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龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED

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

(Stock Code: 1712)

INSIDE INFORMATION AND PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Company and the preliminary review of the Group’s unaudited consolidated interim financial report (the “**Interim Financial Report**”) for the half-year period ended 30 June 2019 (the “**Reporting Period**”), which have not been audited or reviewed by the auditors and/or the audit and risk management committee of the Company, it is expected that the Group’s financial result for the Reporting Period will show a net profit of approximately AU\$2.5 million compared to the net loss of AU\$5.3 million recorded for the corresponding period in 2018. Such improvement in the net profit is primarily due to an 23.8% increase in gold production, attributable to the following factors:

- (a) a significant increase in production of high-grade ore tonnes from underground stopes at Orivesi Mine (“**Orivesi**”) during the Reporting Period. The increased production of high-grade ore tonnes is the result of the Group’s development activities in the upper parts of Orivesi during 2018 as previously announced on 27 February 2019; and
- (b) operational problems in December 2018 delayed the amount of high-grade Orivesi ore that could be processed during the last two weeks of 2018. As a result, these tonnes with an average grade of 9.4 g/t of gold were processed in 2019.

The Company has yet to finalise the interim results of the Group for the Reporting Period. The information contained in this announcement is only based on a preliminary review of the Interim Financial Report which has not been reviewed by the Company's auditors and/or the audit and risk management committee of the Company, and the actual results of the Group for the Reporting Period may be different from what is disclosed herein. Shareholders and potential investors are advised to read carefully, the interim results announcement of the Company for the Reporting Period which is scheduled to be issued on 22 August 2019 (Hong Kong time).

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

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

Hong Kong, 6 August 2019

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*