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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 WARNING

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 update the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to Company, and subject to the Swedish Environmental Court of Appeal ruling in favor of the Company’s appeal against an increase in the Svartliden rehabilitation bond, and the preliminary review of the Group’s unaudited management accounts for the year ended 31 December 2021, 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 will record a net profit after tax for the year ended 31 December 2021 (“**Reporting Period**”) ranging between approximately AU\$0.1 and AU\$0.5 million, as compared to the net profit after tax of AU\$10.2 million for the year ended 31 December 2020 (“**Corresponding Period**”).

The expected net profit after tax for the Reporting Period is primarily due to the factors as follows:

- (a) the Group’s Finnish operations incurring a AU\$3.7 million income tax expense after having utilised all of its carry forward tax losses.
- (b) the Corresponding Period includes gold produced from higher grade test-mining ore tonnes at Fäboliden from May to September 2020; and
- (c) lower average mined ore grade as a result of Vammala processing only ore tonnes mined from the Jokisivu mine upon completion of open pit mining at Kaapelinkulma in April 2021 and exhausting the remaining stockpiles of Orivesi ore.

The Company has yet to finalise the annual results of the Group for the year ended 31 December 2021. The information contained in this announcement is only based on a preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2021, and the actual results of the Group for the year ended 31 December 2021 may be different from what is disclosed herein. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2021 which is scheduled to be issued on 9 March 2022 (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, 8 February 2022

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

* *for identification purpose only*