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龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED

龍資源有限公司*

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

(Stock Code: 1712)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 together with comparative figures for the corresponding year in 2024 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 AU\$'000	2024 AU\$'000
Revenue from customers	2(a)	143,763	72,804
Cost of sales	2(b)	(57,560)	(51,608)
Gross profit		86,203	21,196
Other revenue	2(c)	2,345	736
Other income	2(d)	1,068	2,589
Mineral exploration expenditure		(686)	(206)
Management and administration expenses	2(e)	(8,206)	(5,799)
Other operating expense	2(e)	(924)	(1,548)
Finance costs	2(f)	(1,299)	(1,187)
Fair value gain on financial assets	2(g)	1,555	338
Foreign exchange (loss)/gain		(4,793)	924
Net profit before tax		75,263	17,043
Income tax expense	3	(15,023)	(4,167)
Net profit after income tax		60,240	12,876
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)			
Basic and diluted earnings per share	20	36.09	8.14

The notes on pages 6 to 66 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Net profit after income tax (brought forward)	<u>60,240</u>	<u>12,876</u>
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
<i>Exchange differences on translation of foreign operations</i>	<u>6,086</u>	<u>1,130</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)	<u>6,086</u>	<u>1,130</u>
Total comprehensive income for the year	<u>66,326</u>	<u>14,006</u>
Net profit attributable to:		
Members of Dragon Mining Limited	<u>60,240</u>	<u>12,876</u>
	<u>60,240</u>	<u>12,876</u>
Total comprehensive income attributable to:		
Members of Dragon Mining Limited	<u>66,326</u>	<u>14,006</u>
	<u>66,326</u>	<u>14,006</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
CURRENT ASSETS			
Cash and cash equivalents	4	107,212	40,313
Trade and other receivables	5	3,035	2,570
Inventories	6	25,945	19,257
Financial assets	7	3,810	1,826
Other assets	8	1,516	866
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TOTAL CURRENT ASSETS		141,518	64,832
NON-CURRENT ASSETS			
Property, plant and equipment	9	60,306	53,306
Mineral exploration and evaluation costs	10	3,373	1,436
Right-of-use assets	11	337	411
Other assets	8	40,352	12,587
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TOTAL NON-CURRENT ASSETS		104,368	67,740
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TOTAL ASSETS		245,886	132,572
CURRENT LIABILITIES			
Trade and other payables	12	7,884	8,318
Provisions	13	3,921	3,624
Interest bearing liabilities	14	157	180
Other liabilities		87	80
Current tax liability		9,723	3,122
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TOTAL CURRENT LIABILITIES		21,772	15,324
NON-CURRENT LIABILITIES			
Provisions	13	41,120	34,257
Interest bearing liabilities	14	183	227
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TOTAL NON-CURRENT LIABILITIES		41,303	34,484
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TOTAL LIABILITIES		63,075	49,808
		<hr/>	<hr/>
NET ASSETS		182,811	82,764
EQUITY			
Contributed equity	15	174,129	140,408
Reserves	17	7,613	1,527
Retained profits/(accumulated losses)		1,069	(59,171)
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TOTAL EQUITY		182,811	82,764
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The notes on pages 6 to 66 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Contributed Equity AU\$'000	Retained profits/ (accumulated losses) AU\$'000	Foreign Currency Reserve AU\$'000	Convertible Note Premium Reserve AU\$'000	Equity Reserve Purchase of Non- controlling Interest AU\$'000	Total Equity AU\$'000
At 1 January 2024	<u>140,408</u>	<u>(72,047)</u>	<u>(2,740)</u>	<u>2,068</u>	<u>1,069</u>	<u>68,758</u>
Profit after income tax for the year	-	12,876	-	-	-	12,876
Other comprehensive income	-	-	1,130	-	-	1,130
Total comprehensive income for the year	<u>-</u>	<u>12,876</u>	<u>1,130</u>	<u>-</u>	<u>-</u>	<u>14,006</u>
At 31 December 2024	<u>140,408</u>	<u>(59,171)</u>	<u>(1,610)</u>	<u>2,068</u>	<u>1,069</u>	<u>82,764</u>
At 1 January 2025	<u>140,408</u>	<u>(59,171)</u>	<u>(1,610)</u>	<u>2,068</u>	<u>1,069</u>	<u>82,764</u>
Profit after income tax for the year	-	60,240	-	-	-	60,240
Other comprehensive income	-	-	6,086	-	-	6,086
Total comprehensive income for the year	<u>-</u>	<u>60,240</u>	<u>6,086</u>	<u>-</u>	<u>-</u>	<u>66,326</u>
Shares issued net of transaction costs	<u>33,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,721</u>
At 31 December 2025	<u>174,129</u>	<u>1,069</u>	<u>4,476</u>	<u>2,068</u>	<u>1,069</u>	<u>182,811</u>

The notes on pages 6 to 66 form part of this annual results announcement.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Cash flows from operating activities			
Receipts from customers		144,367	76,239
Payments to suppliers and employees		(63,562)	(49,763)
Payments for mineral exploration		(746)	(206)
Interest received		2,345	736
Interest paid		(345)	(28)
Income taxes paid		(8,599)	(2,382)
Net cash from operating activities	4	73,460	24,596
Cash flows from investing activities			
Payments for property, plant and equipment		(8,091)	(1,160)
Payments for development activities		(2,225)	(1,865)
Payments for exploration and evaluation		(1,074)	(1,152)
Payment for rehabilitation bonds		(29,459)	(2,782)
Return of rehabilitation bonds		2,461	–
Net cash used in investing activities		(38,388)	(6,959)
Cash flows from financing activities			
Lease liability payments		(198)	(165)
Proceeds from issue of shares		34,578	–
Share issue transaction costs		(857)	–
Net cash from/(used in) financing activities		33,523	(165)
Net increase in cash and cash equivalents		68,595	17,472
Cash and cash equivalents at the beginning of the year		40,313	22,168
Effects of exchange rate changes on cash and cash equivalents		(1,696)	673
Cash and cash equivalents at the end of the year	4	107,212	40,313

The notes on pages 6 to 66 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 **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, Echelon, 77 South Perth Esplanade, South Perth, Western Australia 6151, Australia.

The Company's announcement of the results for the year ended 31 December 2025 was authorised for issue at the meeting of the Board of Directors held on 12 March 2026.

The announcement of the results of the Company for the year ended 31 December 2025, 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
Dragon Mining Fäboliden AB ⁽¹⁾	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) ⁽²⁾	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⁾ Name change effective 4 December 2025. Previously Viking Gold & Prospecting AB

⁽²⁾ 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 2025 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 2025 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 2025 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 consolidated 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. The Group recognises revenue from toll milling services when the associated performance obligations have been met and can be reliably measured.

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 (**Fixed Fee**). The Group is paid a production fee based on a tiered percentage of the sale proceeds, dependent on the gold head grade (**Production Fee**).

Ore custody and risk is transferred to the Group as agent upon completion of delivery to the Svartliden Plant. 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 can recognise a portion of the Production fee based on its best estimate of the eventual sale proceeds. This estimate 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.

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 (**FVTPL**). This category includes trade receivables relating to concentrate sales that are subject to quotation period pricing.

The terms of external 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 (2024: nil).

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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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 consolidated 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.

- FVTPL: assets that do not meet the criteria for amortised cost or fair value through OCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL 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 FVTPL 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/(losses) on the effective portion of the hedge are recognised directly in equity in the foreign currency translation reserve (**FCTR**) while any gains/(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/(losses) recognised in the FCTR 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 consolidated 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 reserves (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 reserve).

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 asset's 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 (**DFS**) 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 deposits. Restricted deposits represent funds used as security for the issuance of bank guarantee and/or bond 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 (CGU) exceeds 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 value in use (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 (2024: 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, 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.

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.

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 2025 and are outlined below:

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*.

The Group is currently working to identify all impacts this new standard will have on the financial statements and notes to the 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 2025.

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

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
(a) Revenue from customers		
Revenue from gold sales	135,623	70,658
Revenue from toll milling services ⁽¹⁾	<u>8,140</u>	<u>2,146</u>
	<u>143,763</u>	<u>72,804</u>
⁽¹⁾ 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	47,725	45,009
Depreciation of mine properties, plant and equipment	<u>9,835</u>	<u>6,599</u>
	<u>57,560</u>	<u>51,608</u>
<i>Cost of production net of inventory movements</i>		
Mining costs	26,018	24,388
Processing costs	25,904	19,458
Other production costs	693	792
Gold inventory movements	<u>(4,890)</u>	<u>371</u>
	<u>47,725</u>	<u>45,009</u>
(c) Other revenue		
Finance revenue and interest	2,345	735
Rent and sundry revenue	<u>–</u>	<u>1</u>
	<u>2,345</u>	<u>736</u>
(d) Other income		
Net gain from cancellation of Crusher agreement	–	1,550
Service income	866	920
Other income	<u>202</u>	<u>119</u>
	<u>1,068</u>	<u>2,589</u>

	2025 AU\$'000	2024 AU\$'000
(e) Operating expenses		
Management and administration expenses	7,894	5,799
Impairment loss against net gain from cancellation of Crusher agreement	–	755
Depreciation of non-mine site assets	256	220
Rehabilitation cost estimate increase	980	573
	<u>9,130</u>	<u>7,347</u>
(f) Finance costs		
Rehabilitation unwinding of discount	948	1,159
Interest expense	276	11
Other finance costs	75	17
	<u>1,299</u>	<u>1,187</u>
(g) Fair value change in financial assets		
Gain on investments at fair value through profit or loss	<u>(1,555)</u>	<u>(338)</u>
(h) Total employee benefits including Directors' remuneration		
Wages and salaries	8,867	8,158
Defined contribution superannuation expense	1,863	1,803
	<u>10,730</u>	<u>9,961</u>
<i>Total employee benefits including Directors' remuneration included in:</i>		
Cost of sales	7,314	6,761
Management and administration expense	3,416	3,200
	<u>10,730</u>	<u>9,961</u>

3. INCOME TAX

	2025 AU\$'000	2024 AU\$'000
(a) Income tax expense		
The major components of income tax expense are:		
<i>Current income tax</i>		
Current income tax expense	17,202	4,167
Adjustments in respect of current income tax of previous year	-	-
<i>Deferred income tax</i>		
Income tax benefit arising from previously unrecognised tax loss	(2,179)	-
Relating to origination and reversal of temporary differences	-	-
	<u>15,023</u>	<u>4,167</u>
Income tax expense reported in the statement of comprehensive income	<u>15,023</u>	<u>4,167</u>
(b) Amounts charged or credited directly to equity		
Deferred income tax related to items charged/(credited) directly to equity	-	-
	<u>-</u>	<u>-</u>
(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	<u>75,263</u>	<u>17,043</u>
At the Group's statutory income tax rate of 30% in Australia (2024: 30%)	<u>22,579</u>	<u>5,113</u>
Adjustments in respect of current income tax in foreign jurisdiction		
Effect of different rates of tax on overseas income	(6,129)	(722)
Net non-deductible expense/(benefit) and non-assessable expense/ (income)	752	(117)
Tax losses and other temporary differences recognised	(2,179)	(107)
	<u>15,023</u>	<u>4,167</u>
Aggregate income tax expense	<u>15,023</u>	<u>4,167</u>
(d) Recognised deferred tax assets and liabilities		
<i>Deferred tax assets (excluding tax losses)</i>		
Leave entitlements	87	80
Rehabilitation provision	4,493	3,565
Lease liabilities	56	80
Share issue and listing costs	65	14
Mine properties, property, plant, and equipment	13,503	3,269
Accruals	137	88
Temporary differences not recognised	(17,996)	(6,835)
Set off deferred tax liabilities pursuant to set off provisions	(345)	(261)
	<u>-</u>	<u>-</u>
Deferred income tax assets	<u>-</u>	<u>-</u>
<i>Deferred tax liabilities</i>		
Accelerated deduction		
Mine properties, property, plant, and equipment	(96)	(120)
Financial assets	(17)	(8)
Set off deferred tax assets pursuant to set off provisions	113	128
	<u>-</u>	<u>-</u>
Deferred income tax liabilities	<u>-</u>	<u>-</u>

(e) Tax losses

The Group has tax losses of approximately AU\$22.9 million in Australia (2024: AU\$21.8 million) and approximately AU\$28.5 million in Sweden (2024: AU\$41.0 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 (2024: AU\$2.6 million). The Group has fully utilised its tax losses in Finland.

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 years;
- (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 do not have a sufficient track record and outlook of future taxable income to support the recognition of any deferred tax assets.

4. CASH AND CASH EQUIVALENTS

	2025 AU\$'000	2024 AU\$'000
Cash at bank and on hand	75,379	39,858
Restricted use cash ⁽¹⁾	<u>31,833</u>	<u>455</u>
	<u>107,212</u>	<u>40,313</u>

- ⁽¹⁾ On 22 September 2025, the Company completed the placing of 31,619,322 new shares (**Placing Shares**) at a net issue price of HK\$5.47 (approximately AU\$1.07). The net proceeds from the Placement shall be used specifically in accordance with the specific terms and conditions of the placing agreement.

	2025 AU\$'000	2024 AU\$'000
(a) Reconciliation of net profit after tax to net cash flows from operations		
Net profit after tax	60,240	12,876
<i>Adjustments for:</i>		
Depreciation and amortisation	10,092	6,819
Unwinding of rehabilitation provision discount	948	1,159
Net foreign exchange loss/(gain)	4,793	(251)
Fair value gain on financial assets	(1,555)	(338)
<i>Changes in operating assets and liabilities</i>		
(Increase)/decrease in receivables	(464)	846
Increase in other assets	(1,079)	(553)
(Increase)/decrease in inventory	(6,688)	374
Increase in trade creditors	275	1,376
Increase in tax liability	6,601	1,785
Increase in provisions	297	503
Net operating cash flows	<u>73,460</u>	<u>24,596</u>

	2025 AU\$'000	2024 AU\$'000
(b) Reconciliation of liabilities from financing activities		
Opening balance – 1 January	407	1,300
<i>Cash flows:</i>		
Repayment of lease liabilities	(198)	(165)
<i>Non-cash changes:</i>		
Additions to lease liabilities	89	282
Cancellation of Crusher agreement	–	(1,019)
Foreign exchange adjustments on borrowings and lease liabilities	42	9
	<u>340</u>	<u>407</u>
Balance at year end	<u>340</u>	<u>407</u>

5. TRADE AND OTHER RECEIVABLES

	2025 AU\$'000	2024 AU\$'000
Trade receivables – amortised cost ⁽ⁱ⁾	2,142	657
Other receivables ⁽ⁱⁱ⁾	893	1,913
	<u>3,035</u>	<u>2,570</u>

- (i) Includes trade receivables for gold sold on market. The probability of default is considered to be insignificant. All amounts have been collected subsequent to year end.
- (ii) Other receivables include bank guarantees held on deposit with National Australia Bank for the lease of the corporate premises, and statutory receivables from taxation authorities. 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).

Trade receivables aging analysis

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

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
<i>Amounts not yet due</i>	–	–
Within 1 month	2,142	657
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	–	–
	<hr/>	<hr/>
Trade receivables – at amortised cost	2,142	657

6. INVENTORIES

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Ore and concentrate stockpiles – at cost	18,692	12,470
Gold in circuit valued – at cost	5,686	4,236
Gold on hand – at cost	–	1,492
Raw materials and stores – at cost	1,567	1,059
	<hr/>	<hr/>
	25,945	19,257

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Investments at fair value through profit or loss	3,810	1,826

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 year end, the Group continues to hold 2,582,910 shares in Aurion Resources Limited (TSXV: AU) (**Aurion Resources**) representing approximately 1.51% of the number of issued common shares of Aurion Resources. The fair value movement in the shares during the year was a gain of AU\$1.98 million (2024: a gain of AU\$0.42 million). There have been no share sales as at the date of this announcement.

8. OTHER ASSETS

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Current		
Prepayments	566	398
Other receivables	950	468
	<u>1,516</u>	<u>866</u>
Non-current		
Environmental and other bonds at amortised cost	<u>40,352</u>	<u>12,587</u>

The environmental bonds relate to cash and guarantees that have been deposited with Finnish and Swedish government authorities. During the year, the Group placed additional collateral security of 32.0 million SEK (approximately AU\$5.2 million) for Svartliden in Sweden, bringing the total collateral security to 65.0 million SEK (approximately AU\$10.5 million). The Group also placed a new environmental bond of €11.9 million (approximately AU\$20.6 million) to replace the existing bond of €1.4 million (approximately AU\$2.5 million) for Vammala in Finland. To protect against EUR/AUD forex fluctuations, the Group has secured an additional term deposit of US\$2.7 million (approximately AU\$4 million) to provide a 20% buffer. The remaining AU\$0.8 million movement for the period relates to FX. The deposits are held in interest bearing accounts that can only be drawn down after the respective rehabilitation programs have been completed and authorised by the relevant government authority. The Company can apply for progressive release of the environmental bond from the Regional State Administration Agency (AVI) in Finland upon completion of the rehabilitation work.

9. PROPERTY, PLANT AND EQUIPMENT

	2025 AU\$'000	2024 AU\$'000
Land		
Gross carrying amount – at cost	<u>1,475</u>	<u>1,379</u>
Buildings		
Gross carrying amount – at cost	2,927	2,612
Less accumulated depreciation and impairment	<u>(2,692)</u>	<u>(2,496)</u>
Net carrying amount	<u>235</u>	<u>116</u>
Property, plant and equipment		
Gross carrying amount – at cost	50,718	43,836
Less accumulated depreciation and impairment	<u>(44,437)</u>	<u>(39,316)</u>
Net carrying amount	<u>6,281</u>	<u>4,520</u>
Mine properties		
Gross carrying amount – at cost	180,659	171,116
Less accumulated amortisation and impairment	<u>(128,344)</u>	<u>(123,825)</u>
Net carrying amount	<u>52,315</u>	<u>47,291</u>
Total property, plant and equipment		
Gross carrying amount – at cost	235,779	218,943
Less accumulated amortisation and impairment	<u>(175,473)</u>	<u>(165,637)</u>
Net carrying amount	<u>60,306</u>	<u>53,306</u>

Included within property, plant and equipment and mine properties are AU\$21.6 million of capitalised costs (31 December 2024: AU\$19.2 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 CGU's, management has determined that the smallest identifiable group of assets that generate cash flows that are largely independent of the cash flows 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 considered whether any impairment triggers are present in the current period using both internal and external sources of information which included current financial performance, changes in foreign exchange rates, gold price, net assets and market capitalisation and developments in the Company's application for an environmental permit for Fäboliden. No impairment triggers were identified for the year and no impairment was recognised for the year ended 31 December 2025 (31 December 2024: nil).

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

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Land		
Carrying amount at beginning of year	1,379	1,354
Additions	–	464
Disposals	–	(464)
Net foreign exchange movement	96	25
	<hr/>	<hr/>
Carrying amount at end of year	1,475	1,379
	<hr/>	<hr/>
Buildings		
Carrying amount at beginning of year	116	195
Additions	213	–
Depreciation	(196)	(82)
Net foreign exchange movement	102	3
	<hr/>	<hr/>
Carrying amount at end of year	235	116
	<hr/>	<hr/>
Property, plant and equipment		
Carrying amount at beginning of year	4,520	5,390
Additions	4,234	2,137
Disposals	–	(1,558)
Accumulated depreciation of disposed asset	–	875
Depreciation	(5,121)	(3,047)
Net foreign exchange movement	2,648	723
	<hr/>	<hr/>
Carrying amount at end of year	6,281	4,520
	<hr/>	<hr/>
Mine properties		
Carrying amount at beginning of year	47,291	40,791
Additions	3,423	522
Increase in rehabilitation assets	2,618	6,724
Reclassification of evaluation costs	2,909	3,547
Depreciation	(4,519)	(4,390)
Net foreign exchange movement	593	97
	<hr/>	<hr/>
Carrying amount at end of year	52,315	47,291
	<hr/>	<hr/>

10. MINERAL EXPLORATION AND EVALUATION COSTS

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Balance at beginning of year	1,436	1,848
Additions	4,730	3,103
Reclassification to mine properties	(2,909)	(3,547)
Net foreign exchange movement	116	32
	<u>3,373</u>	<u>1,436</u>
Total mineral exploration and evaluation expenditure	<u>3,373</u>	<u>1,436</u>

The recoverability of the carrying amount of exploration and evaluation is dependent on the successful development and commercial exploitation, or alternatively through the sale of the respective area of interest. Based on the Group's assessment as at Reporting date, no internal or external impairment triggers have been identified.

11. RIGHT-OF-USE ASSETS

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Gross carrying amount – at cost	973	869
Less accumulated depreciation and impairment	(636)	(458)
	<u>337</u>	<u>411</u>
Net carrying amount	<u>337</u>	<u>411</u>

Reconciliations

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

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Right-of-use assets – property		
Carrying amount at beginning of year	340	172
Additions	142	294
Depreciation	(175)	(134)
Net foreign exchange movement	–	8
	<u>307</u>	<u>340</u>
Carrying amount at end of year	<u>307</u>	<u>340</u>

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Right-of-use assets – plant and equipment		
Carrying amount at beginning of year	71	1,069
Additions	26	–
Net cancellation of right-of-use asset	–	(938)
Depreciation	(67)	(43)
Net foreign exchange movement	–	(17)
	<u>30</u>	<u>71</u>
Carrying amount at end of year	<u>30</u>	<u>71</u>
Total right-of-use assets	<u>337</u>	<u>411</u>

The Groups' lease liabilities are included in note 14.

12. TRADE AND OTHER PAYABLES

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Trade payables and accruals	<u>7,884</u>	<u>8,318</u>

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:

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Within 1 month	7,884	8,318
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	–	–
	<u>7,884</u>	<u>8,318</u>
Trade payables and accruals	<u>7,884</u>	<u>8,318</u>

13. PROVISIONS

	2025 AU\$'000	2024 AU\$'000
Current		
Employee entitlements	1,936	1,810
Rehabilitation	1,985	1,814
	<u>3,921</u>	<u>3,624</u>
Non-current		
Employee entitlements	48	28
Rehabilitation	41,072	34,229
	<u>41,120</u>	<u>34,257</u>
<i>Rehabilitation movement</i>		
Balance at 1 January	36,043	26,961
Inflation and discount rate adjustments	2,618	6,724
Cost estimate increase	980	573
Discount unwinding	948	1,159
Net foreign exchange movement	2,468	626
	<u>43,057</u>	<u>36,043</u>

The provisions for rehabilitation are recorded in relation to the gold mining operations for the rehabilitation of the disturbed mining area to a state acceptable to 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 2025 was 2.2% (31 December 2024: 3.2%) and in Sweden 1.75% (31 December 2024: 2.5%). 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 2.0% and 1.6% in Finland and Sweden, respectively (31 December 2024: 1.8% and 1.8%).

Svartliden closure plan

The Land and Environment Court (**Environment Court**) previously ruled that the entire waste rock dump is acid forming/potentially acid forming, requiring a hard cover. In its ruling, the court ordered the Company to place an additional collateral security of 32.0 million SEK (approximately AU\$5.2 million), bringing the total collateral security to 65.0 million SEK (approximately AU\$10.5 million). The ruling gained legal force on 18 February 2025. The Company submitted the additional bond to the Swedish government authority on 18 May 2025.

Vammala environmental permit

The Regional State Administration Agency (AVI) in Finland previously set an additional bond security of €11.9 million (approximately AU\$20.6 million). The Company placed the new environmental bond during May 2025. The existing €1.4 million bond (approximately AU\$2.5 million) was returned to the Company in June 2025. The Company can apply for progressive release of its Finnish environmental bonds from AVI upon completion of the rehabilitation work.

The Company 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

	2025 AU\$'000	2024 AU\$'000
Current		
Lease liabilities	<u>157</u>	<u>180</u>
Non-current		
Lease liabilities	<u>183</u>	<u>227</u>

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

	2025 AU\$'000	2024 AU\$'000
As at 1 January	407	1,300
Additions	89	282
Payments	(198)	(165)
Cancellation of Crusher agreement	–	(1,019)
Net foreign exchange movement	<u>42</u>	<u>9</u>
As at 31 December	<u>340</u>	<u>407</u>

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 20 November 2025, the Company extended the expiry date of its Loan Facility from 31 December 2026 to 31 December 2027. 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

	2025	2024	2025	2024
	<i>Number of shares</i>		<i>AU\$'000</i>	<i>AU\$'000</i>
Ordinary shares paid in full	<u>189,715,935</u>	158,096,613	<u>174,129</u>	<u>140,408</u>
	2025		2024	
Movements in issued capital	<i>AU\$'000</i>	<i>No. of shares</i>	<i>AU\$'000</i>	<i>No. of shares</i>
Balance at 1 January	140,408	158,096,613	140,408	158,096,613
Shares issued net of transaction costs ⁽¹⁾	<u>33,721</u>	<u>31,619,322</u>	–	–
Balance at 31 December	<u>174,129</u>	<u>189,715,935</u>	<u>140,408</u>	<u>158,096,613</u>

⁽¹⁾ On 22 September 2025, the Company placed an aggregate of 31,619,322 new shares (**Placing Shares**) at a net issue price of HK\$5.47 (approximately AU\$1.07) per Placing Share. The 31,619,322 Placing Shares represent 20.0% of the total number of issued shares of the Company immediately before Completion and approximately 16.67% of the total number of issued shares of the Company as enlarged by the allotment and issue of all the Placing Shares.

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 2025 (31 December 2024: nil).

17. RESERVES

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Foreign currency translation reserve	4,476	(1,610)
Convertible note premium reserve	2,068	2,068
Equity reserve – purchase of non-controlling interest	<u>1,069</u>	<u>1,069</u>
	<u>7,613</u>	<u>1,527</u>

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	
	2025	2024
	AU\$	AU\$
Short-term	1,435,890	1,402,013
Long-term	73,028	61,380
Post-employment	158,438	147,664
Total	<u>1,667,356</u>	<u>1,611,057</u>

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 2025 and 2024 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	
	2025	2024
	AU\$	AU\$
Salaries, allowances, and benefits in kind	1,344,094	1,172,949
Performance related bonuses	255,810	237,872
Pension scheme contributions	258,180	171,932
	<hr/>	<hr/>
Total	1,858,084	1,582,753

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	
	2025	2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001-HK\$1,500,000	–	–
HK\$1,500,001-HK\$2,000,000	1	3
HK\$2,000,001-HK\$2,500,000	2	1
HK\$2,500,001-HK\$3,000,000	1	–
HK\$3,000,001-HK\$3,500,000	–	–
	<hr/>	<hr/>
Total	4	4

<i>In dollars</i>		Short-Term		Other Long-Term Benefits		Post-Employment		Proportion of Remuneration Related %
		Salary & Fees	Bonuses	Annual Leave Accrued	Long Service Leave Accrued	Super-annuation Benefits	Total Emoluments	
Directors		<i>AUD</i>	<i>AUD</i>	<i>AUD</i>	<i>AUD</i>	<i>AUD</i>	<i>AUD</i>	
Mr Arthur G Dew ⁽ⁱ⁾	2025	90,000	-	-	-	10,575	100,575	-
(Non-Executive Chairman)	2024	90,000	-	-	-	10,125	100,125	-
Mr Brett R Smith ⁽ⁱⁱ⁾	2025	347,511	200,000	26,695	5,645	66,481	646,332	31%
(Executive Director)	2024	336,735	200,000	17,991	4,926	71,664	631,316	32%
Ms Lai Lam	2025	40,000	-	-	-	-	40,000	-
(Non-Executive Director)	2024	40,000	-	-	-	-	40,000	-
Mr Carlisle C Procter	2025	40,000	-	-	-	4,700	44,700	-
(Independent Non-Executive Director)	2024	40,000	-	-	-	4,500	44,500	-
Mr Poon Yan Wai	2025	30,000	-	-	-	-	30,000	-
(Independent Non-Executive Director)	2024	30,000	-	-	-	-	30,000	-
Mr Pak Wai Keung Martin	2025	30,000	-	-	-	-	30,000	-
(Independent Non-Executive Director)	2024	30,000	-	-	-	-	30,000	-
Mr Wong Tai Chun Mark	2025	-	-	-	-	-	-	-
(Alternate Director)	2024	-	-	-	-	-	-	-
Total all specified Directors	2025	577,511	200,000	26,695	5,645	81,756	891,607	22%
	2024	566,735	200,000	17,991	4,926	86,289	875,941	23%
Specified Executives								
Mr Neale M Edwards	2025	225,432	-	9,573	4,006	26,488	265,499	-
(Chief Geologist)	2024	225,432	-	6,473	4,243	25,361	261,509	-
Mr Daniel K Broughton	2025	352,947	80,000	18,191	8,918	50,194	510,250	16%
(Chief Financial Officer)	2024	339,846	70,000	21,033	6,714	36,014	473,607	15%
Total all named Executives	2025	578,379	80,000	27,764	12,924	76,682	775,749	-
	2024	565,278	70,000	27,506	10,957	61,375	735,116	10%
Total all specified Directors and Executives	2025	1,155,890	280,000	54,459	18,569	158,438	1,667,356	17%
	2024	1,132,013	270,000	45,497	15,883	147,664	1,611,057	17%

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 43.5% (2024: 45.36%) interest in APAC Resources Limited (APAC) as at 31 December 2025 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.

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

	2025	2024
	AU\$	AU\$
<i>Fees for audit and review of any statutory financial reports covering the Group</i>	275,853	271,656
<i>Fees for assurance services that are required by legislation to be provided by the auditor</i>	94,640	14,560
<i>Fees for other services</i>		
– Tax compliance	24,000	24,000
– Tax advice	42,597	33,200
– Other assurance services	25,000	–
– Due diligence services	193,893	–
	<hr/>	<hr/>
Total	655,983	343,416
	<hr/>	<hr/>
<i>Ernst & Young (other than Australia)</i>		
<i>Fees for audit and review of any statutory financial reports covering the Group</i>	112,708	103,616
<i>Fees for other services</i>		
– Other services	8,140	3,198
	<hr/>	<hr/>
Total	120,848	106,814
	<hr/>	<hr/>

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:

	2025 AU\$	2024 AU\$
Basic and diluted earnings per share		
Profit after tax used in calculation of basic and diluted earnings per share (AU\$'000)	<u>60,240</u>	<u>12,876</u>
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	<u>166,908,555</u>	<u>158,096,613</u>
Basic and diluted earnings per share (cents)	<u>36.09</u>	<u>8.14</u>

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	
			2025	2024
Dragon Mining (Sweden) AB	Sweden	Ordinary	100%	100%
Dragon Mining Fäboliden AB ⁽¹⁾	Sweden	Ordinary	100%	100%
Dragon Mining OY	Finland	Ordinary	100%	100%
龍資源有限公司 (Dragon Mining Limited) ⁽²⁾	Hong Kong	Ordinary	100%	100%
Dragon Gold Mining Limited	Hong Kong	Ordinary	100%	100%

⁽¹⁾ Name change effective 4 December 2025. Previously Viking Gold & Prospecting AB

⁽²⁾ For translation purposes

(b) Transactions with related parties

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

- (i) The Company has effected Directors' and Officers' Liability Insurance.
- (ii) In addition to his role as the Company's Chief Financial Officer, Mr Daniel Broughton provides Chief Financial Officer services (**CFO Services**) and the Company also provides administrative services (**Administrative Services**) including offering the use of certain space in the Company office premises located in Perth, Australia as its registered office to ASX listed gold explorer, Tanami Gold NL (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 2025, the Company charged Tanami Gold AU\$111,000 (31 December 2024: AU\$124,380) for CFO Services of which AU\$9,250 was outstanding at 31 December 2025 (31 December 2024: AU\$22,630) and AU\$134,099 (31 December 2024: AU\$135,831) for Administration Services of which AU\$12,295 was outstanding at 31 December 2025 (31 December 2024: AU\$19,520). The decrease in Administration Services provided to Tanami Gold relates to the timing of 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 2025, the Company charged Metals X AU\$138,981 (31 December 2024: AU\$166,290) for CFO Services of which AU\$11,582 was outstanding at 31 December 2025 (31 December 2024: AU\$26,351) and AU\$411,807 (31 December 2024: AU\$430,966) for Administration Services of which AU\$34,687 was outstanding at 31 December 2025 (31 December 2024: AU\$62,753). The decrease in Administration Services provided to Metals X relates to the timing of the provision 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 2025, AGL owns 47.25% (31 December 2024: 45.36%) interest in APAC, an entity with significant influence over the Group, for an indirect interests of 24.70% (31 December 2024: 29.65%). The Agreement was renewed on December 2025 for a term of three years commenced on 1 January 2026 and ending 31 December 2028. For the year ending 31 December 2025, AGL charged the Company HK\$174,272 or AU\$34,761 (31 December 2024: HK\$313,000 or AU\$60,948) for administrative and management services of which HK\$16,000, or AU\$3,072 was outstanding at 31 December 2025 (31 December 2024: HK\$68,000, or AU\$13,929).
- (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 2025, AGL owns 47.25% (31 December 2024: 45.36%) interest in APAC, an entity with significant influence over the Group, for an indirect interests of 24.70% (31 December 2024: 29.65%). Refer to note 14 for information about the Loan Facility.

Entities with significant influence over the Group

A entity is considered to have significant influence if it has an ownership interest greater than 20%, and/or a representative on the board of the Dragon Mining Limited. As at 31 December 2025, the following entities are considered to have significant influence over the Group.

- (i) Allied Properties Resources Limited (**APRL**), a wholly-owned subsidiary of Genuine Legend Limited, a wholly-owned subsidiary of APAC, owns 46,877,727 (31 December 2024: 46,877,727) ordinary shares of the Company for an interest of 24.70% (31 December 2024: 29.65%).
- (ii) Sincere View International Limited owns 13,086,899 (31 December 2024: 31,111,899) ordinary shares of the Company for an interest of 13.74% (31 December 2024: 19.59%).

22. SEGMENT INFORMATION

(a) 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.

(b) 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.

(c) 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 2025 AU\$'000	Finland 2025 AU\$'000	Unallocated 2025 AU\$'000	Total 2025 AU\$'000
Segment revenue				
Gold sales to external customers	135,623	–	–	135,623
Inter-segment sales	–	120,725	–	120,725
Elimination of inter-segment revenue	(120,725)	–	–	(120,725)
Toll milling revenue	8,140	–	–	8,140
	<u>23,038</u>	<u>120,725</u>	<u>–</u>	<u>143,763</u>
Revenue from customers				
Other income/(expense)				
Other revenue	200	1,365	780	2,345
Other income	–	202	866	1,068
Cost of sales	(16,825)	(40,735)	–	(57,560)
Management and administration expenses	(770)	(2,736)	(4,700)	(8,206)
Other operating (expense)/benefit	(703)	(2,746)	2,525	(924)
Finance costs	(2,000)	(750)	1,451	(1,299)
Foreign exchange gain/(loss)	789	(4,770)	(812)	(4,793)
Other (expense)/income	(14)	854	29	869
	<u>(19,323)</u>	<u>(49,316)</u>	<u>139</u>	<u>(68,500)</u>
Pre-tax segment profit	3,715	71,409	139	75,263
Income tax expense	–	(15,023)	–	(15,023)
Post-tax segment profit	<u>3,715</u>	<u>56,386</u>	<u>139</u>	<u>60,240</u>
	Sweden 2025 AU\$'000	Finland 2025 AU\$'000	Australia 2025 AU\$'000	Total 2025 AU\$'000
Total assets	58,958	127,979	58,949	245,886
Total liabilities	<u>16,674</u>	<u>45,611</u>	<u>790</u>	<u>63,075</u>

	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
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)	640	313	924
Other (expense)/income	(31)	163	–	132
	(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 At 31 Dec 2024 AU\$'000	Finland At 31 Dec 2024 AU\$'000	Australia At 31 Dec 2024 AU\$'000	Total At 31 Dec 2024 AU\$'000
Total assets	66,759	54,404	11,409	132,572
Total liabilities	15,464	33,318	1,026	49,808

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 2025 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.

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Within one year	51	64
One year or later and no later than five years	227	232
	278	296

(b) **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:

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
Within one year	698	677
One year or later and no later than five years	3,490	2,709
	4,188	3,386

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 2025, the Group has the following trade receivables at fair value through profit or loss.

	As at 31 December 2025				As at 31 December 2024			
	Quoted market price Level 1 AU\$'000	Valuation technique – market observable inputs Level 2 AU\$'000	Valuation technique – non-market observable input Level 3 AU\$'000	Total AU\$'000	Quoted market price Level 1 AU\$'000	Valuation technique – market observable inputs Level 2 AU\$'000	Valuation technique – non-market observable input Level 3 AU\$'000	Total AU\$'000
Financial assets – FVTPL	<u>3,810</u>	<u>-</u>	<u>-</u>	<u>3,810</u>	<u>1,826</u>	<u>-</u>	<u>-</u>	<u>1,826</u>

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 2,582,910 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.

The Group has policies in place to ensure that sales of its products are made to customers with an appropriate credit history. Credit risk may arise 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 (2024: 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.

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
Cash and cash equivalents		
<i>Counterparties with external credit ratings</i>		
AA-	73,552	40,313
A+	33,660	–
	<hr/>	<hr/>
Total cash and cash equivalents	107,212	40,313
	<hr/>	<hr/>
Trade and other receivables		
<i>Counterparties with external credit ratings</i>		
AAA	918	825
AA-	491	468
Counterparties with no defaults in the past	1,626	1,277
	<hr/>	<hr/>
Total trade and other receivables	3,035	2,570
	<hr/>	<hr/>

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.

	2025 AU\$'000	2024 AU\$'000
Environmental and other bonds		
<i>Counterparties with external credit ratings</i>		
AA-	16,082	12,587
A+	24,270	–
Counterparties with no defaults in the past	–	–
	<u>–</u>	<u>–</u>
Total environmental and other bonds	<u>40,352</u>	<u>12,587</u>

(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:

2025	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)	107,212	–	–	107,212	3.8%
Environmental bonds		40,352	–	–	40,352	1.9%
		<u>147,564</u>	<u>–</u>	<u>–</u>	<u>147,564</u>	<u>3.3%</u>
Financial liabilities						
Lease liabilities		–	340	–	340	–%
		<u>–</u>	<u>340</u>	<u>–</u>	<u>340</u>	<u>–%</u>

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%
Environmental bonds		12,587	-	-	12,587	1.7%
		<u>52,900</u>	<u>-</u>	<u>-</u>	<u>52,900</u>	<u>3.1%</u>
Financial liabilities						
Lease liabilities		<u>-</u>	<u>407</u>	<u>-</u>	<u>407</u>	<u>-%</u>
		<u>-</u>	<u>407</u>	<u>-</u>	<u>407</u>	<u>-%</u>

(1) Includes HK\$165.8 million (approximately AU\$31.8 million) of restricted use net proceeds remaining from the Company's Placement of shares on 22 September 2025.

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 2025, the Company did not enter or hold any foreign exchange derivatives. At balance date, the Group had the following significant exposure to foreign currencies:

	2025	2024
	<i>AU\$'000</i>	<i>AU\$'000</i>
USD exposure		
<i>Entity with EUR functional currency</i>		
Cash and cash equivalents	69,748	24,884
Trade receivables	–	853
Environmental Bond	24,269	–
<i>Entity with SEK functional currency</i>		
Cash and cash equivalents	747	95
Trade payables	(19)	(4,808)
<i>Entity with AUD functional currency</i>		
Cash and cash equivalents	30	15
Net USD exposure	94,775	21,039
EUR exposure		
<i>Entity with AUD functional currency</i>		
Cash and cash equivalents	30	2
<i>Entity with SEK functional currency</i>		
Cash and cash equivalents	176	23
Trade payables	(149)	(374)
Net EUR exposure	57	(349)
AUD exposure		
<i>Entity with EUR functional currency</i>		
Cash and cash equivalents	5	369
Intercompany loan	(2,666)	3,594
<i>Entity with SEK functional currency</i>		
Intercompany loan	(6,521)	(3,902)
Net AUD exposure	(9,182)	61
HKD exposure		
<i>Entity with AUD functional currency</i>		
Cash and cash equivalents	33,660	519
Trade receivables	59	63
Trade payables	(21)	–
Net HKD exposure	33,698	582
CAD exposure		
<i>Entity with AUD functional currency</i>		
Financial assets	54	26
<i>Entity with EUR functional currency</i>		
Financial assets	3,755	1,799
Net CAD exposure	3,809	1,825

(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 2025, the Company did not enter or hold any commodity derivatives (31 December 2024: nil).

The Group can be exposed to commodity price volatility on the sale of gold in concentrate to a certain third party in Finland, which is priced on, or benchmarked to, open market exchanges, specifically the LME. Where an exposure exists, it is outlined as Trade and Other Receivables – FVTPL at 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.

As at 31 December 2025

		INTEREST RATE RISK			
		(0.25%)		+0.25%	
		Profit	Equity	Profit	Equity
<i>Notes</i>		<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>
Financial assets					
	(1)	(268)	(268)	268	268
	(5)	(101)	(101)	101	101
		(369)	(369)	369	369

As at 31 December 2024

		INTEREST RATE RISK			
		(0.25%)		+0.25%	
		Profit	Equity	Profit	Equity
<i>Notes</i>		<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>
Financial assets					
	(1)	(101)	(101)	101	101
	(5)	(31)	(31)	31	31
		(132)	(132)	132	132

As at 31 December 2025

		FOREIGN EXCHANGE RATE RISK			
		(10%)		+10%	
		Profit	Equity	Profit	Equity
	Notes	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Financial assets					
Cash and cash equivalents	(1)	(10,440)	(10,440)	10,440	10,440
Trade and other receivables	(2)	(6)	(6)	6	6
Financial assets – FVTPL	(3)	(381)	(381)	381	381
Intercompany loans	(4)	(919)	(919)	919	919
Environmental bonds	(5)	(2,427)	(2,427)	2,427	2,427
Financial liabilities					
Trade payables		19	19	(19)	(19)
Total (decrease)/increase		(14,154)	(14,154)	14,154	14,154

As at 31 December 2024

		FOREIGN EXCHANGE RATE RISK			
		(10%)		+10%	
		Profit	Equity	Profit	Equity
	Notes	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 – FVTPL	(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

- (1) Cash and cash equivalents include deposits at call at floating and short-term fixed interest rates.
- (2) Trade receivables include AU\$2.0 million (31 December 2024: AU\$2.8 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 2,582,910 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 20 November 2025, the Company extended the expiry date of its Loan Facility from 31 December 2026 to 31 December 2027. 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.

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

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

27. PARENT ENTITY DISCLOSURE

	2025 <i>AU\$'000</i>	2024 <i>AU\$'000</i>
CURRENT ASSETS		
Cash and cash equivalents	33,899	10,666
Trade and other receivables	256	164
Financial assets	54	26
Other assets	140	152
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	34,349	11,008
NON-CURRENT ASSETS		
Property, plant and equipment	145	137
Right-of-use assets	185	264
Investment in subsidiaries	4,478	4,477
Intercompany loans	9,187	309
	<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS	13,995	5,187
	<hr/>	<hr/>
TOTAL ASSETS	48,344	16,195
CURRENT LIABILITIES		
Trade and other payables	317	497
Provisions	241	239
Interest bearing liabilities	45	78
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	603	814
NON-CURRENT LIABILITIES		
Provisions	48	28
Interest bearing liabilities	143	188
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	191	216
	<hr/>	<hr/>
TOTAL LIABILITIES	794	1,030
	<hr/>	<hr/>
NET ASSETS	47,550	15,165
EQUITY		
Contributed equity	174,129	140,408
Reserves	5,866	(1,849)
Accumulated losses	(132,445)	(123,394)
	<hr/>	<hr/>
TOTAL EQUITY	47,550	15,165
	<hr/>	<hr/>

	Contributed	Accumulated	Convertible Note Premium	Other	Total
	Equity	Losses	Reserve	Reserves	Equity
	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>
At 1 January 2024	140,408	(123,601)	2,068	(3,643)	15,232
Profit for the year	–	207	–	–	207
Other comprehensive loss	–	–	–	(274)	(274)
Total comprehensive income/(loss) for the year	–	207	–	(274)	(67)
At 31 December 2024	<u>140,408</u>	<u>(123,394)</u>	<u>2,068</u>	<u>(3,917)</u>	<u>15,165</u>
At 1 January 2025	<u>140,408</u>	<u>(123,394)</u>	<u>2,068</u>	<u>(3,917)</u>	<u>15,165</u>
Loss for the year	–	(9,051)	–	–	(9,051)
Other comprehensive income	–	–	–	7,715	7,715
Total comprehensive (loss)/income for the year	–	(9,051)	–	7,715	(1,336)
Shares issued	34,578	–	–	–	34,578
Share issue transaction costs	(857)	–	–	–	(857)
At 31 December 2025	<u>174,129</u>	<u>(132,445)</u>	<u>2,068</u>	<u>3,798</u>	<u>47,550</u>

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 ore processing in Finland;
- Processing of 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, one (1) LTI occurred at the Group's Finnish operation when a contractor sustained an ankle injury resulting in damaged ligaments. At year end, the Group's Finnish operations at Vammala and Jokisivu recorded 59 and 1,097 LTI free days, respectively. In Sweden, Svartliden recorded 387 days LTI free and Fäboliden 2,485 days LTI free.

	2025	2024
Lost Time Injury Frequency Rate ¹	<u>4.5</u>	<u>10.7</u>

¹ 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 299,926 tonnes of ore (2024: 299,951 tonnes of ore) at an average grade of 3.17 g/t gold (2024: 2.52 g/t gold) and achieved a process recovery of 87.9% (2024: 84.4%) to produce 26,922 ounces of gold in concentrate (2024: 20,517 ounces of gold in concentrate).

	Vammala Production Centre	
	2025	2024
Ore milled (tonnes)	299,926	299,951
Head grade (g/t gold)	3.17	2.52
Process recovery (%)	87.9%	84.4%
Gold in concentrate produced (oz)	26,922	20,517

Jokisivu Gold Mine

Production tonnes from Jokisivu were sourced from the Main Zone at Kujankallio deposit and from various lodes at Arpola. Total ore mined from Jokisivu was 347,790 tonnes (2024: 300,964 tonnes) at 2.91 g/t gold (2024: 2.58g/t gold); 160,321 tonnes of ore came from stopes (2024: 185,419 tonnes) and the remaining 186,469 tonnes of ore came from development (2024: 115,545 tonnes).

	Jokisivu Gold Mine	
	2025	2024
Stope ore (tonnes)	160,321	185,419
Development ore (tonnes)	186,469	115,545
Total ore mine (tonnes)	347,790	300,964
Mined grade (g/t gold)	2.91	2.58

Development of the Arpola decline continued from three headings, extending the old decline to the Reduced Level (**RL**) 314 level while advancing the incline from 355 to RL 326 and the decline from 355 to RL 372. Total capital development for the year was 582 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.

The Group previously 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 2026.

The Group maintains valid exploration tenure at Kaapelinkulma.

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.

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. The Company commenced exploration drilling at Uunimäki during the year, refer to the Exploration Review on page 91 for further information.

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 has 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 26,269 ounces of gold from concentrate (2024: 19,312 ounces of gold) and 758 ounces of gold from the toll treatment arrangement with Botnia Exploration AB (**Botnia**) (2024: 2,066 ounces of gold).

The Group toll treated 51,360 tonnes of gold bearing ore from Botnia's Fäbodtjärn Gold Mine under a toll treatment agreement (2024: 29,530 tonnes). 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 receives revenue from a production fee. Revenue from customers includes AU\$8.1 million from toll milling services provided during the year (2024: AU\$4.4 million).

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 has been operating 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	
	2025	2024
Vammala flotation concentrate milled (tonnes)	6,294	5,288
Concentrate process recovery (%)	95.5%	95.8%
Head grade (g/t gold)	135.99	118.59
Gold produced from concentrate (oz)	26,269	19,312
Toll treatment (tonnes)	51,360	29,530
Gold produced from toll milling ore (oz)	758	2,066

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 2025 was 59 (31 December 2024: 64). Total staff costs, including Directors' emoluments, amounted to AU\$10.7 million (31 December 2024: AU\$10.0 million). The Group periodically reviews remuneration packages. The Directors' service fees were reviewed and approved by the Remuneration Committee on 13 March 2025.

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 2025 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 95 to 107 for discussion on the Group's compliance with relevant laws and regulations 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.

The Company's Finnish subsidiary, Dragon Mining Oy (**DOY**) is committed to the Towards Sustainable Mining (**TSM**) initiative. DOY's social responsibility report was published on the TSM network website at <https://kaivosvastuu.fi/kaivostoiminta/2024-dragon-mining-oy/> on 10 October 2025.

The Company's 2025 ESG Report will be available on the Company's website at www.dragonmining.com (under the section Investor and Sustainability respectively) and <https://www.irasia.com/listco/hk/dragonmining/esg/index.htm>.

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 year 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.

Fäboliden Environmental Permit Application

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. 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. 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 Company is currently working with key stakeholders and intends to submit a revised application which will include the Company's measures aimed to mitigate the Environment Court concerns issued in its ruling on 28 June 2022.

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 2025 returned a net profit before tax of AU\$75.3 million (2024: profit before tax AU\$17.0 million) and a net profit after tax of AU\$60.2 million (2024: net profit after tax AU\$12.9 million).

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

- higher average gold prices achieved over the year.
- increased gold production of 26,269 ounces of gold for the year (2024: 19,312 ounces of gold) resulting from higher mined ore grades and gold recovery at the Vammala Plant; and
- a positive contribution from the toll treatment of gold bearing ore at the Svartliden Plant from nearby operation, Botnia Exploration AB in Sweden.

Revenue from Customers

Revenue from gold sales

During the year, the Group sold 25,245 ounces of gold (2024: 19,138 ounces of gold) at an average gold price of US\$3,543 per ounce (2024: US\$2,430 per ounce). As a result, the Group's revenue from gold sales increased 91.9% to AU\$135.6 million (2024: AU\$70.7 million).

Revenue from toll milling services

The Group continued 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 receives revenue from a production fee. Revenue from customers includes AU\$8.1 million of revenue from toll milling services provided during the year (2024: AU\$2.1 million).

Cost of Sales

Cost of sales for the year were AU\$57.6 million (2024: AU\$51.6 million) including AU\$9.8 million of depreciation (2024: AU\$6.6 million). Cost of sales includes mining, processing, other production activities, changes in inventory, and depreciation as follows:

	2025	2024	% change
Total gold sold (oz)	25,245	19,138	31.9%
Total gold produced (oz)	26,922	20,517	31.2%
Cost of sales	2025	2024	% change
	<i>AU\$'000</i>	<i>AU\$'000</i>	
Mining costs	26,018	24,388	6.7%
Processing costs	25,904	19,458	33.1%
Other production costs	693	792	(12.4%)
Gold inventory movements	(4,890)	371	–
Depreciation of mine properties, plant and equipment	9,835	6,599	49.0%
Total cost of sales	57,560	51,608	11.5%

- a) The Group's Finnish operations mined 346,790 ore tonnes (2024: 300,964 ore tonnes) at a lower average cost of AU\$75.0 per ore tonne mined (2024: AU\$80.9 per ore tonne mined) representing a decrease of 7.4% per ore tonne mined.

- b) Group processing costs, including the toll treatment of external ore tonnes, increased by a total of 17.2% (2024: 5.8%). Vammala processed 299,926 ore tonnes (2024: 299,951 ore tonnes), operating within the reduced permitted maximum production capacity of 300,000 tonnes per annum.

Vammala processing costs of AU\$13.0 million (2024: AU\$10.53 million) increased due to increased salaries, grinding media and chemical consumption, maintenance and expensing of tailings works and Larox filter installation. As a result, Vammala processing unit costs were AU\$43.2 per ore tonne milled (2024: AU\$36.5 per ore tonne milled), an increase of 16.2%.

Svartliden processed 6,294 tonnes of concentrate averaging 135.99g/t from Vammala (2024: 5,288 tonnes of concentrate at 118.59 g/t) and toll processed 51,360 tonnes of gold bearing ore from the nearby Fäbodtjärn Gold Mine (2024: 17,433 tonnes). Svartliden processing costs increased by 22.7% to AU\$2,057.5 per tonne of concentrate (2024: AU\$1,676.5 per tonne).

- 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 either a unit of production or straight-line basis, depending on the class of asset. Production-based depreciation and amortisation charges increased in line with the increase in ore tonnes mined during the year.

Gross Profit

Revenue from customers increased by 97.5% (2024: 20.3% increase) and includes revenue from both gold sales and toll processing services. Cost of sales increased by 11.5% (2024: 5.4% decrease) resulting in an 306.7% increase in gross profit (2024: 256.5% increase) for the year of AU\$86.2 million (2024: AU\$21.2 million) and gross profit ratio of 60% (2024: 29.1%).

Investment in Aurion Resources Limited

At 31 December 2025, the Company continues to hold 2,582,910 shares in Aurion Resources Limited (**Aurion**), a Canadian exploration company listed on the TSX Venture Exchange (TSX-V:AU) (2024: 2,582,910 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 2025, the Group had net assets of AU\$182.8 million (31 December 2024: AU\$82.8 million); a working capital surplus of AU\$119.7 million (31 December 2024: surplus AU\$49.5 million); and a closing market capitalisation of AU\$238.6 million or HK\$1,242.6 million (31 December 2024: AU\$50.4 million or HK\$243.5 million). At the end of each period, the Group assesses whether there is any indication that an asset may be impaired. If such indication exists, the Group must estimate each asset or cash generating unit (**CGU**) recoverable amount. The Group has not identified any impairment indicators resulting in no impairment testing being performed for the year.

As at 31 December 2025, the Group had AU\$107.2 million in cash and cash equivalents (31 December 2024: AU\$40.3 million), including approximately AU\$31.8 million restricted use net proceeds remaining from the Company's Placement of shares completed on 22 September 2025. During the year, the Group has funded its activities with positive cash flows from its Finnish operations. As at 31 December 2025, the Company's gearing ratio was 0.2% (31 December 2024: 0.5%), 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 20 November 2025, the Company extended the expiry date of its Loan Facility from 31 December 2026 to 31 December 2027. 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 on 22 September 2025 amounted to HK\$173.0 million (approximately AU\$33.7 million) (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$5.47 (approximately AU\$1.07) per Placing Share. The Company intends to use the net proceeds as to approximately HK\$110.7 million for the acquisition of the Mining Contractor Business; HK\$37.5 million for the settlement of environmental bonds; HK\$17.6 million for upgrading the facilities and equipment of the processing plants in Finland and Sweden; and HK\$7.2 million for development costs of mining at Svartliden. Costs associated with the placement amounted to HK\$4.4 million (approximately AU\$0.9 million).

As at 31 December 2025, the Group has utilised net proceeds of HK\$7.2 million (approximately AU\$1.9 million) to fund the development cost of mining Svartliden. The unutilised net proceeds of HK\$165.8 million (approximately AU\$31.8 million) is expected to be utilised in accordance with the expected timeline in the table below.

Purpose	Proposed use of proceeds <i>HK\$ million</i>	Purpose of	Actual amount	Unutilised as at 31 Dec 2025 <i>HK\$ million</i>	Expected timeline for the unutilised amount
		proceeds expressed as % of net proceeds %	utilised from 22 Sep 2025 to 31 Dec 2025 <i>HK\$ million</i>		
Acquisition of mining contractor business	\$110.7	64%	–	\$110.7	30-Jun-27
Settlement of environmental bonds	\$37.5	22%	–	\$37.5	30-Jun-26
Processing plant upgrades	\$17.6	10%	–	\$17.6	30-Jun-27
Development cost of mining Svartliden	\$7.2	4%	\$7.2	–	31-Dec-25
Total	\$173.0	100%	\$7.2	\$165.8	

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 2,582,910 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 2025 and 31 December 2024.

Contingent Assets and Liabilities

As at 31 December 2025, the Group does not have any contingent assets or liabilities.

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 Fäboliden Gold Project; 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, As previously mentioned, the Swedish Supreme Court previously denied the Group's appeal for an Environmental Permit to start full-scale mining at Fäboliden. The Company is currently working with key stakeholders and intends to submit a revised application which will include the Company's measures aimed to mitigate the Environment Court concerns issued in its ruling on 28 June 2022.

The Company has not repurchased any shares in the Company (**Shares**) during the year (2024: nil), pursuant to the Buy-back Mandate granted by shareholders of the Company at the annual general meeting held 23 May 2024. The Buy-back Mandate has been renewed at the annual general meeting held 22 May 2025 (**AGM**). Pursuant to the renewed Buy-back Mandate, the Company is allowed to repurchase 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.

Dividend

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 2025 (2024: nil).

The Company is preparing and presently intends to put forward to the shareholders a Reorganisation Proposal for re-domiciliation for shareholders' consideration and approval whereby the holding company of the Group will be changed from the Company, a company incorporated in Australia, to a new holding company, a company incorporated in Hong Kong with limited liability, by way of an Australian Scheme of Arrangement (**Re-domiciliation**).

The Company has considered adopting a Dividend Policy regarding the payment of dividends to its shareholders but decided against same at this stage because of Australian tax implications on dividends received by both resident and non-resident shareholders. There are no franking credits available in the Company for tax offset to residents and non-residents will also need to pay withholding tax. The Board believes that future Dividend Policy will best be left the Board of the new Hong Kong holding company to determine. However, the Board will propose to the Board of the new holding company that upon successful completion of the Re-domiciliation, the Board of the New holding company declare a bonus warrant issue for 1 bonus warrant for 5 shares held at an exercise price of 20% discount to the 7 days volume weighted average price subject to all necessary approvals (**Proposed Bonus Warrant Issue**).

As at the date of this announcement, the Re-domiciliation and/or the Proposed Bonus Warrant Issue are still at a preliminary stage and no formal Board decision has been made, nor have formal applications been made to the Stock Exchange. The Company will make further announcement(s) to keep the shareholders and potential investors informed on the progress of the Re-domiciliation and/or the Proposed Bonus Warrant Issue as and when appropriate.

Shareholders and potential investors of the Company should also note that the Re-domiciliation and/or the Proposed Bonus Warrant Issue (including terms) will depend on a number of variable factors. There is no assurance that the Re-domiciliation and/or the Proposed Bonus Warrant Issue will materialise or eventually be consummated. The Re-domiciliation and/or the Proposed Bonus Warrant Issue may or may not proceed.

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

Annual General Meeting

The forthcoming AGM will be held on 21 May 2026. 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 21 May 2026, the registers of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, 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, 15 May 2026 (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 the Company's Listed Securities

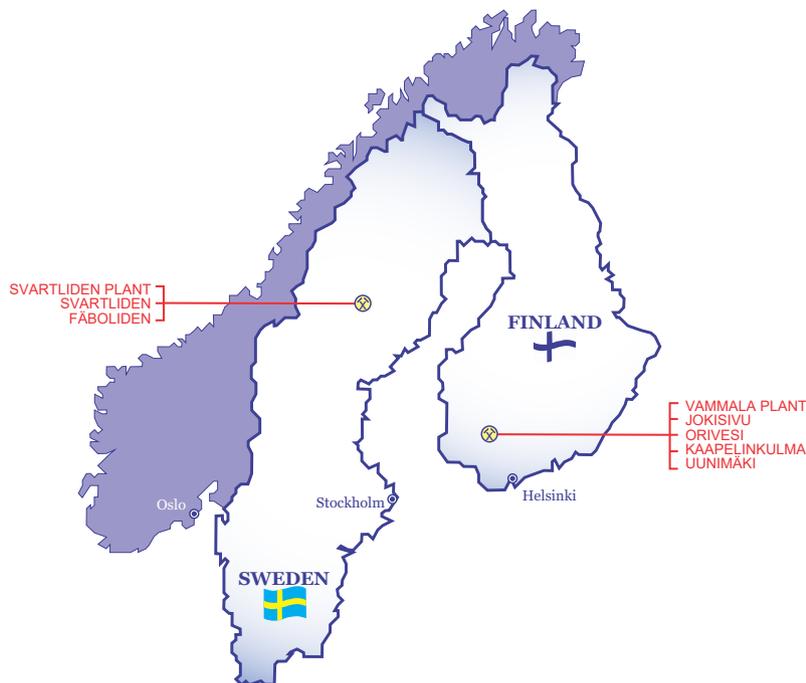
Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025 (2024: nil).

Significant Events After Year End

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

ADVANCED PROJECTS AND EXPLORATION REVIEW

Dragon Mining is an established gold producer that holds a portfolio of projects in Finland and Sweden. Since first entering the Nordic Region in 2000, the Company has successfully brought into operation several open-cut and underground gold mines, which have produced over 880,000 ounces of gold. This has been achieved through the Company's ongoing commitment to actively explore and develop its project portfolio to preserve the Company's production profile.



Project Location

The information provided in this report, which relates to exploration activities has been taken from announcements released to the Stock Exchange during the year:

- 4 February 2025 – Jokisivu Returns Further Encouraging Intercepts.
- 21 March 2025 – Annual Update of Mineral Resource and Ore Reserve Estimates.
- 16 June 2025 – Review of Finland and Sweden Mineral Resource and Ore Reserve Estimates.

- 12 August 2025 – Drill Results Extend Mineralisation Deeper at the Jokisivu Gold Mine.
- 8 October 2025 – Drilling Returns High Grade Results from Jokisivu.
- 23 February 2026 – Drilling Continues to Return Positive Results from Jokisivu.
- 6 March 2026 – Drilling Campaign at Unimäki Yields Encouraging Results.

These releases can be found at www.hkxnews.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 918.63 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 (**Jokisivu**), Kaapelinkulma Gold Mine (**Kaapelinkulma**) where mining ceased in April 2021, Orivesi Gold Mine (**Orivesi**) where mining ceased in 2019 and the Unimäki Gold Project (**Unimäki**).



Vammala Production Centre

Jokisivu Gold Mine

During the year, the Company continued to advance activities at the Jokisivu mine with 118 underground diamond core holes drilled for an advance of 15,040.50 metres. Drilling was conducted over several campaigns, including:

- a 23-hole, 3,823.80 metre campaign that targeted the Arpola Main Zone between the 295m and 375m levels at the Jokisivu Gold Mine (**Arpola-1 2025**).
- a 7-hole, 765.50 metre campaign that targeted the Arpola Main Zone between the 225m and 355m levels at the Jokisivu Gold Mine (**Arpola-2 2025**).
- a 10-hole, 1,149.50 metre campaign that targeted the Basin Zones area between the 165m and 185m levels at the Jokisivu Gold Mine (**Basin Zones-1 2025**).
- a 19-hole, 2,479.30 metres campaign that targeted the Arpola Flying Squirrel Zone between the 170m and 225m levels (**Arpola-3 2025**).
- a 15-hole 2,060.10 metre campaign that targeted the Basin Zones area between the 175m and 190m levels (**Basin Zones-2 2025**).
- A 19-hole, 2,479.30 metre campaign that targeted the Arpola Main Zone between the 340m and 380m levels (**Arpola-4 2025**).
- A 12-hole, 1,344.90 metres campaign that targeted the Osmo Zones between the 445m and 460m levels (**Arpola-5 2025**).
- A 11-hole, 1,075.0 metres campaign that targeted the Osmo Zones between the 370m and 400m levels (**Arpola-6 2025**).
- 2-holes of an 11-hole campaign that is targeting the Flying Squirrel Zone between the 185m and 225m levels (**Arpola-7 2025**).

Final assay results were received during the year for the Arpola-1 2025, Arpola-2 2025, Basin Zones-1 2025, and Arpola-3 2025, Arpola-4 2025, Arpola-5 2025 and Basin Zones-2 2025 campaigns, returning a series of several encouraging significant intercepts, including those from the Arpola-3 2025 campaign in the Arpola Flying Squirrel area where a series of exceptional, high-grade results were received. These include:

- 3.35 metres @ 29.45 g/t gold from 40.40 metres in drill hole HU/JS-1432
- 1.80 metres @ 57.15 g/t gold from 55.00 metres in drill hole HU/JS-1433
- 8.20 metres @ 191.80 g/t gold from 63.15 metres in drill hole HU/JS-1433
- 5.80 metres @ 54.42 g/t gold from 74.20 metre in drill hole HU/JS-1433
- 3.70 metres @ 35.03 g/t gold from 88.00 metres in drill hole HU/JS-1441
- 5.40 metres @ 32.93 g/t gold from 39.00 metres in drill hole HU/JS-1443
- 1.15 metres @ 108.53 g/t gold from 81.90 metres in drill hole HU/JS-1444
- 3.40 metres @ 54.18 g/t gold from 81.70 metres in drill hole HU/JS-1445
- 3.90 metres @ 23.17 g/t gold from 51.50 metres in drill hole HU/JS-1446
- 14.25 metres @ 59.39 g/t gold from 60.75 metres in drill hole HU/JS-1446
- 1.55 metres @ 62.16 g/t gold from 76.85 metres in drill hole HU/JS-1457

The results from the completed campaigns are considered positive, improving the understanding of the extent and geometry of the mineralised zones in the Arpola and Basin Zones areas and generating additional support for future mine studies. Final results for Arpola-6 2025 and Arpola-7 2025 campaigns remain pending and will be released to the Stock Exchange when available.

Final assay results were also received during the year for the final campaigns completed in 2024 at Jokisivu. These include those for the 13 holes, 1,354.45 metre underground diamond core Arpola-4 2024 campaign that targeted the Arpola area between the 275m and 290m levels and the 10 hole, 1,236.80 metre Arpola-5 2024 campaign that targeted the Arpola area between the 280m and 330m levels. These campaigns yielded several significant intercepts that were incorporated into the recent update of the Jokisivu Mineral Resource and Ore Reserve estimates.

Drilling was also completed during the year at Jokisivu on an exploration campaign that was undertaken from the surface, evaluating a series of shallow historic drill intercepts in the area east-southeast of the Arpola lode system. The campaign involved the drilling of 7-holes for 876.80 metres on three north-south profiles spaced approximately 60 metres apart. Final assays returned several narrow, high-grade intercepts, which provide confidence that mineralisation continues to the southeast beyond the current limits of underground development. The Company is now planning additional work in this area with view to further evaluating the under-explored extensions of the Jokisivu host structure.

Jokisivu 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

The Company commenced a review of remaining Mineral Resources at Kaapelinkulma to determine if they are potentially amenable to mining at updated operating costs and gold prices. These resources are situated adjacent to the South gold occurrence that was subject to open pit mining between February 2019 and April 2021 and the unmined North gold occurrence.

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. At the cessation of mining a total of 104 kt grading 3.2 g/t gold for 10.6 kozs had been mined at Kaapelinkulma.

Orivesi Gold Mine

No exploration activities were undertaken at Orivesi during the year.

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 stopping down to the 1205m 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 Company commenced its maiden drilling campaign at Uunimäki during the year with the completion of a 21 hole, 2,369.45 metre diamond core drilling campaign that was designed to further evaluate the known near surface mineralisation in readiness for future mineral resource estimation.

Final assay results have been received for all holes returning several noteworthy intercepts including the high-grade highlights:

- 4.30 metres @ 9.23 g/t gold from 15.50 metres in drill hole HU/UUN-3
- 4.30 metres @ 10.39 g/t gold from 61.55 metres in drill hole HU/UUN-12
- 3.20 metres @ 15.80 g/t gold from 83.10 metres in drill hole HU/UUN-22
- 2.50 metres @ 39.68 g/t gold from 39.35 metres in drill hole HU/UUN-23

The Company is now preparing to undertake an initial phase of bench scale metallurgical testwork to ascertain that the Uunimäki mineralisation is amenable to processing through the Vammala Plant. It is also planning to undertake further drilling before completing the initial Mineral Resource estimate at the end of 2026.

Uunimäki 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.

Stormi Nickel-Copper Mine

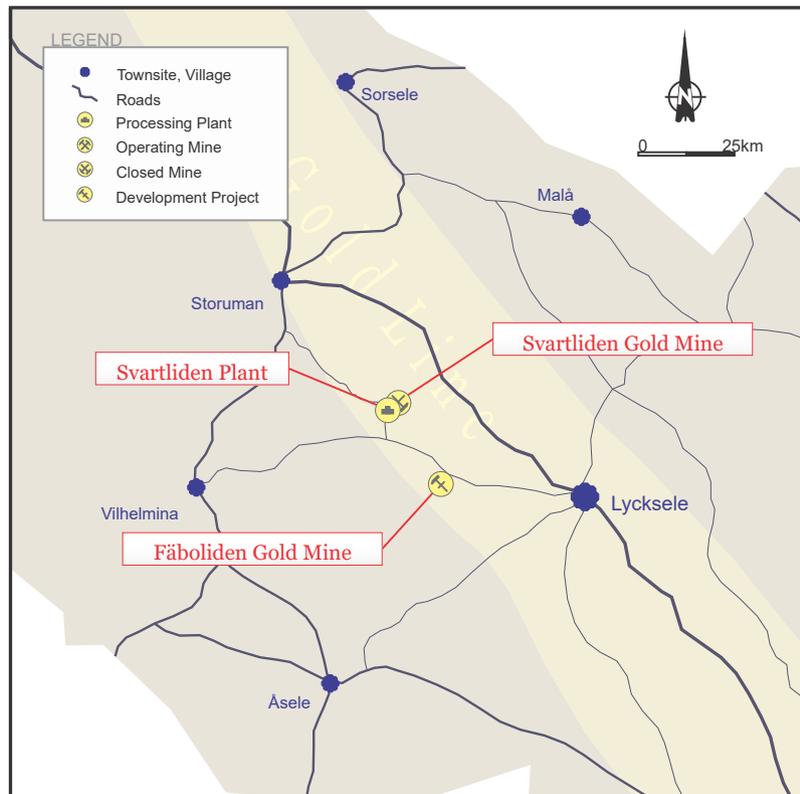
No exploration activities were undertaken at the Stormi Nickel-Copper mine during the year.

The Stormi Nickel-Copper Mine (historically referred to as Vammala Nickel-Copper Mine) is located within the Vammala Mining Concessions, approximately two kilometres northwest of the Vammala Plant. The mine was operated by Outokumpu Oy between 1975 and 1995, producing a total of 7.5Mt of ore grading 0.68% nickel and 0.43% copper from the Stormi deposit, with ore treated at the nearby Vammala Plant at a rate of 600,000 tonnes per annum.

The Stormi deposit is hosted by a partly subvertical and a partly saucer-shaped ultramafic intrusion, lying conformably in migmatized metaturbidites within the Vammala nickel belt. Massive mineralisation occurs as narrow veins, breccia matrix and at contacts with the ultramafics. Matrix ore occurs in the lower ultramafic layer and grades into disseminated ore as the sulphides decrease. Disseminated ore occurs in the lower ultramafic layer, in mica gneiss and in the contact rock.

Exploration Sweden

In northern Sweden, the Company holds 1,764.23 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

No exploration activities were undertaken during the year 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

Dragon Mining undertook a high-level review of the remaining Mineral Resources at the Svartliden Gold Mine during the year, with view to evaluating the merits of recommencing mining activities at the eastern end of the Svartliden deposit. Defined mineralisation in this area extends beyond the extent of historic mining for approximately 150 metres along strike, which was previously not mined due to the thickness of the overburden that is now being removed for use in the Company's ongoing rehabilitation program.

The Company is looking to undertake a closely spaced drilling program over the defined mineralisation in 2026, in preparation to complete a mining study using updated operating costs and current gold prices.

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 4 February 2025 – Jokisivu Returns Further Encouraging Intercepts, 21 March 2025 – Annual Update of Mineral Resource and Ore Reserve Estimates, 16 June 2025 – Review of Finland and Sweden Mineral Resource and Ore Reserve Estimates, 12 August 2025 – Drill Results Extend Mineralisation Deeper at the Jokisivu Gold Mine, 8 October 2025 – Drilling Returns High Grade Results from Jokisivu, 23 February 2026 – Drilling Continues to Return Positive Results from Jokisivu and 6 March 2026 – Drilling Campaign at Unimäki Yields Encouraging Results. These releases 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 4 February 2025, 21 March 2025, 16 June 2025, 12 August 2025, 8 October 2025, 23 February 2026 and 6 March 2026 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 4 February 2025, 21 March 2025, 16 June 2025, 12 August 2025, 8 October 2025, 23 February 2026 and 6 March 2026, and the assumptions and technical parameters underpinning the results in the 4 February 2025, 21 March 2025, 16 June 2025, 12 August 2025, 8 October 2025, 23 February 2026 and 6 March 2026 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 4 November 2025, the Regional State Administration Agencies (AVI) requested additional information regarding the Vammala Environmental Permit, including closed-water system plans, nickel reduction strategies, updates on closure and aftercare, a site review, and records of the former Ni-Cu mine. The Company will submit these documents by 20 February 2026.

Investigations into potential water pollution and recreational impacts from the Vammala Mill were previously conducted, with results and damage assessments provided to authorities. AVI has requested formal statements from relevant authorities by 8 December 2025, after which appellants may comment.

Studies related to Supreme Court decision on Vammala environmental permit

The Company has previously submitted several water management studies to AVI, accompanying tenders for the design and detailed planning of the proposed measures. Certain initiatives address both enhancements recommended by the Supreme Administrative Court (SAC) decision and requirements from the EIA process related to the new tailings area. Additionally, the Company has commenced investigations into the long-term behaviour of tailings materials, the potential application of sulphidic waste rock in infrastructure, and the optimisation of process water alongside other improvements in water management.

The study plan on using sulphidic waste rock in various areas concluded in April 2025. In May, seven soil and rock samples were collected for laboratory analysis. Environmental Consultant Envineer Oy (**Envineer**) completed the final report in September 2025, finding no significant environmental or health risks associated with these materials, so no further risk management is needed.

In November 2025, samples were gathered from different spots and depths within the existing tailings area, including materials left over from earlier nickel-copper mining operations. These samples were sent to a laboratory for studies on long-term behavior and characterization. The findings will inform both the permitting process for developing a new tailings facility and the closure planning for the current site.

A long-term study of tailings material started with a review of seepage water. In 2012, mining consultant, Ramboll Oy, conducted a preliminary study identifying nickel, iron, and sulphate as the main concerns. Current research continues to investigate environmental impacts and support permitting for a new tailings area. In July 2025, Envineer delivered an updated seepage water report and a new sampling plan. Sampling has been ongoing throughout 2025, with additional rounds scheduled for 2026, focusing on how seasonal changes influence both the amount and quality of seepage water.

Design and planning activities are presently in progress to optimise process water and enhance overall water management. For instance, initiatives include developing a system for collecting and pumping seepage water from the northern boundary of the tailings area.

Vammala new tailings area EIA process

The existing tailings storage facility is projected to reach capacity within the next decade, necessitating the development of a new site to sustain long-term operations. To facilitate this process, guidance has been sought from Envineer, particularly concerning the permitting requirements for the new tailing's facility. The permitting will commence with an EIA, which is anticipated to require approximately 2–3 years. This will be followed by the actual permitting phase, estimated to take an additional 3–4 years. An initial meeting with Envineer regarding the EIA process was held in Vammala in early February 2025.

In April 2025, Envineer began a preliminary evaluation of potential locations for the new tailings area. This assessment included an initial review of various tailings stacking methods, such as wet and dry stacking. The findings of this study were delivered in June 2025. The evaluation at this stage considered five different sites, examining factors such as location, technical feasibility, soil and groundwater conditions, landforms, and both environmental and social impacts.

During the spring and summer of 2025, Envineer also initiated ecological surveys related to the EIA project, including assessments of birds, flying squirrels, amphibians, bats, and vegetation. These ecological surveys will continue during the spring season of 2026.

Ground and soil surveys began in October 2025. The program relates to the ground surveys of different location options for the new tailings area. In addition to ground survey drillings, the program also includes new groundwater monitoring tubes, test pit excavations and soil sampling from the test pits. The ground and soil surveys were completed in December 2025, and the results are currently under review by Envineer.

A meeting with the supervising authority, the Pirkanmaa Centre for Economic Development, Transport, and the Environment (**PIR ELY**), was held on 19 November 2025 to discuss and present our EIA plans along with the studies supporting them for the new tailings area. PIR ELY provided positive feedback, noting that the key studies had been completed or were ongoing.

The goal is to submit the EIA Programme to the authority by early 2026. After this phase, the EIA reporting phase will begin.

Waste management plan

In May 2025, the Company paid an additional bond security of €11.9 million (about AU\$21.5 million) through a bank guarantee. The €1.4 million Vammala bond (about AU\$2.51 million) was returned to the Company in June 2025.

Environmental monitoring and studies

Meetings were conducted with the Company's environmental consultant, Envineer, to initiate the EIA and water management improvement initiatives. The Company has previously undertaken environmental monitoring, studies, and assessments focused on enhancing discharge water treatment and optimising water utilisation. Additional detailed research to support these efforts progressed throughout 2025 to further develop Vammala water management as outlined in the proposal to AVI.

A study regarding sulphidic waste rocks intended for use in the mill area concluded that there are no significant risks necessitating additional risk management measures.

Dust and noise control

Between 27 April and 2 May 2025, elevated dust levels were recorded at the Vammala tailings area, with residential concentrations reaching 212 µg/m³ (regulatory limit: 50 µg/m³) and on-site values up to 2,232 µg/m³. Local authorities and PIR ELY received multiple complaints, prompting requests for improved dust control measures from the Company. Current controls include liming and sprinklers; a water cannon was tested during summer 2025. According to consultant, Promethor Oy's latest report, the limit for daily average respirable particles was exceeded once in the past six months near the operational area. PIR ELY has requested further clarifications and expects enhanced dust management to ensure compliance. Internal and public reports have been filed, and improvements are ongoing.

Water management

Water monitoring continued throughout 2025 in accordance with the monitoring program previously approved by PIR ELY. The annual report for the year 2025 water monitoring results will be available early 2026.

Dam inspection

The 5-year dam inspection took place on 28 August 2025 with the Centre for Economic Development, Transport, and the Environment (ELY) of Kainuu, PIR ELY, the Rescue department, and the dam designer. The dams in the tailings area were found to be in good condition for their intended use, with no observed weaknesses affecting their function.

Orivesi Gold Mine

Closure plan and natura assessment

Envineer previously submitted the Natura assessment report to AVI on 6 June 2024. On 7 March 2025, AVI distributed comments from PIR ELY and Metsähallitus about the Orivesi Natura assessment. PIR ELY found the current assessment adequate for the closure phase but suggested updates as new water quality data become available. Both PIR ELY and the Natura assessment recommended that mine closure be approved in stages and emphasized the development of tailored restoration plans for each lake, supported by risk assessments.

The Company responded to AVI's statements on 4 April 2025, updating the water monitoring program with additional groundwater tubes, flow measurements, and expanded vegetation monitoring. The revised plan was sent to AVI on 16 May 2025. In September, AVI forwarded PIR ELY's feedback, recommending more frequent monitoring and increased sampling sites for fauna, sediments, fisheries, and vegetation in the mine's filling phase until around 2031. AVI requested a formal reply by 21 November 2025, which the Company provided.

On 23 September 2025, AVI also inquired about updates to the mine closure plans, originally submitted in 2020 and 2021. New reports supplemented the plan on 25 September 2025, but closure measures remain unchanged. Currently, the Orivesi closure plan is at the permit consideration stage, with a decision expected in Q1 2026.

Orivesi – Aquatic vegetation survey and diatom survey

The Orivesi Natura assessment recommended a survey of aquatic vegetation and diatoms. Fieldwork for the vegetation survey took place in July 2025, while diatom samples were collected in October 2025. The final reports for both surveys are expected to be finished in early 2026. At present, these surveys are scheduled to occur every two years.

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. The Company has responded to all requests for additional information submitted during the police pretrial investigation. According to the police, the investigation is expected to be concluded during spring 2026.

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.

Water monitoring continued throughout 2025 in accordance with the monitoring program previously approved by PIR ELY. The annual report for the year 2025 water monitoring results will be available early 2026.

Jokisivu Gold Mine

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.

The appeal period for the AVI environmental permit decision concluded on 6 March 2025, during which an appeal was submitted by a non-government organisation. On 25 June 2025, the Vaasa Administrative Court requested the Company's response to the appeal, with a submission deadline of 22 August 2025. The Court also sought statements from AVI, Centre for Economic Development Transport and the Environment for South-West Finland (**VAR ELY**), and TUKES regarding the appeal. These have been received. The decision was received from the Vaasa Administrative Court on 30 January 2026 and gained legal force on 9 March 2026. Under new permit provisions, the crushing operations at Jokisivu may continue subject to a security deposit of €5,000 being placed to safeguard against potential changes to the permit decision by the Vaasa Administrative Court. This deposit was made in favour of VAR ELY on 14 March 2025.

Water monitoring and management

KVVY Tutkimus Oy (**KVVY**), an expert organisation that offers environmental research and sampling services at regional and national levels, completed the annual water monitoring report for 2024 on 13 February 2025. The report revealed increased sulphate, and nitrogen loads in the Paukkionoja ditch and Loimijoki river, partly attributed to higher rainfall. The total volume of water discharged in 2024 was 218,340 m³ (2023: 251,458 m³), with annual rainfall largely influencing discharge volumes, and the loads of sulphate and nitrogen were lower than the previous year.

Diffuse load affects Paukkionoja water quality during high flows, while mine discharge effects are most evident during low flows downstream of the mine.

The effects of mine discharge were most pronounced in Paukkionoja in October 2024, with elevated concentrations of several metals observed downstream compared to upstream. Although the metal load in 2024 was lower than the previous year, the load of zinc, nickel, copper and cadmium in 2019–2024 has been many times higher than in 2013–2018.

Overall, the impact of discharge from the Jokisivu mine on the nearby Loimijoki River remains minor, with no significant changes observed in electrical conductivity at the downstream observation point.

Water monitoring continued throughout 2025 in accordance with the monitoring program previously approved by VAR ELY. The annual report for the year 2025 water monitoring results will be available early 2026.

Waste rock use approval

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.

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.

Jokisivu vibration measurements

On 29 April 2025, the Company received the latest vibration report covering January to March 2025, which showed all vibration levels were well below guideline values and posed no structural risks. The report will be sent to Jokisivu neighbours who also have vibration meters. In April 2025, a fifth vibration measurement unit was installed.

The latest Jokisivu vibration measurement summary report was received on 21 October 2025 from the vibration monitoring company. According to the report, the vibrations from the period July – September 2025 were clearly below the guideline values and the vibration levels do not pose a risk to structures/buildings. Currently, the Company has five vibration measurement units around the Jokisivu mining area on nearby neighboring properties. The report was delivered to the neighbors where the vibrations are measured.

Jokisivu flying-squirrel survey

Environmental consultant AFRY Oy conducted a flying-squirrel survey near the Jokisivu mine in April 2025, with their report submitted on 12 June 2025. The survey observed fewer droppings than in previous years, likely due to normal annual variation, 2018 being an exceptionally high year, and differences in weather and survey timing. The smaller, isolated forests around the mine may also contribute to population fluctuations. Nesting tree availability remains good, with the Company having installed multiple flying-squirrel huts. The next survey is scheduled for 2028.

Jokisivu noise measurements

According to the environmental permit, noise measurements at Jokisivu must be carried out once a year. A 24-hour noise measurement was carried out at all measurement points and the final report of the measurements was received on 23 October 2025 from Envineer. According to the report the noise levels were below the night and daytime limit values at all measuring points. The report has been submitted to ELY and it will also be provided to the Jokisivu neighbours.

Kaapelinkulma Gold Mine

During 2025, the Company's activities at Kaapelinkulma included:

Closing works and waste rock utilisation

Kiertokivi Oy, a Finnish company which specialises in aggregate sales and processing, presented an initial proposal to handle closing activities at the Kaapelinkulma mine, which involves crushing waste rock and rehabilitating the site over five to seven years. After negotiations, Kiertokivi Oy agreed to a counteroffer concerning the crushing and use of waste rock, and a preliminary agreement has been signed for this potential project, subject to receipt of environmental permits from City of Valkeakoski.

Well-water monitoring

The Company submitted a well water study for the Kaapelinkulma mine to PIR ELY in August 2025. Following the results, KVVY Tutkimus Oy recommended that monitoring be limited to a single well (K3_uusi), with the option to expand monitoring if water quality declines. PIR ELY confirmed that the monitoring program may be revised as proposed.

Contaminated soil study

Envineer conducted fieldwork and sampling in September 2024. The final report, released in December 2024, identified arsenic concentrations in ore and crushed rock storage areas that exceeded guideline values. The report recommended covering the affected areas with a till layer. Submitted to PIR ELY for approval on 8 January 2025, the report is currently under review, with PIR ELY yet to provide a statement as closure activities and waste rock utilisation are planned to begin.

Woodland brown butterfly survey

The butterfly survey conducted between June and July 2024 revealed a notable decline in populations, attributed primarily to weather patterns and natural fluctuations rather than mining activities. On 10 January 2025, PIR ELY was consulted regarding the continuation of these counts, and by 7 March recommended further monitoring of Woodland Brown Butterflies at Kaapelinkulma for at least one additional season in 2025, including a comprehensive review of rehabilitation outcomes. Should restoration efforts prove insufficient, the assessment must propose enhancements. Ramboll Oy was commissioned to carry out the 2025 survey, scheduled for June-July.

The 2025 butterfly count was performed in June-July 2025 following a directive from PIR ELY to maintain monitoring at Kaapelinkulma for one more flying season. This process also entailed a final evaluation of the effectiveness of rehabilitation measures implemented at the site. If restoration was found lacking, recommendations to improve conditions conducive to butterfly habitation were required. According to the report dated 1 December 2025, Woodland Brown Butterfly populations remain viable both at Kaapelinkulma and Koivusuo, and further actions are advised to enhance habitat quality.

The findings of the 2025 butterfly count were officially submitted to PIR ELY on 2 December 2025, and PIR ELY's statement was received on 12 December. In its response, PIR ELY stipulated that habitat improvement measures may proceed as outlined in the monitoring report, with clearing works to be conducted in small, mosaic-like patches to preserve both open and wooded areas within the site. These works should focus on areas most suitable for the species and, where feasible, be phased across at least two years. A report detailing the clearing activities must be prepared and submitted to PIR ELY for review. PIR ELY further concluded that continued butterfly monitoring at Kaapelinkulma is no longer necessary.

Water monitoring

The Kaapelinkulma half-year water monitoring report (January–June 2025), completed by KVVY Tutkimus Oy on 5 August 2025, was submitted to PIR ELY and the City of Valkeakoski. Open pit water quality is monitored biannually, with sampling beginning on 10 April 2024. Spring 2025 samples indicated elevated arsenic levels compared to stream medians, while sulphate, copper, nickel, and zinc were only slightly higher. Since April 2021, no open pit water has been pumped out; however, runoff continues through settling ponds and a measuring well before discharge. Total discharge from 1 January to 31 December 2025 was 4,504 m³. Monitoring followed the approved post-monitoring program throughout 2025, and the annual report will be released in early 2026.

Uunimäki Exploration Area

Envineer carried out environmental surveys in Uunimäki ahead of diamond drilling, with fieldwork completed in summer 2024 and the final report submitted on 10 January 2025. The report to VAR ELY noted flying squirrel signs and two marked nesting/resting sites in the southern project area, alongside typical local bird species. A detailed exploration plan will be sent to VAR ELY and TUKES for approval before field activities start in Q3 2025.

Sweden

Svartliden

Svartliden rehabilitation plan (U3)

On 18 November 2019, the Company appealed to the Court of Appeal against the following aspects of the ruling issued on 3 September 2019 by the 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\$4.9 million), bringing the total to 65.0 million SEK (approximately AU\$9.5 million). This ruling was appealed by Vapsten on 17 October 2024, which was denied by the Environment Court on 22 January 2025.

The Environment Court ruling gained legal force on 18 February 2025 and the Company submitted the additional bond to the Swedish government authority on 18 May 2025.

Svartliden change permit for Fäboliden ore processing

On 30 June 2021, the Company submitted its 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 has applied the principals of, and complied with, the applicable code provisions set out in the section headed Part 2 – Principles of good corporate governance, code provisions and recommended best practices of the Corporate Governance Code under Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, except for certain deviation which is summarised below:

Code Provision B.3.5

Code provision B.3.5 of the CG Code stipulates that the Company should appoint at least one director of a different gender to the nomination committee (**Nomination Committee**).

As at the date of this Announcement, the Nomination Committee comprises three directors, all of whom are of the same gender. Accordingly, the Company does not currently have at least one director of a different gender serving on the Nomination Committee, constituting a deviation from Code Provision B.3.5.

The selection of candidates for the Board and its committees is based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural background, educational background, skills, knowledge and professional experience.

The Company has been and will continue to review the composition of the Board and its committees on an annual basis and will make adjustments as appropriate to ensure a balanced and diverse Board and committee composition, with the ultimate goal of achieving gender diversity at the Nomination Committee as and when suitable candidates are identified.

Further information on the Company's corporate governance practices during the year under review will be set out in the Corporate Governance Report to be contained in the Company's 2025 Annual Report which will be sent to the Shareholders by the end of April 2026.

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 securities transactions by the Directors and certain employees of the Company or any of its subsidiaries who are considered likely to be in possession of inside information in relation to the Company or its securities.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

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 2025, 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 2025 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 2025 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, 12 March 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Arthur George Dew as Chairman and Non-Executive Director (with Mr. Wong Tai Chun Mark as his Alternate); Mr. Brett Robert Smith as Chief Executive Officer and Executive Director; Ms. Lam Lai as Non-Executive Director; and Mr. Carlisle Caldwell Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai as Independent Non-Executive Directors.

* *For identification purpose only*