



龍資源有限公司
DRAGON MINING
LIMITED

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(Incorporated in Western Australia with limited liability ACN 009 450 051)
(於西澳洲註冊成立的有限公司，澳洲公司註冊號碼009 450 051)

Stock Code 股份代號 : 1712

2021

Environmental, Social and
Governance Report

環境、社會及管治報告

* For identification purpose only 僅供識別

ABOUT THIS REPORT

Dragon Mining Limited ("Dragon Mining", or the "Company") has a robust, comprehensive system of corporate governance. The Company views this as essential to the ongoing sound 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.

Unless otherwise specified, the scope of the Dragon Mining's Environmental, Social and Governance ("ESG") Report comprises Dragon Mining 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.

This ESG Report has been prepared in accordance with the principles of materiality, quantitative approach and consistency recommended by the Hong Kong Exchanges and Clearing Limited.

OUR APPROACH AND PERFORMANCE

The Board retains the overall responsibility for the Group's 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 wellbeing 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 minimize our impact on the surrounding environment;
- give environmental aspects due consideration in all phases of the Groups 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.

The Company's Corporate Governance documents may be found on the Company's website at www.dragonmining.com/governance.

STAKEHOLDER ENGAGEMENT

Stakeholder and shareholder opinions are crucial for the continuous improvement of the Group's ESG performance and the Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with updated corporate information and news are made available on the Company's website.

MATERIALITY ASSESSMENT

The Group defines material stakeholder groups as those who have frequent connections, significant financial and operational influence, and form a long-term and strategic relationship with the Group.

ENVIRONMENTAL SUSTAINABILITY AND COMMITMENT

Central to Dragon Mining's ESG approach is our commitment to creating sustained value for all our stakeholders, shareholders, investors, and employees. This vision reflects our beliefs that business development is inherently intertwined with delivering ESG value. As such, we strive to carry out business activities while creating a positive impact on the planet, as well as shaping a diverse and fair society for future generations to inhabit.

Environmental monitoring and reporting forms part of the Group's proactive approach and includes:

- contribute to the conservation of biodiversity and integrated approaches to land-use planning;
- dust emission levels;
- noise levels;
- ground, surface, and discharge water quality;
- sediment analysis; and
- ensuring contractors and suppliers embrace and comply with the Company's environmental policy.

Process water at the Vammala Plant ("Vammala") is recirculated to reduce water emissions. Surface water run-off is collected and re-used in the process circuit. Dust controlling measures include the use of dust suppressants, liming, and use of water cannons and sprinklers. The crushing unit is also equipped with a dust controlling device.

Process water at the Svartliden Plant ("Svartliden") is recirculated to be re-used in the process circuit and to reduce water emissions. Svartliden has surrounding ditches that collect impacted surface water run-off to be re-used in the process. Dust control measures inside the process plant includes the use of water sprinklers. Dust control for the roads in the mine area is achieved using water trucks. The crushing unit outside the process plant is also equipped with dust filters.

ENVIRONMENTAL COMPLIANCE

Ensuring environmental compliance is integral to the Group's operations. The Group implements robust environmental management systems and practices, from which we assess and identify potential environmental risks; conduct routine monitoring; and report the performance results to mitigate the impact of our operations on the environment. At every stage of the Group's operations, we strive to promote the efficient use of resources and the reduction and prevention of pollution. As a responsible miner we seek to meet, and where possible exceed, the regulatory requirements governing our environmental performance.

The Group complies with all applicable environmental laws, regulations, and standards. The main laws are set out in the Swedish Environmental Code and the Finnish Environmental Protection Act.

ENVIRONMENTAL COMPLIANCE (CONT'D)

A number of management plans are in place to provide a framework for the Group to effectively manage its environmental impact and responsibilities. Site specific management plans are reviewed regularly and include the following:

- Waste Management Plan;
- Tailings Storage Facility (“TSF”) Management Plan;
- Safety Seveso Management Plans;
- Mine Closure Plan; and
- Environmental Monitoring Plans.

The principal environmental incidents that could potentially occur at the Groups operations include water substance levels exceeding permit limits; noise and dust levels exceeding permit limits; hydrocarbon spills; improper use and storage of chemical substances and hazardous materials; the destruction of local wildlife habitats; improper disposal of waste; the structural integrity of storage facilities; recharacterisation of waste rock; and other incidents that negatively impact the environment. Any environmental incidents are reported, investigated, remedied, and monitored by the Group’s Environmental Specialists and, where appropriate, reported to the responsible authorities.

In 2021, there were no Environmental Permit breaches. All permit levels were complied with during the year.

CLIMATE CHANGE

In 2017 the Swedish Parliament adopted a new climate policy framework that consists of a climate act, climate targets and a climate policy council. Sweden’s long-term target is to have net zero greenhouse emissions by 2045, at the latest. The framework provides businesses and society with the long-term conditions to implement the transition needed to address the challenge of climate change.

In Finland, the Government is working to ensure that Finland is carbon neutral by 2035 and carbon negative soon after that. The Government intends to assist local and regional authorities in preparing their own carbon neutrality plans and implementing climate change actions.

Metals and minerals are a crucial part of this transition in both Sweden and Finland. The Company will work within Sweden and Finland’s present and future frameworks and systematically review and revise its environmental management system and processes to achieve continual improvement in environmental performance.

ENERGY CONSUMPTION

Reducing energy produced by the consumption of fossil fuels will have a significant beneficial environmental impact. Much of Sweden’s energy comes from renewable generators sourced through hydro-electric schemes. Table 1 presents the Group’s energy consumption and intensity at its mine and process sites. Intensity is calculated as kilowatts per hour (“kWh”) per production tonne. Note that the intensities between sites cannot be compared because the products from each site are not similar. The Group does not have any indirect energy use.

ENERGY CONSUMPTION (CONT'D)

TABLE 1: ENERGY CONSUMPTION

Resource 2021		Unit	Orivesi Gold Mine	Jokisivu Gold Mine	Kaapelinkulma Gold Mine	Vammala Plant	Svartliden Plant
Energy usage	Electricity	GWh	0.20	6.41	0.06	10.48	7.83
	LPG heating	GWh	–	1.23	–	–	–
Energy intensity per tonne ¹	Electricity	KWh/t	– ²	19.01	2.63	34.26	253.40
	LPG heating	KWh/t	–	3.65	–	–	–

Resource 2020		Unit	Orivesi Gold Mine	Jokisivu Gold Mine	Kaapelinkulma Gold Mine	Vammala Plant	Svartliden Plant
Energy usage	Electricity	GWh	0.40	6.01	0.07	10.62	9.17
	LPG heating	GWh	–	0.45	–	–	–
Energy intensity per tonne ¹	Electricity	KWh/t	– ²	20.80	1.33	33.58	217.79
	LPG heating	KWh/t	–	1.56	–	–	–

¹ Electricity intensity is a factor of energy usage/tonnes. Energy intensity in 2021 was higher than that in 2020 a smaller amount of ore from the Fäboliden Gold Mine was processed in 2021.

² Orivesi – no production in 2021 and 2022 (energy intensity not calculated).

At the Group's underground mines, fresh air is heated in heating plants using LPG, which produces less CO₂ emissions compared to traditional heating plants that use petroleum. The heating plants at the Jokisivu Gold Mine ("Jokisivu") have been constructed within the last ten years and incorporate the latest in heating technology. As a result of the cessation of mining at the Orivesi Gold Mine ("Orivesi") in June 2019, the LPG heating plant at this site was demolished during 2020.

At Vammala, all buildings, plant, administration and maintenance are heated by electricity. Total energy consumed at the site was 10.48 GWh (2020: 10.62 GWh). The grinding process at Vammala consumes approximately 50% of the total energy. The installation of a new crushing circuit at Vammala has had a positive effect on total energy consumption.

At Svartliden electrical heating provides heating to the plant, administration, maintenance and laboratory buildings. The grinding process at Svartliden consumes approximately 17% of the total energy, though the mill has only been in operation primarily through November to December 2021 for processing of ore from the Fäboliden Gold Mine ("Fäboliden") test-mining operation. The energy consumed in 2021 was approximately 7.83 GWh (2020: 9.17 GWh). In 2021, work commenced on the installation of a larger, one pump raft in the historic Svartliden open pit to replace three stationary pumping stations, thereby reducing energy in water pumping. One additional frequency converter was installed on the pump from the clear water pond. All lighting in and around the process plant was replaced to energy efficient LED lights. A new roof was installed on the eastern office building thereby providing an improved working environment and reduced energy consumption.

WATER CONSUMPTION

The Group seeks to minimise water usage at its operations through the implementation of water efficient technologies and adoption of water recycling methodologies. The Group uses groundwater, surface water and recycled water in its operations. Continuous flow meters are used at each operation to control and monitor water discharge. Sanitary sewage is treated in a wastewater treatment plant.

Vammala recycles a large percentage of its water usage. In 2021, the plant used approximately 1.1 Mm³ of process water (2020: 1.3 Mm³) with 0.58 Mm³ (2020: 0.69 Mm³) discharged. The process water intensity was 3.6 m³ per processed ore tonne (2020: 4.0 m³ per processed ore tonne). At the mine sites, Jokisivu discharged 192,652 m³ of water (2020: 196,825 m³) because the underground mine has a positive seepage of water from multiple natural sources. Consumption of water in the Jokisivu mine cannot be calculated due to the positive seepage of water into the underground mine.

In 2020 and 2021, there was no water usage at Orivesi due to the cessation of mining activities in 2020. All underground mine infrastructure was removed during 2020. There was no discharge water from Orivesi during 2020 and 2021.

At the Kaapelinkulma Gold Mine ("Kaapelinkulma") 24,195 m³ of water was discharged from the open pit operation during 2021 (2020: 36,264 m³). Mining operations at Kaapelinkulma open pit ceased in April 2021. There was no water usage at Kaapelinkulma during 2021.

At Svartliden, the discharge of clean water in 2021 from the clear water pond was 1.32 Mm³ (2019: 1.92 Mm³). The volume of discharge water was lower during the summer as no water was being pumped from the open pit. Work to optimise the water handling system from the mine was also made during 2021 to enable decommissioning of the three water pumping stations and replace them with one larger water pump to allow better fluctuation of water levels and to save energy consumption. Water consumption for the plant at Svartliden in 2021 was estimated to be 600,000-700,000 m³ (2020: 600,000-700,000 m³). All water used in processing is recycled and sourced from the TSF and to a lesser extent from the clear water pond. Water consumption for personal use is sourced from a water bore and in 2021 usage was estimated to be 1,600 m³ (2020: 1,600 m³).

There is also a small amount of domestic water used at all sites. Jokisivu and Vammala are connected to the municipality's water network. At Orivesi and Svartliden, drinking water is transported to the site and domestic water for other purposes is taken from the site's own wells. At Kaapelinkulma, all domestic water comes from its own well. Svartliden has a septic tank installed at site. There are no issues with sourcing water as in the Nordic countries, precipitation exceeds evaporation on a yearly level, so the Group uses groundwater, surface water and recycled water at its operations. There were no challenges in obtaining enough process water at Vammala. Water levels at the tailing's ponds are kept high to prevent the pond from freezing, whilst process water was pumped from the closed Stormi underground mine, which is located within close proximity to the Vammala Plant.

WATER CONSUMPTION (CONT'D)

TABLE 2: RESOURCE CONSUMPTION

Resources 2021		Unit ¹	Orivesi Gold Mine	Jokisivu Gold Mine	Kaapelinkulma Gold Mine	Vammala Plant	Svartliden Plant
Production	Ore extracted	tonnes	-	337,150	22,795	-	26,264
	Waste rock extracted	tonnes	-	118,377	28,435	-	-
	Ore and gold concentrate (processed ore tonnes)	tonnes	-	-	-	305,933*	30,906
Energy	Electricity	GWh	0.20	6.41	0.06	10.48	7.83
	LPG heating	GWh	-	1.23	-	-	-
Fuels (Finland includes own use plus contractors)	Diesel	tonnes	1.28	263.93	-	15.60	77.50
	Fuel oil	tonnes	-	352.24	26.18	84.70	-
	Lubricant oils	litres	5.00	12,000.00	250.00	3,726.00	-
Water	Fresh water intake (process water pumped from the closed Storm mine)	m ³	-	-	-	651,000.00	-
Chemicals	Sodium hydroxide	litres	-	-	-	-	-
	Flocculant	tonnes	-	-	-	0.60	-
	Collector	tonnes	-	-	-	15.20	-
	NalBx xanthate	tonnes	-	-	-	19.70	-
	Frother	tonnes	-	-	-	6.20	-
	Cyanide	tonnes	-	-	-	-	125.00
	Sodium hydroxide	tonnes	-	-	-	-	39.67
	Hydrochloric acid	tonnes	-	-	-	-	39.86
	Iron sulphate	tonnes	-	-	-	-	202.36
	Hydrogen peroxide	tonnes	-	-	-	-	446.62
	Lime	tonnes	0.57	0.20	189.00	-	332.40
	Activated carbon	tonnes	-	-	-	-	7.80
Oxygen	tonnes	-	-	-	-	311.73	
Other	Rods used in grinding	tonnes	-	-	-	204.10	-
	Balls used in grinding	tonnes	-	-	-	27.00	36.20

WATER CONSUMPTION (CONT'D)

TABLE 2: RESOURCE CONSUMPTION (CONT'D)

Resources 2020		Unit ¹	Orivesi Gold Mine	Jokisivu Gold Mine	Kaapelinkulma Gold Mine	Vammala Plant	Svartliden Plant
Production	Ore extracted	tonnes	-	288,641	52,629	-	39,581
	Waste rock extracted	tonnes	-	195,512	456,385	-	41,479
	Ore and gold concentrate (processed ore tonnes)	tonnes	-	-	-	316,236	42,105
Energy	Electricity	GWh	0.40	6.01	0.07	10.62	9.17
	LPG heating	GWh	-	0.45	-	-	-
Fuels (Finland includes own use plus contractors)	Diesel	tonnes	6.23	267.99	-	11.40	64.16
	Fuel oil	tonnes	-	390.03	117.55	164.05	-
	Lubricant oils	litres	20.00	10,000.00	800.00	6,680.00	-
Water	Fresh water intake	m ³	-	-	-	695,952.00	-
Chemicals	Sodium hydroxide	litres	-	-	-	-	-
	Flocculant	tonnes	-	-	-	0.60	-
	Collector	tonnes	-	-	-	21.10	-
	NaBx xanthate	tonnes	-	-	-	19.20	-
	Frother	tonnes	-	-	-	6.20	-
	Cyanide	tonnes	-	-	-	-	183.00
	Sodium hydroxide	tonnes	-	-	-	-	41.00
	Hydrochloric acid	tonnes	-	-	-	-	49.00
	Iron sulphate	tonnes	-	-	-	-	214.0
	Hydrogen peroxide	tonnes	-	-	-	-	664.00
	Lime	tonnes	0.57	0.20	189.00	-	392.00
	Activated carbon	tonnes	-	-	-	-	9.00
	Oxygen	tonnes	-	-	-	-	426.00
Other	Rods used in grinding	tonnes	-	-	-	201.00	-
	Balls used in grinding	tonnes	-	-	-	247.00	99.90

ENVIRONMENTAL EMISSIONS

The Group operates according to specific Environmental Management Plans (the “Plans”) approved by the respective environmental authorities. The Plans determine the frequency of monitoring and measuring of our various activities. Sampling measurements are performed in compliance with industry standards, using the latest equipment and measurement devices. Samples are tested at accredited national and international laboratories. All emission mitigation measures are site specific.

The foundation for the Group’s emission policies, controls, procedures, and reporting are derived from the respective Environmental Permit (the “Permit”) for each of the Group’s operations. The Permits are site specific and prescribe the relevant operating parameters as defined by the regulators. Permit regulations and the required emissions data reporting are set by the respective authorities. Where required, independent third parties are involved in analysing samples for reporting to the relevant authorities.

VAMMALA PLANT

Water flows are measured and sampled regularly with concentrations of nickel, sulphate and many other substances monitored.

During June 2021 the Horvelo-oja ditch project commenced and the project was completed on 1 December 2021. The aim of the project was to prevent mixing of process waters with natural waters and thus reduce emissions from the operation. The project was included in the Company’s new Vammala Environmental Permit application.

The concentration of dust particles is not regulated in the Permit; however, the Group maintains both passive and active processes to minimise and manage dust particles. Present readings show that any dust generated is below government guidelines and is not considered harmful to either human health or the environment.

Lime milk has been spread in the tailings pond area to prevent dusting. Lime has been used since 2015 as a dust control measure. During the year 2021 a total of approximately 189.00 tonnes of lime was used to prevent dusting.

On 15 June 2021, an assessment of the health effects of tailings area dust was received from the Finnish Institute of Occupational Health. The report contains dust monitoring data and dust monitoring composition data over a one year period. Based on the composition data of the tailings dust and the particle measurements made in the area, the dust from the tailings area is not considered to be a health risk to the residents of the surrounding area.

The new Vammala Environmental Permit was issued on 12 March 2020. The new permit contains much stricter permit conditions related to crushing than were imposed in the existing permit and the Group submitted an appeal in relation to the new conditions to the Vaasa Administrative Court on 20 April 2020. The decision from the Vaasa Administrative Court is pending, however the Group can continue to operate under its existing permit conditions.

JOKISIVU

The Permit for Jokisivu includes a condition that sets pH limits and solid particle density in discharged water. No permit breaches occurred during 2021 (2020: 0). The concentration of dust particles is not regulated within the Permit. However, the Group maintains both passive and active processes to minimise and manage dust particles.

As the underground mine and waste rock area expand, the water coming into settling ponds increases. The water handling capacity of the existing ponds is limited so that the water can be treated efficiently. Construction of two new settling ponds was completed in December 2021 and a new measuring well was installed. Modifications were made to the existing ponds, including excavation of an open ditch for water run-off to the new settling ponds. The external supervisor is preparing a final report for the project and once the report has granted approval by the Southwest Finland Centre for Economic Development, Transportation and the Environment ("VAR ELY") the ponds can be put into use.

ORIVESI

The Permit for Orivesi includes a condition that sets pH limits, aluminum and zinc limits, and solid particle density in discharged water, however there was no water usage at Orivesi in 2021. As a result of the cessation of mining, all underground infrastructure has now been removed.

The Closure Plan for the Orivesi mine was submitted to the Regional State Administrative Agency ("AVI") for approval in late 2019, with updates to the plan submitted in 2020 and 2021. On 21 May 2020 AVI advised that the environmental permit was under hearing. On 11 October 2021 AVI requested a response from the Company with regards to statements and opinions made in the Closure Plan. In late February 2022 AVI granted permission for an extension of time for the Company's response.

The Orivesi Rehabilitation Closure Plan includes a research plan to clean and remediate any soil contamination areas. The areas included within the research plan include maintenance and storage areas, fuel tank storage locations, settling ponds and any roads previously exposed to sulphide containing waste rock. Soil contamination studies were carried out at the Orivesi mine site on 30 November 2020 and 1 December 2020. The final report of the soil contamination and remediation plan was received on 9 August 2021. Hydrocarbons were found in the service and storage areas with concentrations exceeding the lower reference values. The final report suggests that soils containing elevated levels of hydrocarbons and waste rock containing sulphide could be transported to the waste rock stockpile area and covered. In one area, where the concentrations of oil hydrocarbons are higher, the final report recommends the material be transported to the waste handling facility. The final report was sent to the Pirkanmaa Centre for Economic Development, Transport and the Environment ("PIR ELY") in August 2021 and in November 2021 PIR ELY confirmed that the soil contamination studies were carried out in accordance with the research plan.

KAAPELINKULMA

The Permit for Kaapelinkulma includes a condition that sets pH and solid particle density in discharged water. No permit breaches occurred in 2021 (2020: 1). Mining operations at the Kaapelinkulma open pit ceased in April 2021 and there has been no water pumping to the settling ponds since. Water from the waste rock and maintenance area is still directed to the settling ponds.

The concentration of dust particles is not regulated within the Permit. However, the Group maintains both passive and active processes to minimise and manage dust particles.

SWEDEN

In 2021, emissions in Sweden were minimal due to the completion of test mining activities at Fäboliden. No water pumping from the Svartliden open pit was undertaken during the summer which allowed the water level to rise and increase the volume available for deposition of tailings from the Fäboliden mine. The operating and environmental permit application to commence full-scale mining at Fäboliden is presently under consideration by the Swedish Land and Environmental Court.

The process water at Svartliden is recirculated to reduce water emissions. Process water is treated in both the Svartliden Plant and separate lime sedimentation ponds, both of which decrease water emissions. A water treatment plant is also available at Svartliden, which can be used to treat water from the tailings pond if required. Emissions are monitored at several key locations on the Svartliden site, with permit levels set at the outgoing clarification pond spillway. During 2021, all emissions were below Permit levels.

ENVIRONMENTAL EMISSIONS DATA

Consistent with the Groups internal reporting, environmental data is listed in kilograms and tonnes.

TABLE 3: TYPES OF EMISSIONS

Vammala Plant	Unit	2021
– Arsenic	kg	2.01
– Nickel	kg	95.00
– ¹ Zinc	kg	10.40
– ¹ Cadmium	kg	0.063
– Sulphate	kg	286,626.00
– ¹ Nitrogen	Kg	2,171.00
– Solid material	kg	6,209.00

¹ Emissions calculated by the Water Protection Association from 2021

Svartliden Plant	Unit	2021
– Nickel	kg	18.89
– Zinc	kg	7.75
– Cadmium	kg	0.02
– Sulphate	kg	814,847.00
– Arsenic	kg	10.70
– Nitrogen	kg	14,956.00

Vammala Plant	Unit	2020
– Arsenic	kg	2.39
– Nickel	kg	255.00
– ¹ Zinc	kg	19.80
– ¹ Cadmium	kg	0.12
– Sulphate	kg	374,446.00
– ¹ Nitrogen	Kg	2,226.00
– Solid material	kg	5,597.00

¹ Emissions calculated by the Water Protection Association from 2020

ENVIRONMENTAL EMISSIONS DATA (CONT'D)

TABLE 3: TYPES OF EMISSIONS (CONT'D)

Svartliden Plant	Unit	2020
– Nickel	kg	18.89
– Zinc	kg	7.75
– Cadmium	kg	0.02
– Sulphate	kg	814,847.00
– Arsenic	kg	10.70
– Nitrogen	kg	14,956.00

TABLE 4: GREENHOUSE GAS EMISSIONS

Vammala Plant	Unit	2021	2020
Diesel (and light fuel oil) – CO ₂	tonne	2,563.91	3,045.01
Svartliden Plant	Unit	2021	2020
Propane – CO ₂	tonne	1.47	1.47
– NO _x	kg	1.58	1.58
Diesel – CO ₂	tonne	198.90	198.90
– NO _x	tonne	3.00	3.00

² Includes emissions from all Finnish operating sites and transportation of ore to the Vammala Plant.

TABLE 5: HAZARDOUS WASTE PRODUCED BY OPERATION

Hazardous waste	Unit	2021	2020
Vammala	tonne	10.83	11.06
Jokisivu	tonne	2.30	4.90
Orivesi	tonne	0.00	6.46
Kaapelinkulma	tonne	1.41	2.00
Svartliden	tonne	2.61	2.78

Hazardous waste produced during 2021 consisted of the following:

- solid waste;
- solid aerosol waste;
- solid painting waste;
- fluorescent tubes;
- laboratory waste;
- solvent waste; and
- used lubricants.

All hazardous waste mentioned above is disposed of at appropriate facilities licensed for the receipt and treatment of such waste.

ENVIRONMENTAL EMISSIONS DATA (CONT'D)

TABLE 6: NON-HAZARDOUS WASTE PRODUCED BY OPERATION

Non-hazardous waste	Unit	2021	2020
Vammala	Tonne	76.53	46.76
Jokisivu	Tonne	228.85	249.04
Orivesi ¹	Tonne	25.65	187.00
Kaapelinkulma	Tonne	8.66	25.76
Svartliden	Tonne	37.20	22.98

¹ Increase attributable to underground mine demolition material.

Non-hazardous waste is stored in appropriate containers at each operation and includes:

- biowaste;
- energy waste (paper and cardboard);
- metal waste (iron, plate);
- packaging wood;
- sanitary waste;
- community waste;
- rubber waste; and
- mixed waste;

At Jokisivu, waste rock is the main waste component of non-hazardous waste and is classified as potentially acid forming. In 2021, 118,377 tonnes of waste rock were produced (2020: 195,512 tonnes) of which 112,247 tonnes was used as backfill (2020: 149,335 tonnes) and 5,271 tonnes was transported to the waste rock stockpile or used as Arpola open pit backfill (2020: 62,287 tonnes). Jokisivu produced 0.35 tonnes of waste rock per ore tonne produced (2020: 0.68 tonnes of waste rock per ore tonne produced). During 2021, 15,810 tonnes of waste rock was crushed and most of it was used in mine site infrastructure maintenance works.

At Orivesi, waste rock is separated into two waste rock areas according to its environmental impact qualities. Inert waste rock has been used as a construction material onsite. In 2021, zero tonnes of waste rock were produced (2020: 0 tonnes) and no waste rock was used as backfill from the surface waste stockpile or from underground storage (2020: 0 tonnes). Mining at Orivesi ceased in 2019. During 2021, 20.42 tonnes of plastic water pipeline from Orivesi was sent for recycling.

ENVIRONMENTAL EMISSIONS DATA (CONT'D)

The Dragon Mining 2021 and 2020 Annual Reports provide an update on the presence of historical waste material stored in the upper levels of Orivesi. During the year 2019, Dragon Mining took samples and conducted core drilling for the purposes of a risk assessment. The risk assessment did not identify any hazardous material that would cause any environmental or health hazard. Dragon Mining successfully removed 28,000 kg of mixed waste and rock from the 66m level during 2019. In May 2020, PIR ELY conducted its annual inspection of the Orivesi mine site and in July 2020, imposed a compulsion order that requires the Group to investigate the composition of the waste material to ensure the findings from the initial risk assessment are representative of the total waste. The Group submitted its work plan to PIR ELY on 1 September 2020. On 24 November 2020, the Group received a supplementary request from the PIR ELY, which was responded to on 11 December 2020. On 29 January 2021 the Company submitted a proposal to PIR ELY with regards to continuation of studies and work and approval was received from PIR ELY on 8 February 2021. On 9 February 2021 PIR ELY requested the Company seek ways to remove the waste from the stope.

On 7 September 2021 PIR ELY suggested that Dragon Mining Oy, the wholly owned Finnish subsidiary of Dragon Mining, and Outokumpu Mining Oy negotiate with regards to the breakdown of costs for the work plan. A Collaboration Agreement was entered into between Dragon Mining Oy and Outokumpu Mining Oy for a 50/50 split of costs and a work plan was compiled and submitted to PIR ELY on 29 November 2021 to solve the issue. On 17 December 2021 PIR ELY advised that they considered the work plan and planned timetable acceptable. Dragon Mining Oy and Outokumpu Mining Oy are continuing to investigate the safety and technical aspects of emptying the stope.

In September 2020, the Group applied for the grant of a retrospective Environmental Permit from AVI. The hearing scheduled at the end of August 2021 was extended and re-scheduled for 3 December 2021. The Company's submission to AVI was submitted on 3 December 2021.

On 29 January 2021 the Company lodged an appeal with the Vaasa Administrative Court regarding the PIR ELY and the Finnish Safety and Chemicals Agency ("TUKES"). On 31 August 2021 the Company advised the Vaasa Administrative Court of the Collaboration Agreement between Dragon Mining Oy and Outokumpu Mining Oy. The Company has not as yet received a decision from the Vaasa Administrative Court.

At Kaapelinkulma, waste rock is the main waste component and is classified as inert (non-hazardous). In 2021, 456,435 tonnes of waste rock were produced (2020: 456,385 tonnes). Kaapelinkulma produced 1.25 tonnes of waste rock per ore tonne produced (2020: 8.67 tonnes). During 2021, there was no waste rock crushed. Mining operations at Kaapelinkulma ceased in April 2021.

On 28 January 2021, the Kaapelinkulma Closure Plan was submitted to PIR ELY. On 4 March 2021, PIR ELY requested supplementary information which was duly supplied to them on 28 April 2021. The Company is continuing exploration activities in the area with a view to recommencing mining operations and investigating the possibility of utilising the waste rock outside the mine area. On 6 August 2021, PIR ELY advised that the Company's updated Closure Plan complies with the Environmental Permit. On 13 September 2021 the Company submitted to PIR ELY a research plan prepared by Envineer Oy.

The Group's priority is to reduce the volume of hazardous waste produced by its activities. Across all sites, waste is sorted according to waste quality. Where possible, operations shall recycle waste or convert waste to energy. Metals are recycled at all sites and glass waste generated in Vammala, excluding laboratory glass waste, is also recycled. All chemicals are stored in appropriate containers equipped with a safety basin. The handling of non-recyclable hazardous waste is contracted to an external recycling company that specialises in the types of hazardous waste material produced by the operations. Non-hazardous waste is sorted into biowaste, wood, glass, metal, energy, household, and mixed waste. The sorted waste, that is not recycled or converted into energy, is collected by a local waste company and transported to landfill or incinerated as appropriate.

EMPLOYMENT, SUPPORT AND THE PROTECTION OF EMPLOYEE RIGHTS

The Group's employment policies are documented in its Code of Conduct ("Code"), which provides clear guidance on the conduct and behaviour of all employees, including the Board and senior management. The Code is designed to encourage and foster a culture of integrity and responsibility with the focus on augmenting the Group's reputation as a valued employer, business partner, and good corporate citizen. Specifically, the Code provides guidance on the following aspects:

- compliance to laws, rules and regulations;
- conflicts;
- fair dealing;
- knowledge and information security (including handling of confidential information and disclose and securities trading);
- health, safety and environment;
- employment practices; and
- whistleblowing and misconduct reporting.

The Group recognises, and endeavours to protect, the rights of its employees and is committed to providing equal opportunities. The Group engages in transparent and fair recruitment practices, and fair remuneration and disciplinary decisions without regard to gender, age, family position, or ethnic background. The remuneration packages for our employees include a basic salary component and (where appropriate) a productive incentive payment. The Group determines employee remuneration based on qualifications and experience, whilst the amount of annual incentive payment and achievement of set key performance indicators will be determined and assessed by the Remuneration Committee and the Board. The Group provides employees with welfare, pension, and healthcare benefits, in accordance with statutory requirements, plus some other miscellaneous items.

The Group invests significant time and resources to fulfil its obligations under the respective laws of the countries in which it operates. The Group has a Whistleblowing Policy that enables an employee to raise concerns about practices and procedures in their workplace. It enables employees to report concerns of fraud, illegal, immoral, illegitimate practices, misconduct, or malpractice in a way that will not be seen as being disloyal to colleagues. During the reporting period, the Group has not received any substantiated complaint from any individual or authority, nor has it paid or was liable to pay any penalty because of any employment law breach.

The Group is committed to responsible corporate governance, including the implementation of measures to encourage employees and representatives of the Group to identify and report in good faith any concerns relating to serious misconduct which is, or potentially could be:

- a criminal offence (including theft, drug use/sale, violence or threatened violence and criminal damage to property);
- a breach of a legal obligation;
- dishonest, fraudulent or corrupt;
- a serious risk to the health of an individual, the general public, the environment or the financial system;
- in breach of any of the Groups other codes of conduct or policies; or
- designed to conceal business records or other evidence related to any of the factors above.

EMPLOYMENT, SUPPORT AND THE PROTECTION OF EMPLOYEE RIGHTS (CONT'D)

Preventing and addressing the Group's own involvement in the use of child or forced labour in any of its operations is central to our sustainability approach including our commitment to running a safe, responsible and profitable business. In line with both the laws of the countries we operate in and our recruitment policy, the Group does not employ persons under the legal age of employment. In the year under review, the Group has not employed any person under the age of 18 and owing to the location of our operations the incurrence of child labour is not a significant risk factor. Supply chain management is detailed below.

TABLE 7: TOTAL WORKFORCE

Geographical region	2021	%	2020	%
– Finland	38	51%	42	53%
– Sweden	31	41%	32	41%
– Australia	6	8%	5	6%
Total	75	100%	79	100%

Gender	2021	%	2020	%
– Male	56	75%	60	76%
– Female	19	25%	19	24%
Total	75	100%	79	100%

Employment type	2021	%	2020	%
– Full-time	73	97%	47	60%
– Part-time	2	3%	32	40%
Total	75	100%	79	100%

Employee turnover during 2021 in Finland was below 2.5% (2020: 12.5%).

Sweden employee turnover is not presently tracked until full-scale mining activities commence at the Group's Fäboliden Gold Mine.

The Group has a security dealing policy that sets out the policy for dealings in Dragon Mining shares. The dealing in shares is also set out in accordance with the respective Corporations Act 2001 in Australia and the requirements of the Hong Kong Companies Ordinance.

The Group manages data protection and privacy as part of its IT processes and has several policies to manage IT related risks including off-site backup. The Group is required to carry out statutory commissioning and periodic inspections of the site areas.

COMMITMENT TO CONTINUOUS LEARNING

The Group is committed to fostering a culture of continuous learning in our organisation. Management is involved, together with external trainers, in designing training programmes that meet the needs of employees. Training content and topics are set to cover the key aspects of our operations to ensure all employees have the necessary skills to conduct their roles safely.

Types of training may include:

- compliance and regulatory;
- management skills and personal development – leadership skills, supervisory skills, KPI setting, communication and interpersonal skills, coaching skills, self-development skills;
- job specific training;
- comprehensive safety induction for all newly hired employees on their first day;
- mandatory job and activity specific health and safety training is provided to employees and contractors; and
- all completed training is recorded in the training register.

Due to the nature of the industry in which the Group operates, some training is mandatory and includes first aid, work safety, and inductions. Employees also have Union representation, and the Union provides ongoing training to nominated employee safety representatives. In 2021, approximately 29% (2020: 40%) of blue collar and white-collar employees received training in Finland. No training of blue collar or white-collar employees received training in Sweden during 2021 due to COVID-19 restrictions.

HEALTH AND SAFETY

Safety is the Group's number one priority, and we make every effort to safeguard the health and wellbeing of our employees, contractors, and communities. The Group goes above and beyond what is expected to comply with local health and safety legislation. This is not just because we care for the people we work with, but also because a safe business is operationally sound. The Group's Code clearly communicates its attitude and commitment towards protecting employee health and safety including conflict resolution and fair dealings.

The Group strives to maintain its safety culture through its leadership team, which delivers a clear safety message to all employees. 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 requirements.

HEALTH AND SAFETY (CONT'D)

The Group reports the Lost Time Injury Frequency Rate ("LTIFR") to measure workplace safety and track the efficiency of newly 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. The LTIFR calculation is based on the number of injuries resulting in one lot shift sustained over a specific period per 1,000,000 work hours worked by all employees including sub-contractors over that period.

During 2021, 2 LTI were recorded at the Group's Finnish operations (Vammala 1 LTI and Jokisivu 1 LTI during 2021). Prior to the cessation of mining, Orivesi achieved over 2,585 days LTI free. Vammala, Jokisivu and Kaapelinkulma each recorded 304 and 298 and 1,826 days, respectively.

	2021	2020
Lost Time Injury Frequency Rate	12.15	12.81

The LTI frequency rate in Finland in 2021 was 12.15 days per 1,000,000 worked hours.

The Group has not sustained any work-related fatalities at any of its operations since its incorporation.

COVID-19 PANDEMIC

The COVID-19 pandemic has had a significant impact on individuals, communities, and business globally. Employees at all levels of the Group's business were asked to change the way they work, and how they interacted professionally and socially. In line with the various Government health measures, the Group implemented significant controls and requirements at all its sites to protect the health and safety of its workforce, their families, local suppliers, and neighbouring communities, while ensuring a safe environment for operations to continue.

The Group's COVID-19 response protocols reinforce, and operate concurrently with, public health advice. They include:

- social distancing protocols;
- suspension of large indoor gatherings;
- cancellation of non-essential travel;
- flexible and remote working plans for employees;
- access to site restrictions and temperature screening;
- self-isolation following international travel, development of symptoms or interaction with a confirmed case of COVID-19;
- increased inventory of hand sanitiser and hygiene supplies; and
- increased focus on cleaning and sanitation.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The Group is committed to upholding human rights and respect cultures, customs, and values in all dealings with people, places, and companies involved in our activities. The Group strives to implement environmentally and socially responsible supply chain practices by working closely with all stakeholders including, suppliers, local community, and the respective authorities.

The Group recognises that gold is one of the major precious metals that can be used for money laundering and financing of terrorism.

Gold doře bars produced at the Svartliden Plant, and gravity gold concentrate produced at the Vammala Plant, are transported to the refiner in Switzerland (“Refiner”) for refining into gold bullion. The Group is confident the Refiner complies with national and international provisions on the prevention of money laundering and terrorism financing, and the responsible handling of precious metals through its entire supply chain (up and downstream).

Gold bullion credits are credited by the Refiner to the Group’s gold bullion account held with JP Morgan. Since the Group sells its gold bullion through large financial institutions on the London Bullion Market, the Group has no access on who ultimately purchases the gold bullion.

A system is in place to ensure procurement and operational practices are free from unfair business practices. Every supplier of goods and services must sign the Group’s service agreement, which outlines the requirements and expectations of the Group on the following:

- work management and supervision;
- employee rights and responsibilities;
- permitting;
- general safety;
- employment practices;
- handling and storage of hazardous chemicals; and
- fuel transportation.

TABLE 8: SUPPLIERS BY GEOGRAPHICAL REGION

Geographical region	2021	%	2020	%
– Finland	399	59%	414	62%
– Sweden	231	34%	219	32%
– Australia	48	7%	40	6%
Total	678	100%	673	100%

The Group engages numerous external parties in its day-to-day operations including construction services, concentrate and ore transportation services, labour providers and personnel hire services, environment, and process consultants, chemical, water analysis and laboratories services, drilling services, tailings dam construction, as well as suppliers of raw materials, auxiliary materials, and machines and equipment. To assist in maintaining a transparent supply chain, the Group only procures goods and services from suppliers and contractors whose trade, employment practices and company values are aligned to ours. The Group’s service agreement communicates our expectations related to human and labour rights, safety, and the environment. Compliance is actively monitored by onsite managers who identify and report any issues to the wider management team via daily, weekly, and monthly management meetings. Any necessary action will be actioned in a timely manner.

PRODUCT STEWARDSHIP AND RESPONSIBILITY

At Dragon Mining, we value responsible environmental management, seek continual improvement of our environmental performance, and aspire to be effective environmental stewards.

The Group has several internal checks to ensure purchases are co-authorised in accordance with an approval hierarchy. Gold is sold through an independent third party on-market and the end quantity sold is reconciled back to the original shipped ounces. The gold room is fitted with security such as cameras; a password protected entrance; and dual sign off at each stage of handling.

The Group has two production plants, the Vammala Plant in Finland, and the Svartliden Plant in Sweden. The Vammala Plant is a conventional flotation facility that produces gold concentrate, which is transported to the Svartliden Plant to produce gold doré bars, and (a lesser amount of) gravity gold. Both the gold doré bars and gravity gold are transported directly to the Refiner. The Group has a contract with the Refiner that specifies issues relating to health and safety, labelling, services quality, and methods of redress.

For example, the labelling of each shipment includes information on the following:

- number of boxes;
- gross and net weight;
- detailed packing list;
- estimate of fineness of gold and silver;
- information relevant its transportation;
- estimated value of the shipment; and
- a list of any deleterious elements.

The usage of packaging material for gold doré bar shipments is minimal and therefore not a material Group KPI.

The service agreement sets out the Group's position on data security and privacy, including:

- work related documents are the property of the Group unless otherwise specifically agreed. Suppliers and others on site shall not pass on information related to the production process, financial or any other confidential matter to third parties;
- destruction of documents containing confidential information must be carried out reliably; and
- any photography or video recording on site requires permission.

Gold in concentrate, gravity gold and gold doré bars are produced in accordance with the terms of the respective contracts which specify, among other things, the shipment quality and quantity requirements, penalties for impurities, which is not uncommon in the mining industry, and shipment rejection. The Group has had no shipments rejected during the year ended 31 December 2021 (2020: nil).

COMMUNITY

The Group is very clear on the need to earn the respect and support of the communities in which it is located by operating within its permit levels, and by demonstrating a tangible commitment to environmental sustainability.

The Group operates in four national regulatory environments (including Australia and Hong Kong) and the supra-national regime of the European Union. While compliance with these regulatory environments and specific operational license conditions are the basis of the Group's environmental management procedures, the Group is committed to the principle of developing and implementing appropriate practices in environmental design and management and will actively work to:

- protect the environment surrounding its operations;
- give environmental aspects due consideration in all phases of mining projects, from exploration and evaluation through to development, production, and final closure; and
- act systematically to improve the planning, execution, and monitoring of its environmental performance.

The Group is committed to operating in a way that contributes to the sustainable development of mineral resources through efficient, balanced, and long-term management, while showing due consideration for the wellbeing of people, protection of the environment and the development of the local and national economy and of society in general.

The Group's Sustainability Policy seeks to ensure it is a constructive partner to advance the social, economic, and institutional development of the communities in which it operates. Permitting in the Group operating regions require an extensive phase of community consultation. The Group carries out its activities regarding the interests of any affected landowners and other stakeholders. The Group fully acknowledges the rights, cultures, customs, and values of people affected by the development and exploitation of mineral resources. During 2020, the Group undertook the following activities in the local communities:

- formal engagement with an indigenous Sami village in Sweden;
- Support to junior soccer team in Huittinen (Jokisivu); and
- co-operate with local hunting club in Sweden (Fäboliden), permission to hunt on Company owned land.



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DRAGON MINING
LIMITED

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