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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)

VOLUNTARY ANNOUNCEMENT

FÄBOLIDEN UNDERGROUND SCOPING STUDY COMMENCES

This announcement is made by Dragon Mining Limited 龍資源有限公司* (“**Dragon Mining**” or the “**Company**”) on a voluntary basis to inform the shareholders of the Company and potential investors of our activities.

The Company is pleased to advise that they have engaged independent mining consultants RPM Advisory Services Pty Ltd in Perth, Western Australia to undertake a Scoping Study that will examine the potential to carry out underground mining at the Fäboliden Gold Mine (“**Fäboliden**”) in northern Sweden. The Scoping Study will focus on the defined Mineral Resources outside the planned open-pit design, which extend over a strike length of 1,295 metres and to a current maximum depth of 665 metres vertically below the natural surface.

The results from the study will identify areas from which the Company can prioritise future activities, with view to achieving a seamless transition to underground mining at Fäboliden following the completion of open-pit mining.

Fäboliden is located 40 kilometres west of the regional centre Lycksele in the Västerbotten County and represents a source of gold-bearing ore that can be trucked to, and processed at the Company’s wholly owned carbon-in-leach facility at Svartliden (“**Svartliden Plant**”).

On 23 November 2017, the County Administration Board (“**CAB**”) in Västerbotten granted Dragon Mining a Permit for test mining operations at Fäboliden (“**Test Mining Permit**”), the Test Mining Permit obtaining legal enforcement on 11 May 2018. The Company commenced pre-stripping activities in August 2018 and extracted and transported the first ore to the Svartliden Plant in June 2019. In accordance with the conditions of the Test Mining Permit, test-mining activities recommenced at Fäboliden in May 2020. Test mining activities will continue through to the end of September 2020.

The Company continues to work towards obtaining environmental approval for full-scale mining at Fäboliden. Having completed two supplementary information rounds, the application was publicly announced by the Land and Environment Court on 4 April 2020 with a deadline for comments set to 2 June 2020.

The majority of stakeholders have submitted their statements within the set deadline, whilst a small number of stakeholders have been granted an extension. The Company is currently reviewing the submitted statements and awaiting the remaining submissions along with instructions from the Land and Environment Court regarding the next step in the Fäboliden permitting process.

The change permit application for the Svartliden process site, to allow the full-scale processing of Fäboliden ore and tailings disposal, has commenced with an initial consultation with the CAB. On 8 June 2020, the CAB ruled that the change permit does not constitute a significant environmental impact. This allows the Company to undertake a smaller Environmental Impact Assessment and opportunity to advance through a more simplified permitting process.

By Order of the Board
Dragon Mining Limited
Arthur George Dew
Chairman

Hong Kong, 23 June 2020

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*