loans	*(4)*	(155)	(155)	155	155
Financial liabilities					
Trade payables		173	173	(173)	(173)
Total (decrease)/increase		(1,944)	(1,944)	1,944	1,944

(1) Cash and cash equivalents include deposits at call at floating and short-term fixed interest rates.

(2) Trade receivables include AU$2.8 million (31 December 2023: AU$1.8 million) of gold in concentrate and gold doré receivables denominated in USD. After year end, the Company received payment for all USD denominated gold concentrate and doré trade receivables.

(3) The Group holds 2,452,910 shares in Aurion Resources whose shares are quoted in Canadian dollars. The shares are measured at fair value with changes therein reflected in the consolidated statement of profit or loss.

(4) Intercompany loans are denominated in AUD and SEK. Though these loans are eliminated upon consolidation, changes in the value of the loans due to movements in exchange rates will influence the consolidated result, since exchange gains or losses on intercompany loans that do not form part of a reporting entity's net investment in a foreign operation are recognised in the consolidated statement of profit or loss.

(5) Interest bearing environmental cash bonds that have historically been deposited with Swedish and Finnish government authorities.

(i) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility using bank loans and equity raisings.

The Company has an AU$27.0 million unsecured loan facility with AP Finance Limited ("**Loan Facility**") which includes the following :

- the Loan Facility interest rate is calculated using the Hong Kong Interbank Offered Rate ("**HIBOR**") plus 3% per annum; and

- the Company may select the interest period of one (1), two (2), or three (3) months commencing on the Funding Date.

On 2 December 2024, the Company extended the availability period of its Loan Facility from 30 June 2025 to 31 December 2026. All other Loan Facility terms and conditions remain unchanged. There have been no drawdowns from the Loan Facility at the date of this announcement.

Management and the Board monitor the Group's liquidity reserve on the basis of expected future cash flows. The information that is prepared by senior management and reviewed by the Board includes bi-annual cash flow budget and forecasts.

26. SIGNIFICANT EVENTS AFTER YEAR END

On 28 January 2025, the Company's application for a new Environmental Permit for the Jokisivu Gold Mine ("**Jokisivu**") in southern Finland was granted by the Regional State Administrative Agency.

The new Environmental Permit will allow the Company to crush a maximum of 350,000 tonnes of aggregates in the mining area, including approximately 300,000 tonnes of ore and 50,000 tonnes of waste rock per year. It will also permit the Company to commence loading and transport activities at Jokisivu an hour earlier at 6am, whilst imposing necessary provisions to prevent noise and dust pollution and limiting the noise impact of transport operations.

In its decision, the Regional State Administrative Agency amended the regulations on discharges from the mine to water bodies by adding limit values for the cadmium and sulphate content. In addition, the mine's water discharges and water quality are now to be monitored more frequently. The decision also approved the closure of the Arpola open pit in accordance with the closure plan. For other parts of the mine, the closure plan must be amended before the start of closure.

27. PARENT ENTITY DISCLOSURE

	2024 *AU$'000*	2023 *AU$'000*
CURRENT ASSETS		
Cash and cash equivalents	**10,666**	12,990
Trade and other receivables	**164**	189
Financial assets	**26**	20
Other assets	**152**	163
TOTAL CURRENT ASSETS	**11,088**	13,362
NON-CURRENT ASSETS		
Property, plant and equipment	**137**	139
Right-of-use assets	**264**	101
Investment in subsidiaries	**4,477**	4,477
Intercompany loans	**309**	793
TOTAL NON-CURRENT ASSETS	**5,187**	5,510
TOTAL ASSETS	**16,195**	18,872
CURRENT LIABILITIES		
Trade and other payables	**493**	3,216
Provisions	**239**	279
Interest bearing liabilities	**78**	72
TOTAL CURRENT LIABILITIES	**810**	3,567
NON-CURRENT LIABILITIES		
Provisions	**28**	35
Interest bearing liabilities	**188**	34
TOTAL NON-CURRENT LIABILITIES	**216**	69
TOTAL LIABILITIES	**1,026**	3,636
NET ASSETS	**15,169**	15,236
EQUITY		
Contributed equity	**140,412**	140,412
Reserves	**(1,849)**	(1,575)
Accumulated losses	**(123,394)**	(123,601)
TOTAL EQUITY	**15,169**	15,236

	Contributed Equity *AU$'000*	Accumulated Losses *AU$'000*	Convertible Note Premium Reserve *AU$'000*	Other Reserves *AU$'000*	Total Equity *AU$'000*
At 1 January 2023	140,424	(130,104)	2,068	(6,182)	6,206
Profit for the year	–	6,503	–	–	6,503
Other comprehensive income	–	–	–	2,532	2,532
Total comprehensive income for the year	–	6,503	–	2,532	9,035
Share buy-back and cancellation	(12)	–	–	7	(5)
At 31 December 2023	140,412	(123,601)	2,068	(3,643)	15,236
At 1 January 2024	**140,412**	**(123,601)**	**2,068**	**(3,643)**	**15,236**
Profit for the year	**–**	**207**	**–**	**–**	**207**
Other comprehensive loss	**–**	**–**	**–**	**(274)**	**(274)**
Total comprehensive income/(loss) for the year	**–**	**176**	**–**	**(274)**	**(67)**
At 31 December 2024	**140,412**	**(123,394)**	**2,068**	**(3,917)**	**15,169**

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 (the "**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 the Group 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 year were:

- Gold mining, and processing ore in Finland;
- Processing ore and 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 year.

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 because safety is fundamental 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, contractors and consultants. 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 year, 2 LTI's occurred at the Groups operations as follows:

- an employee sustained an injury while installing a borehold pump at Vammala; and

- Svartliden had its first LTI in 3,173 days when an operator tripped and fell on a reflective emergency exit strip in December 2024.

At year end, the Group's Finnish operations at Vammala and Jokisivu recorded 162 and 697 LTI free days, respectively. In Sweden, Svartliden recorded 22 days LTI free and Fäboliden recorded 2,150 days LTI free.

	2024	2023
Lost Time Injury Frequency Rate	**10.7**	26.7

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 year, 100% of the Vammala mill feed was sourced from Jokisivu. The Vammala Plant treated 299,951 tonnes of ore (2023: 321,096 tonnes of ore) at an average grade of 2.52 g/t gold (2023: 2.30 g/t gold) and achieved a process recovery of 84.4% (2023: 84.9%) to produce 20,517 ounces of gold in concentrate (2023: 20,159 ounces of gold in concentrate).

	Vammala Production Centre	
	2024	2023
Ore mined (tonnes)	**300,964**	322,277
Mined grade (g/t gold)	**2.58**	2.37
Ore milled (tonnes)	**299,951**	321,096
Head grade (g/t gold)	**2.52**	2.30
Process recovery (%)	**84.4%**	84.9%
Gold produced (oz)	**20,517**	20,159

Jokisivu Gold Mine

Production tonnes from Jokisivu were sourced from the Main Zone at Kujankallio and from various lodes at Arpola. Total ore mined from Jokisivu was 300,964 tonnes (2023: 322,277 tonnes) at 2.58 g/t gold (2023: 2.37 g/t gold); 185,419 tonnes of ore came from ore stopes (2023: 155,185 tonnes) and the remaining 115,545 tonnes of ore came from ore development (2023: 167,093 tonnes).

	Jokisivu Gold Mine	
	2024	2023
Ore mined (tonnes)	**300,964**	322,277
Mined grade (g/t gold)	**2.58**	2.37

Development of the Arpola decline was 358 metres from the 241.5m level to the 287.0m level. Total capital development for the year was 505 metres.

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.

During the year, the Group has explored potential uses for waste rock outside the mining area. Despite interest from several companies, proposals were not financially viable. As a result, closure works, and rehabilitation are planned for 2025-2026.

The Group maintains valid exploration tenure at Kaapelinkulma with exploration and evaluation activities in the area are continuing.

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 are continuing.

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 Group's Vammala Plant.

The Company holds a granted Exploration Licence at Uunimäki 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 year.

Sweden Operations

Svartliden Production Centre

Svartliden is located in northern Sweden, approximately 750 kilometres 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. Brought into production in March 2005, Svartliden produced a total of 399,676 ounces of gold from the Svartliden Gold Mine, external concentrates, and ore from the test-mining campaign at Fäboliden.

Svartliden Plant

During the year, the Svartliden Plant processed 100% of the Vammala flotation concentrate producing 19,312 ounces of gold (2023: 17,509 ounces of gold from concentrate) and 2,066 ounces of gold from the toll treatment arrangement with nearby operation, Botnia Exploration AB (“**Botnia**”). The Group is paid a fixed fee per ore tonne delivered for treatment at the Svartliden Plant and a production fee.

The positive contribution from the toll treatment of Botnia’s gold bearing ore assisted the Company in reducing the cost of operating the Svartliden Plant which 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.

	Svartliden Plant	
	2024	2023
Vammala flotation concentrate milled (tonnes)	**5,288**	5,478
Concentrate process recovery (%)	**95.8%**	95.4%
Head grade (g/t gold)	**118.59**	104.20
Gold produced from concentrate (oz)	**19,312**	17,509

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 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 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 31 December 2024 was 60 (31 December 2023: 63). Total staff costs, including Directors' emoluments, amounted to AU$10.0 million (31 December 2023: AU$9.2 million). The Group periodically reviews remuneration packages. The Directors' service fees were reviewed and approved by the Remuneration Committee on 14 March 2024.

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 Company operates.

The Company'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 forthcoming 2024 Annual Report.

The Board retains overall responsibility for the Group's Environment, Social and Governance ("**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 Group's 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 96 to 105 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 28 August 2024, Dragon Mining Oy submitted its Towards Sustainable Mining ("**TSM**") Self-evaluation and Social Responsibility Report to TSM Finland network for approval. The report was published on the TSM network website at https://kaivosvastuu.fi/kaivostoiminta/2023-dragon-mining-oy/ on 30 September 2024.

The Company's 2024 ESG Report will be 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 a continuing 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 scientific 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:

- improving and monitoring OH&S performance;

- training and ensuring its employees and contractors understand their obligations and are held accountable for their responsibilities;

- communicating and openly consulting with employees, contractors, government, and the community on OH&S issues; and

- 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 Swedish Land and Environment Court ("**Environment Court**") which will include additional measures to mitigate the concerns of the Environment Court. Any delays in the Company's new application for an Environmental Permit may adversely impact the Company's future full year results.

The process recovery rate and production costs are dependent on many technical assumptions and factors, including the geological 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 for 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 Environmental Permit Application

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

On 28 June 2022, the Environment Court issued its ruling, and while the Environmental Impact Assessment ("**EIA**") was approved, the Environmental Permit application was rejected for reasons previously announced by the Company. The Environment Court 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.

The Company submitted a detailed appeal to Land and Environment Court of Appeal ("**Court of Appeal**") on 15 December 2022, which was denied on 14 March 2023. The Court of Appeal did not provide the reasons for its decision. The Company further appealed the Court of Appeal decision to the Supreme Court on 6 April 2023, which was denied on 11 June 2024. 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 Environment Court. The revised application will be updated to include the Company's measures aimed to mitigate the Environment Court 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.

Social and Political

The Group has faced, and may continue to face, activist opposition from groups or individuals opposed to mining generally, or to specific projects, resulting in delays or increased costs. Such opposition may also have adverse effects on the political climate generally.

The Group is exposed to other risks which include, but are not limited to, cyber-attack, and natural disasters, that could have varying degrees of impact on the Group and its operating activities. Where available and appropriate to do so, the Board will seek to minimise exposure using insurance, while actively monitoring the Group's ongoing exposure. In addition, the Group's awareness of the risks from political and economic instability have been heightened by ongoing and recent geo-political events, which have contributed to an increase in the costs of some key inputs.

FINANCIAL REVIEW

The Group's operations for the year ended 31 December 2024 returned a net profit before tax of AU$17.0 million (2023: profit before tax AU$7.5 million) and a net profit after tax of AU$12.9 million (2023: profit after tax AU$5.2 million).

Such an improvement in net profit after tax is primarily attributable to the following factors:

- higher average gold prices achieved over the year;
- a positive contribution from the toll treatment of gold bearing ore from nearby operation, Botnia Exploration AB in Sweden;
- lower production-based depreciation and amortisation charges for the year;
- recognition of a net gain from cancellation of the Crusher agreement in Finland following successful completion of arbitration proceedings; and
- recognition of the fair value gain on the Group's holding of 2,452,910 shares in Aurion Resources at year end.

Revenue from Customers

Revenue from gold sales

During the year, the Group sold 19,138 ounces of gold (2023: 20,893 ounces of gold) at an average gold price of US$2,430 per ounce (2023: US$1,943 per ounce). As a result, the Group's revenue from gold sales increased 16.8% to AU$70.7 million (2023: AU$60.5 million).

Revenue from toll milling services

The Group commenced toll milling of gold bearing ore from the nearby Fäbodtjärn Gold Mine under a toll treatment agreement with Botnia. The Groups' performance obligations include the processing of ore, refining services, and selling the produced gold and silver. The Group is paid a fixed fee per dry metric tonne of ore delivered to the Svartliden plant and production fee revenue. Revenue from customers includes AU$2.1 million of revenue from toll milling services provided during the year (2023: nil).

Cost of Sales

Cost of sales for the year were AU$51.6 million (2023: AU$54.6 million) including AU$6.6 million of depreciation. Cost of sales includes mining, processing, other production activities, changes in inventory, and depreciation as follows:

	2024	2023	% change
Total gold sold (oz)	**19,138**	20,839	(8.2%)
Total gold produced (oz)	**20,517**	20,159	1.8%

Cost of sales	**2024**	2023	% change
	AU$'000	*AU$'000*	
Mining costs	**24,388**	23,603	3.3%
Processing costs	**19,458**	18,397	5.8%
Other production costs	**792**	1,553	(49.0%)
Gold inventory movements	**371**	1,342	(72.4%)
Depreciation of mine properties, plant and equipment	**6,599**	9,655	(31.7%)
Total cost of sales	**51,608**	54,550	(5.4%)

a) Despite a 6.6% decrease in ore tonnes mined, an increase in ground support and costs associated with mining at depth, resulted in a 3.3% increase in mining costs when compared to the previous year. The Group's Finnish operations mined 300,964 ore tonnes (2023: 322,277 ore tonnes) at an average cost of AU$80.92 per ore tonne mined (2023: AU$73.16 per ore tonne mined) representing an increase of 10.6% per ore tonne mined.

b) The Group's processing costs, including the toll treatment of external ore tonnes, increased by a total of 5.8% (2023: 15.6%). 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. Accordingly, Vammala processed 299,951 ore tonnes (2023: 321,096 ore tonnes) representing a decrease of 6.6%.

   Vammala processing costs of AU$10.53 million (2023: AU$10.53 million) were materially unchanged from the previous year. Vammala processing unit costs were AU$36.53 per ore tonne milled (2023: AU$32.80 per ore tonne milled), an increase of 11.4%. Svartliden processed 5,288 tonnes of concentrate averaging 118.6 g/t from Vammala (2023: 5,478 tonnes of concentrate at 104.0 g/t), a decrease in tonnes of 3.5% and 14.0% increase in grade. Svartliden processing costs increased by 17.5% to AU$1,676.54 per tonne of concentrate (2023: AU$1,435.89 per tonne of concentrate).

c) When inventories are sold the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. 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.

d) Depreciation of mine properties, plant and equipment is incurred on a unit of production basis and is aligned to mined or milled tonnes over Ore Reserves, depending 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

Revenue from customers increased by 20.3% (2023: 5.0% increase) and cost of sales decreased by 5.4% (2023: 13.7% increase) resulting in an 256.5% increase in gross profit (2023: 28.6% decrease) for the year of AU$21.2 million (2023: AU$6.0 million) and gross profit ratio of 29.1% (2023: 9.8%).

Investment in Aurion Resources Limited

At 31 December 2024, the Company continues to hold 2,452,910 Aurion shares (2023: 2,452,910 Aurion shares). There have been no Aurion shares sold as at the date of this announcement.

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. Other expenses include the cost of evaluation assets written off as part of the Group's regular review of capitalised exploration and evaluation costs and corporate related costs.

Working Capital, Liquidity and Gearing Ratio

At 31 December 2024, the Group had net assets of AU$82.8 million (31 December 2023: AU$68.8 million); a working capital surplus of AU$49.5 million (31 December 2023: surplus AU$35.5 million); and a closing market capitalisation of AU$50.4 million or HK$243.5 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 year, the Group performs impairment testing which did not result in any asset impairment write downs for the year.

As at 31 December 2024, the Group had AU$40.3 million in cash and cash equivalents (31 December 2023: AU$22.2 million), including approximately AU$0.5 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 31 December 2024, the Company's gearing ratio was 0.5% (31 December 2023: 1.6%), calculated by dividing total borrowings by total equity.

Interest Bearing Liabilities – AU$27.0 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 2 December 2024, the Company extended the expiry date of its Loan Facility from 30 June 2025 to 31 December 2026. All other terms and conditions remain unchanged. The Company has not made any drawdowns at the date of this announcement.

Use of Net Proceeds from the Company's Placement

The net proceeds from the Placement of shares completed in January 2021, were HK$39.6 million (approximately AU$7.6 million), 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.

During the year, the Company utilised HK$12.4 million (approximately AU$2.3 million) of the net proceeds to fund the environmental bond for Vammala of €1.4 million in Finland. To date, the Company has utilised HK$37.0 million (approximately AU$7.0 million) of the net proceeds to fund environmental bonds in relation to the Group's operations in Finland. The Company can apply for progressive release of the environmental bonds from the Regional State Administration Agency upon completion of the rehabilitation work. The unutilised net proceeds of HK$2.6 million (approximately AU$0.5 million) is expected to be utilised by 30 June 2025.

Purpose	**Proposed use of proceeds** *HK$ million*	**Purpose of proceeds expressed as % of net proceeds** *%*	**Actual amount utilised from 22 Jan 2021 to 31 Dec 2024** *HK$ million*	**Unutilised as at 31 Dec 2024** *HK$ million*	**Revised expected timeline for the unutilised amount**
Fund environmental bond obligations	$39.6	100%	$37.0	$2.6	To be utilised by 30 June 2025

The Company operates a number of assets in both Finland and Sweden each with its own requirement for environmental bonds. As at 31 December 2024, approximately 7.1% 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 for the reduction of 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 31 December 2024, various appeal proceedings were on-going and therefore not all of the remaining net proceeds has been 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 environment courts in Finland and Sweden, the Company expects the majority of the remaining appeals would have progressed, if not concluded, by 30 June 2025. 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 remaining net proceeds of HK$2.6 million (approximately AU$0.5 million) will be utilised by 30 June 2025.

Financial Risks

The following is a summary of the Company's financial risk management policies, the full details of which are provided in note 25 of the consolidated financial statements. 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 year.

The Group also holds 2,452,910 shares in Aurion Resources, whose shares are quoted in Canadian dollars.

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 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. While the Company has policies in place to ensure that sales are made to customers with an appropriate credit history, the Company is exposed to a concentration of credit risk in relation to its gold concentrate sales to a nearby smelter in Finland.

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 regularly 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 31 December 2024 and 31 December 2023.

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 Environment Court which includes the new mitigation measures provided to remedy the concerns of the Environment Court noted in its decision of 28 June 2022.

In September 2024, the Company commenced a toll treatment arrangement with Botnia which is expected to continue in 2025.

The Company has not repurchased any shares in the Company ("**Shares**") during the year (2023: 30,000 Shares), 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 repurchase 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 Buy-back 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.

Dividends

No dividend has been paid or declared since the commencement of the year and no dividend has been recommended by the Directors for the year ended 31 December 2024 (2023: nil).

Annual General Meeting

The forthcoming AGM will be held on 22 May 2025. A notice convening the AGM and all other relevant documents will be published and dispatched to shareholders of the Company.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM to be held on 22 May 2025, the registers of members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, both days inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 16 May 2025 (Hong Kong time).

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 the announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates, or joint ventures during the year. 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 Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2024 (2023: 30,000 shares were repurchased and 75,000 shares cancelled which included 45,000 shares repurchased in 2022).

Significant Events After Year End

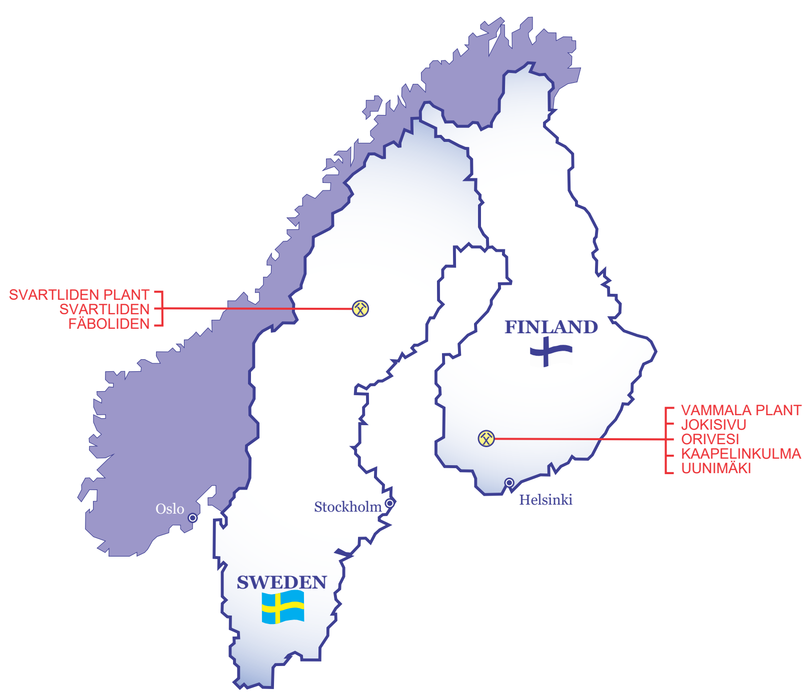
On 28 January 2025, the Company's application for a new Environmental Permit for the Jokisivu Gold Mine ("**Jokisivu**") in southern Finland was granted by the Regional State Administrative Agency.

The new Environmental Permit will allow the Company to crush a maximum of 350,000 tonnes of aggregates in the mining area, including approximately 300,000 tonnes of ore and 50,000 tonnes of waste rock per year. It will also permit the Company to commence loading and transport activities at Jokisivu an hour earlier at 6am, whilst imposing necessary provisions to prevent noise and dust pollution and limiting the noise impact of transport operations.

In its decision, the Regional State Administrative Agency amended the regulations on discharges from the mine to water bodies by adding limit values for the cadmium and sulphate content. In addition, the mine's water discharges, and water quality are now to be monitored more frequently. The decision also approved the closure of the Arpola open pit in accordance with the closure plan. For other parts of the mine, the closure plan must be amended before the start of closure.

ADVANCED PROJECTS AND EXPLORATION REVIEW

Dragon Mining is an established gold producer that holds a portfolio of projects in Sweden and Finland. Since first entering the Nordic Region in 2000, the Company has successfully brought into operation several open-cut and underground gold mines, which have collectively produced in excess of 850,000 ounces of gold. This has been achieved through the Company's commitment to actively explore its project portfolio to preserve and grow the Company's production profile.



Project Location

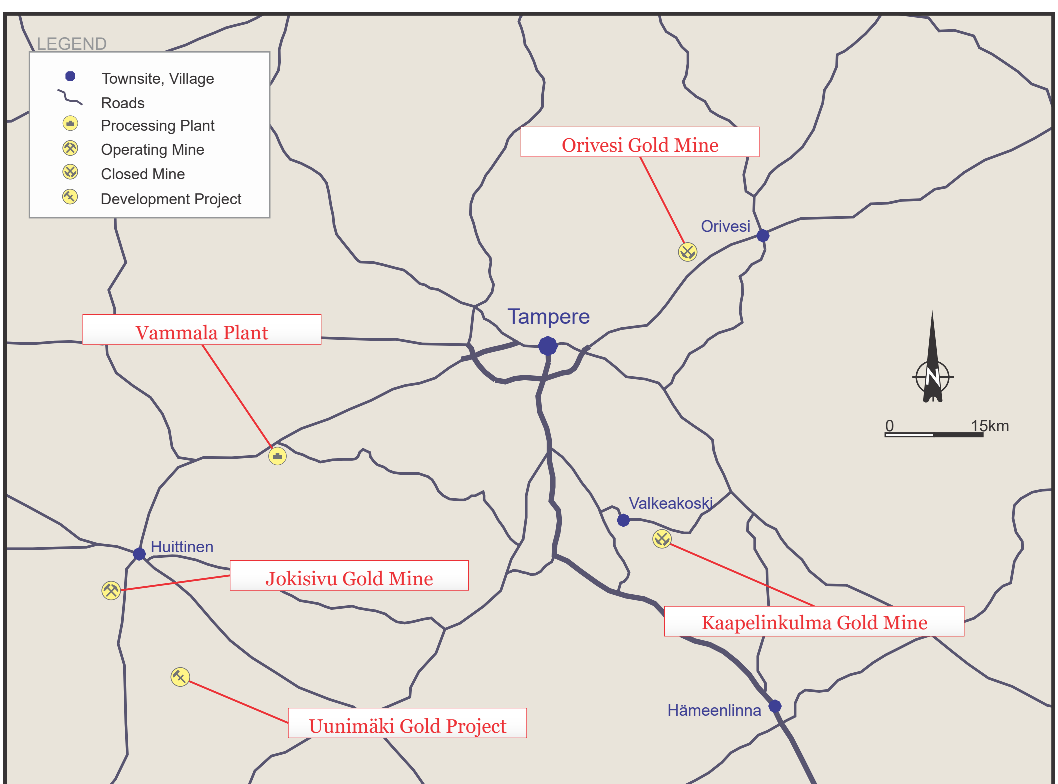
The information in this review that relates to exploration activities has been taken from announcements previously released to the Stock Exchange on:

- 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.
- 6 November 2024 - Drilling Returns Further High-Grade Results from the Jokisivu Gold Mine.
- 4 February 2025 – Jokisivu Drilling Returns Further Encouraging Intercepts.

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 group of projects that encompass a total area of 1,037.89 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 where mining ceased in April 2021, Orivesi where mining ceased in 2019 and Uunimäki.



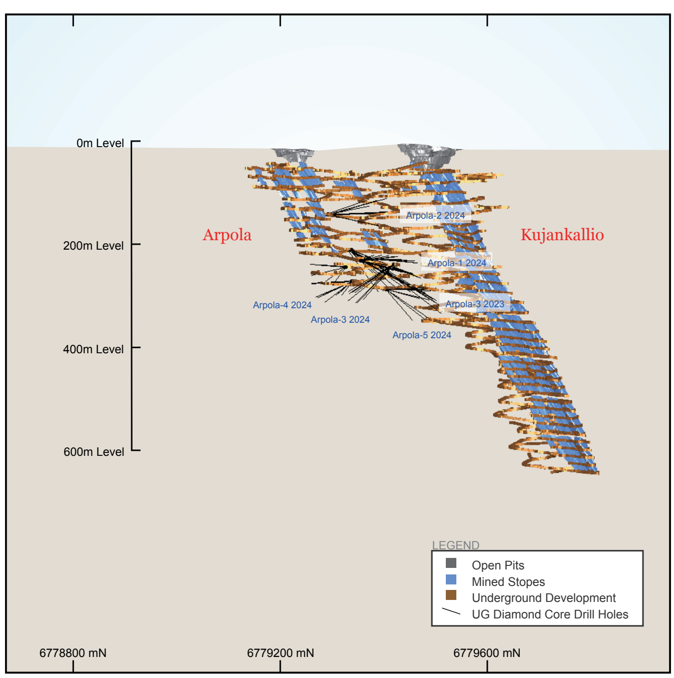
Vammala Production Centre

Jokisivu Gold Mine

During 2024, the Company continued to advance exploration activities at its key project Jokisivu, with 84 underground diamond core holes drilled for an advance of 9,441.75 metres. Drilling was conducted over several campaigns, including:

- the final 6 holes, 944.40 metres of a 13-hole, 2,046.40 metre campaign that targeted the Arpola area between the 250m and 390m levels ("**Arpola-3 2023**").
- a 24 hole, 2,641.00 metre campaign that targeted the Arpola area between the 220m and 380m levels ("**Arpola-1 2024**").
- a 12 hole, 1,258.60 metre campaign that targeted the Arpola area between the 125m and 160m levels ("**Arpola-2 2024**").
- a 19 hole, 2,006.50 metre campaign that targeted the Arpola area between the 240m and 300m levels ("**Arpola-3 2024**").
- a 13 hole, 1,354.45 metres campaign that targeted the Arpola area between the 275m and 290m levels ("**Arpola-4 2024**").
- a 10 hole, 1,236.80 metre campaign that targeted the Arpola area between the 280m and 330m levels ("**Arpola-5 2024**").

Results received throughout the year were very encouraging, succeeding in improving the understanding of the extent and geometry of the mineralised zones in the Arpola area, which will provide significant support for future mine planning and development.



Jokisivu Gold Mine

Notable intercepts received from the campaigns, include:

Arpola-3 2023

- 1.50 metres @ 83.40 g/t gold from 38.00 metres in HU/JS-1300
- 7.20 metres @ 4.89 g/t gold from 108.50 metres in HU/JS-1306
- 3.20 metres @ 8.15 g/t gold from 147.80 metres in HU/JS-1312

Arpola-1 2024

- 3.90 metres @ 145.81 g/t gold from 68.00 metres in HU/JS-1323
- 3.00 metres @ 13.29 g/t gold from 55.00 metres in HU/JS-1324
- 1.50 metres @ 22.20 g/t gold from 66.00 metres in HU/JS-1324
- 5.15 metres @ 17.07 g/t gold from 102.85 metres in HU/JS-1330
- 1.30 metres @ 16.90 g/t gold from 97.70 metres in HU/JS-1332
- 0.85 metres @ 38.80 g/t gold from 79.70 metres in HU/JS-1334
- 2.00 metres @ 14.26 g/t gold from 62.15 metres in HU/JS-1335

Arpola-2 2024

- 3.35 metres @ 5.92 g/t gold from 81.65 metres in HU/JS-1342
- 1.30 metres @ 42.43 g/t gold from 76.60 metres in HU/JS-1345

Arpola-3 2024

- 4.00 metres @ 4.96 g/t gold from 78.00 metres in HU/JS-1349
- 8.50 metres @ 4.51 g/t gold from 81.00 metres in HU/JS-1351
- 5.00 metres @ 4.15 g/t gold from 74.00 metres in HU/JS-1356
- 3.10 metres @ 59.91 g/t gold from 40.50 metres in HU/JS-1357
- 1.30 metres @ 17.10 g/t gold from 70.90 metres in HU/JS-1358
- 2.70 metres @ 9.62 g/t gold from 75.00 metres in HU/JS-1359
- 2.80 metres @ 7.44 g/t gold from 56.50 metres in HU/JS-1360
- 7.45 metres @ 3.41 g/t gold from 73.80 metres in HU/JS-1365
- 4.10 metres @ 13.00 g/t gold from 93.40 metres in HU/JS-1365
- 1.00 metre @ 21.70 g/t gold from 69.70 metres in HU/JS-1368

Arpola-4 2024

- 4.70 metres @ 4.76 g/t gold from 84.50 metres in HU/JS-1370
- 3.20 metres @ 11.54 g/t gold from 66.80 metres in HU/JS-1372
- 2.00 metres @ 38.99 g/t gold from 87.50 metres in HU/JS-1372
- 1.80 metres @ 12.89 g/t gold from 78.10 metres in HU/JS-1377
- 1.80 metres @ 23.01 g/t gold from 89.20 metres in HU/JS-1378
- 10.00 metres @ 7.23 g/t gold from 77.00 metres in HU/JS-1380

Arpola-5 2024

- 6.55 metres @ 3.14 g/t gold from 84.50 metres in HU/JS-1370

Open-pit mining commenced at Jokisivu in 2009 and underground production in 2011. By the end of 2024 underground development at Jokisivu has extended down to the 645m level, with approximately 3.3 million tonnes grading 2.8 g/t gold being mined from the open-pit and underground operations.

The Jokisivu deposit represents a structurally controlled orogenic gold system located in the Palaeoproterozoic Vammala Migmatite Belt and comprises two principal sets of parallel lodes, Kujankallio and Arpola. They are of varying thickness and grade 200-metres apart and are hosted in shear zones striking west-northwest within a quartz diorite unit. The shear zones are characterised by laminating, pinching, and swelling quartz veins and a well-developed, moderately plunging lineation. Gold mineralisation is contained within the quartz veins and shear zones within the barren host rocks.

Gold mineralisation in the Kujankallio area has been shown by drilling to extend over a 710-metre vertical extent from surface, whilst gold mineralisation in the Arpola area extends over a 480-metre vertical extent from surface. The Jokisivu deposit remains open with depth.

Kaapelinkulma Gold Mine

No exploration activities were undertaken at Kaapelinkulma during 2024.

Kaapelinkulma is located 65 kilometres east of the Vammala Plant in the municipality of Valkeakoski. The Kaapelinkulma deposit represents an orogenic gold system located in the Palaeoproterozoic Vammala Migmatite Belt, comprising a set of sub-parallel lodes in a tight array hosted within a sheared quartz diorite unit inside a tonalitic intrusive.

Two separate gold occurrences, South and North, were identified. The South gold occurrence is the larger of the two and was subject to open pit mining between February 2019 and April 2021 when Ore Reserves were exhausted. At the cessation of mining a total of 104 kt grading 3.2 g/t gold for 10.6 kozs had been mined.

Orivesi Gold Mine

No exploration activities were undertaken on the Orivesi group of tenements during 2024.

The Orivesi Gold Mine is located 80 kilometres to the northeast of the Vammala Plant and was initially in operation between 1992 and 2003. Dragon Mining recommenced mining at Orivesi in June 2007, initially on remnant mineralisation associated with the near-vertical pipe like Kutema lode system above the 720m level. Two of the five principal lodes at Kutema continued below the historical extent of the decline at the 720m level and this area became the subject of a program of staged development and production stoping down to the 1,205m level between January 2011 and January 2018. Mining from the Sarvisuo lodes, 300 metres east of Kutema commenced in April 2008 and was conducted between the 240m and 620m levels, as well as between the 360m and 400m levels and the 650m and 710m levels in the Sarvisuo West area.

Mining at Orivesi ceased in June 2019, with 3.3 million tonnes of ore grading 7.1 g/t gold mined from the operation since mining commenced.

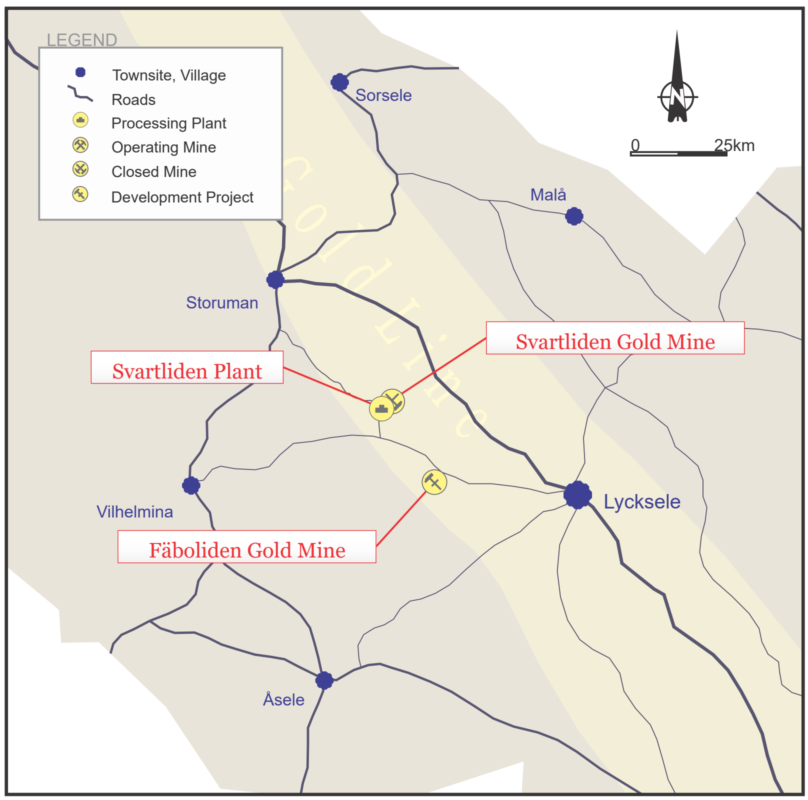
Uunimäki Gold Project

The Uunimäki Gold Project represents an advanced gold project that has previously been subjected to diamond core drilling and other exploration activities including ground geophysical surveys and geochemical till surveys by the Geological Survey of Finland. The Company will look to determine if the identified zones of higher-grade gold mineralisation within the Uunimäki mineralised system occur at levels that could be economically mined, transported, and processed at the Vammala Plant. It is anticipated that the Company will commence drilling at Uunimäki in 2025.

The Uunimäki Gold Project is located 60 kilometres south of the Vammala Plant and is situated in the Palaeoproterozoic Häme Belt. Identified gold mineralisation is associated with arsenopyrite-bearing quartz veins that are hosted within a sheared metamorphosed gabbro. The most common ore minerals identified are pyrrhotite and ilmenite, with minor arsenopyrite and quartz veins. Native bismuth and various bismuth-tellurium minerals are also common with gold mineralisation.

Exploration Sweden

In northern Sweden, the Company holds 3,536.89 hectares of tenure, which collectively is known as the Svartliden Production Centre ("**SPC**"). Located 750 kilometres north of Stockholm, the SPC includes the Svartliden Plant, a 300,000 tonne per annum conventional comminution and carbon in leach ("**CIL**") plant, Fäboliden and the closed Svartliden Gold Mine.



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 2024 on the Fäboliden group of tenements.

The Fäboliden Gold Mine is located 40 kilometres west of the regional centre Lycksele in the Västerbotten County in northern Sweden. It represents a source of gold-bearing ore that can be trucked to, and processed at the Company's Svartliden Plant, 30 kilometres to the northwest. Fäboliden is classified as an orogenic gold deposit, with mineralisation hosted by Paleoproterozoic meta-sediments and meta-volcanic rocks, surrounded by granitoids. The deposit represents a multiple tabular style of mineralisation defined over a strike length of 1,295 metres and to a vertical depth of 665 metres. It remains open at depth and to the south.

Svartliden Gold Mine

No exploration activities were undertaken during 2024 on the Svartliden group of tenements.

Svartliden is located in northern Sweden, 70 kilometres west of the regional centre of Lycksele in the Västerbotten County. Mining commenced at Svartliden in 2004, initially as an open pit operation, with underground operations commencing in 2011. Open-pit and underground mining were carried out in tandem until the completion of open-pit mining in April 2013. Underground mining was completed by the end of 2013 when mining of known Ore Reserves was exhausted. A total of 3.2 million tonnes grading 4.1 g/t gold was mined from Svartliden during its life producing 377 kozs of gold. Svartliden represents an orogenic gold deposit hosted within a Paleoproterozoic metavolcanic-sedimentary sequence.

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, 8 April 2024 – Drilling returns High Grade Intercepts from the Jokisivu Gold Mine, 6 November 2024 - Drilling Returns Further High-Grade Results from the Jokisivu Gold Mine and 4 February 2025 – Jokisivu Drilling Returns Further Encouraging Intercepts. 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, 8 April 2024, 6 November 2024 and 4 February 2025 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, 8 April 2024, 6 November 2024 and 4 February 2025, and the assumptions and technical parameters underpinning the results in the 23 January 2024, 8 April 2024, 6 November 2024 and 4 February 2025 releases continue to apply and have not materially changed.

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 where indicated below.

Finland

Vammala Production Centre

Environmental permit

On 22 January 2024, the Supreme Administrative Court ("**Supreme Court**") upheld the Vammala Environmental Permit but reduced the plant's production capacity to a maximum of 300,000 tonnes per annum. The Supreme Court decision required additional environmental impact monitoring, an updated cessation plan, and an evaluation of potential damage to private individuals. The Company submitted this information to Regional State Administration Agencies ("**AVI**") by the end of 2024.

Waste management plan

AVI held a hearing from 22 February to 2 April 2024 to approve the updated tailings surface structures plan and financial guarantee for extractive waste handling. The Company responded to AVI's request for a rejoinder on 16 May 2024. On 10 October 2024, AVI approved the latest waste management plan and set an additional bond security of €11.9 million (approximately AU$20.1 million), to be placed by 18 May 2025.

Environmental monitoring and studies

The Pirkanmaa Centre for Economic Development, Transport, and the Environment ("**PIR ELY**") approved an additional water monitoring plan on 5 April 2024, leading to the installation of three new groundwater monitoring pipes in June 2024. KVVY Tutkimus Oy ("**KVVY**") conducted sampling studies in April and June 2024 to assess potential damage to private individuals, with the final report submitted to AVI on 23 December 2024. The studies revealed elevated Ni-concentrations in sediments but no significant impact on benthic fauna or water quality.

The Company completed various environmental impact monitoring tasks, studies, and assessments, focusing on improving discharge water treatment and optimising water use. These findings, along with an updated closure and aftercare plan, were submitted to AVI on 20 December 2024.

An Experimental Fishing Studies Report, received from KVVY on 28 November 2024, indicated changes in fish populations in Lake Rautavesi, with Perch becoming more abundant and Roach decreasing. However, the report noted difficulties in directly attributing these changes to the Vammala mill's operations due to various environmental factors.

Dust and noise control

Dust control measures in the tailings area have been implemented using a liming and sprinkler water system. The latest report from Promethor Oy on 5 August 2024 showed dust levels below guideline limits at all measurement points. Noise measurements conducted on 20 February 2024 by Envineer also indicated levels below the daytime average guideline value of 55 decibels.

Water management

The Kovero-oja ditch clearing work, completed in March 2024, significantly improved water flow. Two continuous seepage water level monitoring units were installed in the tailings area in October 2024. The annual water monitoring report for 2023, completed by KVVY on 23 February 2024, showed that water quality at key monitoring points met Environmental Permit requirements, with a decreasing load trend in the Kovero-oja ditch since 2013.

Regulatory compliance and inspections

A periodic inspection by PIR ELY on 30 May 2024 went well, with only minor actions required. Plans for raising the dam area at Vammala were submitted to relevant authorities in June 2024. The Company continues to work on keeping the Vammala precautionary plan up to date to ensure effective environmental risk management.

Orivesi Gold Mine

Closure plan and Natura assessment

The Company had previously announced that Envineer Oy ("**Envineer**") completed and submitted the closure plan for the Orivesi mine to AVI for approval. On 6 June 2024, Envineer finalised and sent the Natura assessment to AVI, supplementing the closure plan. The assessment concluded that the mine closure would not threaten the conservation goals of the Natura area, although uncertainties remain due to the extended duration of closure measures. Suggestions were included to mitigate uncertainties and avoid potential harm to Lake Ala-Jalkajärvi.

In September 2024, AVI informed that statements would be requested from PIR ELY and other related parties regarding the Natura assessment. The mine closure process will continue after the completion of the Natura process, which includes the company's response to comments on the assessment.

Environmental monitoring

KVVY completed the Benthic Fauna Report for 2023 sampling on 3 July 2024. The report revealed very scarce benthic fauna in both Lake Ala-Jalkajärvi and Lake Peräjärvi depths, although species diversity had slightly improved.

The annual water monitoring report for 2023, completed by KVVY on 12 February 2024, showed reduced electrical conductivity and sulphate concentrations in Lake Peräjärvi's surface and intermediate water levels. Metal concentrations in Lake Ala-Jalkajärvi have decreased significantly in recent years, with this effect gradually reflected in Lake Peräjärvi. However, many metal concentrations remain high relative to environmental quality standards and ecological reference values.

Stope emptying project

On 10 September 2024, Outokumpu sent a draft document regarding the termination of the collaboration agreement related to the -66-85 stope-emptying project. The contract to end the project was signed at the final meeting held on 3 December 2024.

The Finnish Safety and Chemicals Agency ("**TUKES**") conducted a brief inspection at Orivesi on 3 October 2024, reviewing the closing situation and current closing schedule.

Water management

The cessation of mine discharge water has led to improvements in water quality, particularly in Lake Peräjärvi. No indications of mine water effects have been observed in recent years at Paarlahti, the most distant monitoring point. Importantly, there has been no discharge of water from the mine since mid-2019.

Maintaining the pH of Lake Ala-Jalkajärvi around 7 has been crucial in reducing the effects of metals. Preventing the release of metals from and to bottom sediments remains a priority, and it is essential to maintain the lake's pH above 6.

Jokisivu Gold Mine

Environmental permit

On 15 February 2021, the Company received a new Environmental Permit from AVI, which included a significant bond increase of €3.4 million (approximately AU$5.6 million) and several challenging new conditions. In response, the Company appealed to the VAC Administrative Court on 26 March 2021, specifically contesting Environmental Permit Order 16, which mandated partial landscaping of the waste rock area before mining operations concluded.

The VAC decision, received on 27 January 2023, overruled the updated Environment Permit, with the exception of reducing the bond amount to €2.8 million (approximately AU$4.6 million). The Court's rationale was that AVI lacked sufficient technical information to issue a revised permit, necessitating a comprehensive update of the Environmental Permit application.

Following discussions with AVI, the Company collaborated with Envineer and KVVY to update the Environmental Permit application.

This update encompassed various aspects including waste management, water balance, impact assessments, noise, dust, risk assessment, and closing works. On 14 February 2024, draft versions of the application were shared with AVI and the ELY Centre of South-West Finland ("**VAR ELY**"), with final documents submitted on 22 May 2024.

The permit application hearing took place from 30 May to 8 July 2024. Subsequently, on 7 August 2024, AVI requested a response to VAR ELY's statement, which primarily focused on noise surveys and studies. In response, new long-term noise surveys were conducted around the Jokisivu mining area in September 2024. The Company submitted its rejoinder to AVI on 13 September 2024, as part of the ongoing process to update the Environmental Permit.

On 28 January 2025, the Company's Environmental Permit application was granted by AVI. The new Environmental Permit will allow the Company to crush a maximum of 350,000 tonnes of aggregates in the mining area, including approximately 300,000 tonnes of ore and 50,000 tonnes of waste rock per year. It will also permit the Company to commence loading and transport activities at Jokisivu an hour earlier at 6am, whilst imposing necessary provisions to prevent noise and dust pollution and limiting the noise impact of transport operations.

In its decision, AVI amended the regulations on discharges from the mine to water bodies by adding limit values for the cadmium and sulphate content. In addition, the mine's water discharges, and water quality are now to be monitored more frequently. The decision also approved the closure of the Arpola open pit in accordance with the closure plan. For other parts of the mine, the closure plan must be amended before the start of closure. Mine securities have been updated to reflect the current situation and the closure plan.

Water monitoring and management

KVVY completed the annual water monitoring report for 2023 on 13 February 2024. The report revealed increased sulphate, and nitrogen loads in the Paukkionoja ditch and Loimijoki river, partly attributed to higher rainfall. The total discharge volume for 2023 reached 251,458 m^3, a significant increase from 169,314 m^3 in 2022. Metal loads also increased compared to the previous year.

The report noted elevated concentrations of nickel and cadmium in the Paukkionoja ditch downstream of the mine during late summer from 2017 to 2023. Despite these localized impacts, monitoring results indicated that the Jokisivu mine's discharge waters had only a minor effect on the water quality of the nearby Loimijoki river.

Additional environmental activities

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 for various structural purposes. Since October 2023, the Company has been conducting vibration monitoring using four meters installed on nearby properties. Reports indicate that vibration measurements are below guideline values and do not pose risks to surrounding structures.

Furthermore, on 9 October 2024, VAR ELY granted a permit for continued ore and waste rock crushing at Jokisivu, allowing operations up to 170,000 tonnes. This approval demonstrates ongoing regulatory engagement and compliance with environmental requirements.

Kaapelinkulma Gold Mine

During 2024, the Company's activities at Kaapelinkulma included:

Waste rock utilisation

Explored potential uses for waste rock outside the mining area. Despite interest from several companies, proposals were not financially viable. As a result, closure works, and rehabilitation are planned for 2025-2026.

Contaminated soil study

Envineer Oy conducted field works and sampling in September 2024. The final report issued in December 2024 revealed arsenic concentrations exceeding guideline values in ore and crushed rock storage areas and recommended covering affected areas with a till layer. The report will be sent to PIR ELY for approval.

Sediment sampling

KVVY Tutkimus Oy performed sampling from ditch monitoring points and Lake Vallonjärvi in August 2024. Results showed a general decrease in metal concentrations in surface sediments, though some remained slightly elevated.

Woodland brown butterfly survey

Conducted in June-July 2024, the survey revealed significantly lower butterfly numbers compared to previous years. This decline was attributed to weather conditions and natural population variations rather than mining activities.

Water monitoring

The 2024 half-year water monitoring report (January-June) was completed by KVVY. Open pit water showed slightly elevated levels of sulphate, arsenic, copper, nickel, and zinc compared to the median concentrations of stream waters. No water has been pumped from the open pit 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 on to the discharge ditch. The total discharge water volume was $575m^3$.

The annual water monitoring report for 2023 completed by KVVY was sent to PIR ELY and the city of Valkeakoski. The report indicated a significant decrease in average concentrations of nitrogen, sulphate, chloride, aluminum, arsenic, and uranium compared to 2020-2021 levels, returning to pre-monitoring (2017-2018) levels. Monitoring will continue in 2024 in accordance with the post-monitoring program that PIR ELY had previously approved.

Uunimäki Exploration Area

In preparation for diamond drilling activities in the Uunimäki area, comprehensive environmental surveys were conducted by Envineer Oy. The fieldwork took place during the summer of 2024, with the final report completed on 10 January 2025.

The survey report, which was submitted to VAR ELY, revealed the following key observations:

- Signs of flying squirrels were detected in the southern part of the project area.
- Two nesting and resting areas for flying squirrels were identified and marked.
- Bird species observed were typical for the area's location and habitat type.

A detailed exploration plan will be prepared and submitted for approval to VAR ELY and TUKE in advance of field and exploration activities expected to commence during Q3, 2025.

Sweden

Svartliden

Svartliden rehabilitation plan (U3)

On 18 November 2019, the Company appealed to the Environment Court of Appeal ("**Court of Appeal**") against the following aspects of the ruling issued on 3 September 2019 by the Swedish Land and Environment Court ("**Environment Court**"):

- The additional collateral security of 41.0 million SEK (approximately AU$6.0 million).
- Permit conditions during the closure phase.
- Restrictions on incrementally returning the security bond.

The Court of Appeal held a hearing on 21-22 September 2021 and on 25 February 2022 determined that further studies were required. The Company appealed this decision to the Supreme Court on 25 March 2022, but leave to appeal was denied on 20 September 2022, returning the case to the Environment Court.

Following the Environment Court's request on 22 December 2022, the Company proposed a drilling and sampling program for the waste rock dump, along with additional investigations. The Company suggested increasing the provisional bond to 44.0 million SEK (approximately AU$6.4 million).

The Environmental Protection Agency ("**EPA**") issued several statements, with the latest on 8 December 2023, arguing for a higher provisional bond of 74.0 million SEK (approximately AU$10.8 million). The CAB, however, suggested a bond of 52.0 million SEK (approximately AU$7.6 million).

On 25 September 2024, the Environment Court ruled that the entire waste rock dump is acid forming/potentially acid forming, requiring a hard cover. The Environment Court ordered additional collateral security of 32.0 million SEK (approximately AU$4.7 million), bringing the total to 65.0 million SEK (approximately AU$9.5 million). The Environment Court ruling gained legal force on 18 February 2025. The Company has 3-months from that date to place the additional collateral security.

Svartliden change permit for Fäboliden ore processing

On 30 June 2021, the Company submitted its Environmental Impact Assessment ("**EIA**") with the change permit application to the Environment Court. The change permit is a prerequisite for production in Fäboliden in addition to the current processing of Vammala concentrate.

On 25 September 2024, the Environment Court approved the Group's change permit application to process Fäboliden ore in Svartliden along with up to 20,000 tonnes of external ore, including Vammala flotation concentrate, at Svartliden. The permit ruling has a 10-year start-up validity for Fäboliden ore. This ruling was also appealed by the Vapsten reindeer herding co-op, on the same grounds as the U3 rehab investigation conditions case. The appeal by Vapsten was denied by the Environment Court on 22 January 2025.

Fäboliden Environmental Permit

The Company submitted its Environmental Permit application for full-scale mining activities at Fäboliden to the Environment Court 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 Environment Court issued its ruling, and while the EIA was approved, the Environmental Permit application was rejected. The Environment Court 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 Court of Appeal on 15 December 2022 which was denied on 14 March 2023. The Court of Appeal did not provide the reasons for its decision.

The Company further appealed the Court of Appeal decision to the 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 Environment Court. The revised application will be updated to include the Company's measures aimed at mitigating the Environment Court 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 year, 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 Listing Rules.

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 year ended 31 December 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 annual results of the Company for the year ended 31 December 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 year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's Auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements. 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 preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the designated website of the Stock Exchange at www.hkexnews.hk and on the website of the Company www.dragonmining.com and www.irasia.com/listco/hk/dragonmining/. The Company's Annual Report for the year ended 31 December 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, 13 March 2025

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 Caldow Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai as Independent Non-Executive Directors.

* *for identification purpose only*