If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Dragon Mining Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

POTENTIAL CHANGE OF SUBSTANTIAL SHAREHOLDER IN CONNECTION WITH THE PROPOSED TRANSFER AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the "**EGM**") of Dragon Mining Limited (the "**Company**") to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 12 August 2021 at 3:00 p.m. (Hong Kong time) is set out on pages III-1 to III-4 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy ("**Proxy Form**") in accordance with the instructions printed thereon and return the same to (i) the Company's principal share registrar in Australia, Computershare Investor Services Pty Limited of Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067, Melbourne, Australia; or (ii) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event by 3:00 p.m. on Tuesday, 10 August 2021 (Hong Kong time), being not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the Proxy Form will not preclude the shareholders of the Company (the "**Shareholder(s)**") from attending and voting in person at the meeting or any adjournment thereof if they so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please see page 1 of this document for measures being taken to try to prevent and control the spread of the Novel Coronavirus (COVID-19) at the EGM, including:

- compulsory temperature checks
- compulsory wearing of surgical face masks for each attendee

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the EGM venue. The Company also encourages the Shareholders to consider appointing the chairman of the EGM as his/her proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

* *For identification purpose only*

9 July 2021

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In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM:

(i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue and be asked to leave the EGM venue.

(ii) All Shareholders, proxies and other attendees that (a) have travelled, and have been in close contact with any person who has travelled from the mainland China and Macau at any time in the preceding 14 days, or from Taiwan and overseas at any time in the preceding 21 days (as per the latest guidelines issued by the Hong Kong Government at www.chp.gov.hk from time to time); (b) are, and have been, in close contact with any person who is, subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); (c) are, and have been, in close contact with anyone who has, contracted COVID-19, has been tested preliminarily positive of COVID-19 or is suspected of contracting COVID-19; or (d) have any flu-like symptoms, may be denied entry into the EGM venue and be asked to leave the EGM venue.

(iii) All Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times. Any person who does not comply with this requirement may be denied entry into the EGM venue and be asked to leave the EGM venue. A safe distance between seats are also recommended.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and to be consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative to attending the EGM in person, Shareholders are encouraged to consider appointing the Chairman of the EGM as their proxy to vote on the resolution at the EGM by submitting form of proxy with voting instructions inserted.

The form of proxy is attached to this circular for Shareholders who opt to receive printed copies of the Company's corporate communications. Alternatively, the form of proxy can be downloaded from the Company's website at https://www.irasia.com/listco/hk/dragonmining/ and the website of The Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

In this circular (other than in Appendix II), unless the context otherwise requires, the following expressions shall have the following meanings:

"AGL"	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373)
"APAC"	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1104)
"APAC Group"	APAC and its subsidiaries from time to time
"API(1)"	Allied Properties Investments (1) Company Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of APOL and a substantial shareholder of APAC which owns approximately 39.90% of the issued share capital of APAC as at the Latest Practicable Date
"APL"	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, and owns the entire issued share capital of APOL
"APOL"	Allied Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor under the Sale and Purchase Agreement
"APRL"	Allied Properties Resources Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of APOL as at the date of the Sale and Purchase Agreement
"ASIC"	Australian Securities and Investments Commission
"associate(s)"	has the meaning ascribed to it under the Corporations Act
"ASX"	Australian Securities Exchange operated by ASX Limited

"Board"	the board of Directors
"Company"	Dragon Mining Limited ACN 009 450 051, a company incorporated in Australia with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1712)
"Corporations Act"	Corporations Act 2001 (Commonwealth of Australia)
"Director(s)"	director(s) of the Company
"Dragon Shares"	41,032,727 Shares, representing approximately 25.83% of the issued share capital of the Company
"EGM"	the extraordinary general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 12 August 2021 at 3:00 p.m. (Hong Kong time) or any adjournment thereof
"GLL"	Genuine Legend Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of APAC, being the purchaser under the Sale and Purchase Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Expert"	BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045
"Independent Expert's Report"	the independent expert's report prepared by the Independent Expert dated 9 July 2021
"Latest Practicable Date"	5 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"non-associated Shareholders"	all Shareholders excluding (i) APOL, GLL, APAC, API(1) and any of their associates in respect of the Company, details of which are set out in section 6(b) of Appendix I to this circular; and (ii) Messrs. Arthur George Dew and Brett Robert Smith
"Proposed Transfer"	the proposed transfer by APOL of all of its shares in APRL to GLL, and the assignment to GLL a shareholder's loan in the principal amount of HK$412,260,336 due to APOL by APRL
"Proxy Form"	the proxy form for the EGM
"relevant interest"	has the meaning ascribed to it under the Corporations Act
"Resolution"	the ordinary resolution in relation to the Proposed Transfer to be proposed at the EGM
"Sale and Purchase Agreement"	the sale and purchase agreement dated 14 May 2021 entered into between GLL and APOL in relation to the Proposed Transfer
"Sale Share"	one ordinary share of par value of US$1.00 in the capital of APRL legally and beneficially owned by APOL, representing the entire issued share capital of APRL as at the date of the Sale and Purchase Agreement
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"US$"	United States dollars, the lawful currency of the United States
"voting power"	has the meaning ascribed to it under the Corporations Act
"%"	per cent

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

(Stock Code: 1712)

Executive Director:
Brett Robert Smith
(Chief Executive Officer)

Non-Executive Directors:
Arthur George Dew
(Chairman of the Board of Directors)
Lam Lai

Alternate Director:
Wong Tai Chun Mark *(acting as the alternate Director to Arthur George Dew)*

Independent Non-Executive Directors:
Carlisle Caldow Procter
Pak Wai Keung Martin
Poon Yan Wai

Registered Office:
Unit 202, Level 2,
39 Mends Street,
South Perth,
Western Australia 6151
Australia

Principal Place of Business in Hong Kong:
22nd Floor,
Allied Kajima Building,
138 Gloucester Road, Wanchai,
Hong Kong

9 July 2021

To the Shareholders

Dear Sir or Madam,

POTENTIAL CHANGE OF SUBSTANTIAL SHAREHOLDER IN CONNECTION WITH THE PROPOSED TRANSFER AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 14 May 2021. The Company has been informed by APOL (a substantial shareholder of the Company) that, on 14 May 2021, APOL entered into the Sale and Purchase Agreement with GLL.

* *For identification purpose only*

As disclosed in the announcement and circular of APAC dated 14 May 2021 and 25 June 2021, respectively, pursuant to the Sale and Purchase Agreement and subject to the fulfillment (or waiver where applicable) of the conditions thereunder, (i) GLL shall acquire and APOL shall sell the Sale Share, representing the entire issued share capital of APRL; and (ii) the shareholder's loan in the principal amount of HK$412,260,336 due to APOL by APRL shall be assigned by APOL to GLL. As at the date of the Sale and Purchase Agreement and the Latest Practicable Date, respectively, the principal asset of APRL was its 41,032,727 Shares, which represents approximately 25.83% of the issued share capital of the Company. Upon completion of the Proposed Transfer, APAC, via GLL and APRL, shall become a substantial shareholder of the Company. Details of the Proposed Transfer are set out in Appendix I to this circular.

The Independent Expert has also been commissioned by the Company to prepare the Independent Expert's Report, which contains comments on the relative advantages and disadvantages of the Proposed Transfer to the non-associated Shareholders of the Company, details of which are set out in Appendix II of this circular.

An EGM will be convened for the Shareholders to consider and, if thought fit, approve GLL, APAC and API(1) to acquire a relevant interest in 41,032,727 Shares by acquiring all of the issued share capital of APRL on the terms and conditions set out in the Sale and Purchase Agreement, and consequently, for GLL, APAC, API(1) and their respective associates to hold voting power in the Company of approximately 25.83%.

The purpose of this circular is to provide you with, among other things, (i) an explanatory memorandum on the proposed change of substantial shareholders in connection with the Proposed Transfer; (ii) an independent expert's report; and (iii) a notice of the EGM.

DIRECTORS' INTERESTS IN THE PROPOSED TRANSFER

As at the Latest Practicable Date, Mr. Arthur George Dew, being the Chairman and a non-executive Director, is also the chairman and a non-executive director of each of AGL and APAC, and holds 220,000 Shares, representing approximately 0.14% of the issued share capital of the Company. Mr. Brett Robert Smith, being the Chief Executive Officer and an executive Director, is also the deputy chairman and an executive director of APAC, and holds 118,866 Shares, representing approximately 0.07% of the issued share capital of the Company. Accordingly, Messrs. Arthur George Dew and Brett Robert Smith are deemed to be interested in the Proposed Transfer and therefore have abstained from voting on the relevant Board resolution.

Apart from the above, none of the Directors (i) holds any interest in any securities in APOL, GLL, APRL, APAC, API(1) or any of their respective associates; (ii) is a party to any agreement with any other person in connection with, or conditional upon, the outcome of the Proposed Transfer; and (iii) has agreed to receive or is entitled to receive any benefit from APOL, GLL, APRL, APAC, API(1) or any of their respective associates, as at the Latest Practicable Date.

EGM

As at the Latest Practicable Date, AGL indirectly held (i) 486,457,630 shares in APAC, representing approximately 39.90% of the total issued share capital of APAC; and (ii) 41,032,727 Shares, representing approximately 25.83% of the issued share capital of the Company. Accordingly, AGL and its associates (including APRL, APOL and APL) will abstain from voting on the Resolution. In any event, pursuant to the Corporations Act, the Company will disregard any votes cast on the Resolution by APRL, GLL, APAC, API(1) or any of their associates (a list of which is set out in section 6(b) of Appendix I to this circular). Further, given the deemed interests in the Proposed Transfer as set out above, Messrs. Arthur George Dew and Brett Robert Smith will also abstain from voting on the Resolution. To the best of the knowledge and belief of the Directors having made all reasonably enquiries, save as disclosed in this circular, no other Shareholder has a material interest in the Proposed Transfer such that he/she/it shall abstain from voting on the Resolution.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As the Resolution does not relate purely to a procedural or administrative matter, it will be put to vote by way of poll at the EGM. An announcement on the results of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The notice of EGM is set out on pages III-1 to III-4 of this circular. A Proxy Form is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying Proxy Form in accordance with the instructions printed thereon and return the same to (i) the Company's principal share registrar in Australia, Computershare Investor Services Pty Limited of Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067, Melbourne, Australia; or (ii) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event by 3:00 p.m. on Tuesday, 10 August 2021 (Hong Kong time), being not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the Proxy Form will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

RECOMMENDATION

Having taken into account details of the Proposed Transfer and the comments of the Independent Expert, the Directors (except Messrs. Arthur George Dew and Brett Robert Smith, who have abstained from voting on the relevant Board resolution) are of the opinion that the proposed Resolution for approval of GLL, APAC and API(1) to acquire a relevant interest in 41,032,727 Shares by acquiring all of the issued share capital of APRL on the terms and conditions set out in the Sale and Purchase Agreement, and consequently, for GLL, APAC, API(1) and their respective associates to hold voting power in the Company of approximately 25.83% are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all non-associated Shareholders to vote in favour of the Resolution.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
Dragon Mining Limited
Brett Robert Smith
Executive Director and Chief Executive Officer

This Appendix contains particulars which would enable the Shareholders to make an informed view on whether to vote for or against the Resolution in connection with the Proposed Transfer.

1. RESPONSIBILITY STATEMENT

This Explanatory Memorandum has been prepared to help Shareholders understand the business to be put to them at the forthcoming EGM. The information contained herein (except for information regarding APAC and its intentions) has been prepared by the Company and is the responsibility of the Company. Information concerning APAC and its intentions has been provided by APAC, and none of the Company, its associates or its advisers assumes any responsibility for the accuracy or completeness of that information.

2. BACKGROUND

(a) Proposed Transfer

Reference is made to the announcement of the Company dated 14 May 2021. The Company has been informed by APOL (a substantial shareholder of the Company) that, on 14 May 2021, APOL entered into the Sale and Purchase Agreement with GLL.

As disclosed in the announcement and circular of APAC dated 14 May 2021 and 25 June 2021, respectively, pursuant to the Sale and Purchase Agreement and subject to the fulfillment (or waiver where applicable) of the conditions thereunder, (i) GLL shall acquire and APOL shall sell the Sale Share, representing the entire issued share capital of APRL; and (ii) the shareholder's loan in the principal amount of HK$412,260,336 due to APOL by APRL shall be assigned by APOL to GLL. As at the date of the Sale and Purchase Agreement and the Latest Practicable Date, respectively, the principal asset of APRL was its 41,032,727 Shares in the Company, which represents approximately 25.83% of the issued share capital of the Company. Upon completion of the Proposed Transfer, APAC, via GLL and APRL, shall become a substantial shareholder of the Company.

Completion of the Proposed Transfer is conditional upon satisfaction of, among other things, the following conditions precedent:

(i) the passing of the resolution(s) by both (a) the requisite majority of the shareholders of APAC who are entitled to vote on the relevant resolution(s) under the Listing Rules and other applicable laws and regulations; and (b) APAC, in its capacity as the sole shareholder of GLL, to approve GLL entering into and undertaking its obligations as set out in the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ii) the passing of the resolution(s) by the requisite majority of the Shareholders approving the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the relevant laws of Australia; and

(iii) all necessary regulatory approvals and third-party consents having been obtained and not revoked prior to completion of the Proposed Transfer.

APOL and APAC have advised that a special general meeting of APAC's shareholders will be held on 20 July 2021 to consider the Proposed Transfer.

In the event that shareholders of APAC do not approve the Sale and Purchase Agreement and the transactions contemplated thereunder, the Sale and Purchase Agreement will be terminated with immediate effect and, as such, the Company will take such action as is necessary to cancel the EGM and advise the Shareholders of such cancellation.

(b) Rationale for the Proposed Transfer

The Company has been advised by APAC that, it was the focus of the APAC Group to look for investment opportunities in listed and unlisted securities globally in the resources sector in both resource investment and primary strategic investment business segments. Taking into account a combination of factors, including but not limited to (i) the favourable financial performance and growth potential of the gold mining and processing business of the Company; and (ii) the impracticality of acquiring a significant minority position in the Company through on-market transactions given its low market liquidity, the directors of APAC believe the Proposed Transfer is an attractive investment opportunity for the APAC Group to further extend its natural resources investment in gold mining and enhance the returns on investment for the APAC Group.

(c) Information on the parties to the Proposed Transfer

As advised by APOL and APAC, the information on the parties to the Proposed Transfer is as follows:

APOL

APOL is a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of AGL. The principal business activity of APOL is investment holding.

GLL

GLL is a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of APAC. The principal business activity of GLL is investment holding.

APAC

APAC is a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. As at the Latest Practicable Date, so far as is known to APAC, the substantial shareholders of APAC which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance were as follows:

Long positions in the shares and underlying shares of APAC

Name of substantial shareholders	Capacity in which interests are held	Number of shares/ underlying shares held: Interests in shares	Number of shares/ underlying shares held: Total interests	Approximate percentage of shareholding
Old Peak Asia Fund Ltd.	Interest of a controlled corporation *(Note 1)*	110,000,000	110,000,000	9.03%
OPG Holdings LLC	Interest of a controlled corporation *(Note 1)*	110,000,000	110,000,000	9.03%
Shougang Fushan Resources Group Limited	Interest of a controlled corporation *(Note 2)*	143,400,000	143,400,000	17.64%
AGL	Interest of controlled corporations *(Note 3)*	486,457,630	486,457,630	39.90%
Lee and Lee Trust	Interest of controlled corporations *(Note 5)*	486,457,630	486,457,630 *(Note 4)*	39.90%

Notes:

1. These shares are held by OP Master Fund Ltd. ("**OP Master**"), a wholly-owned subsidiary of Old Peak Asia Fund Ltd., and Old Peak Ltd. ("**Old Peak**"), a wholly-owned subsidiary of Old Peak Group Ltd. which in turn is a wholly-owned subsidiary of OPG Holdings LLC. Accordingly, Old Peak Asia Fund Ltd. and OPG Holdings LLC are deemed to have interests in the shares of APAC in which OP Master and Old Peak are interested.

2. These shares are held by Benefit Rich Limited ("**Benefit Rich**"), a wholly-owned subsidiary of Shougang Fushan Resources Group Limited. Accordingly, Shougang Fushan Resources Group Limited is deemed to have an interest in the shares of APAC in which Benefit Rich is interested.

3. These shares are held by API(1), a wholly-owned subsidiary of APOL which in turn is a wholly-owned subsidiary of APL. AGL directly and indirectly (through Capscore Limited, Citiwealth Investment Limited and Sunhill Investments Limited, all being direct wholly-owned subsidiaries of AGL) owns in aggregate 100% of the total number of issued shares of APL. AGL is therefore deemed to have an interest in the shares of APAC in which API(1) is interested.

4. This represents the same interests of AGL in 486,457,630 shares of APAC.

5. Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.96% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and is therefore deemed to have an interest in the shares of APAC in which AGL is interested through API(1).

APAC Group is an established investment fund and commodity trading house which owns strategic interests in natural resource companies with the main business lines comprising of primary strategic investment, resource investment, and commodity trading business, focused primarily on metals, mining and energy and investment in financial assets. As at the Latest Practicable Date, APAC holds the following investments in ASX-listed mining companies:

(i) 46.30% interest in Tanami Gold NL (ASX: TAM), a gold explorer in Western Australia;

(ii) 36.35% interest in Mount Gibson Iron Limited (ASX:MGX), an iron ore producer in Western Australia;

(iii) 15.31% interest in Metals X Limited (ASX:MLX), a base metals explorer and producer in Australia;

(iv) 10.89% interest in Prodigy Gold NL (ASX: PRX) (formerly ABM Resources NL, ASX: ABU), a gold explorer in Western Australia; and

(v) 0.47% interest in Westgold Resources Limited (ASX:WGX), a gold explorer and producer in Australia.

AGL

AGL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange. As set out above, Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controls approximately 74.96% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) as at the Latest Practicable Date.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services in Hong Kong, the provision of finance and investments in listed and unlisted securities.

3. SHAREHOLDER APPROVAL REQUIREMENT

(a) Takeovers prohibition and shareholder approval exception

Section 606 of the Corporations Act contains a general prohibition on a person acquiring a relevant interest in issued voting shares in a listed company through a transaction which results in the voting power in the company of that person or another person increasing from 20% or below to more than 20% or from a starting point of more than 20% to a higher percentage.

A "relevant interest" in shares arises if, among other things:

- the person is the holder of the shares;
- the person has the power to, or controls the power to, exercise a right to vote attaching to the shares or dispose of the shares; or
- the person controls, or has voting power of 20% or more in, a company that has a relevant interest in the shares.

There are a number of exceptions to the prohibition in section 606 of the Corporations Act, including the exception set out in item 7 of section 611. Item 7 allows a person to acquire a relevant interest in a company's voting shares in excess of the 20% threshold with the approval of shareholders provided:

- no votes are cast in favour of such resolution by the proposed buyer and their associates or the proposed seller and their associates; and
- the members of the company were given all information known to the proposed buyer or their associates, or known to the company, that was material to the decision on how to vote on such resolution, including:
    - o the identity of the person proposing to make the acquisition and their associates;
    - o the maximum extent of the increase in that person's and each of their associates' voting power in the company that would result from the acquisition; and
    - o the voting power that person and each of their associates would have as a result of the acquisition.

A person will only be considered an associate of another person if provided for under section 12 of the Corporations Act.

(b) Application to the Proposed Transfer

Pursuant to the Proposed Transfer, GLL, APAC and API(1) will acquire a relevant interest in the Dragon Shares and consequently GLL, APAC, API(1) and their respective associates will hold voting power in the Company of approximately 25.83%.

Accordingly, the Resolution seeks the approval of non-associated Shareholders for the purposes of item 7 of section 611 of the Corporations Act to allow GLL, APAC and API(1) to acquire a relevant interest in the Dragon Shares and for GLL, APAC, API(1) and their respective associates to acquire voting power in the Company above the 20% threshold.

Importantly, as the Lee and Lee Trust ultimately holds a relevant interest in more than 20% of APAC, Lee and Lee Trust and each of its associates (including AGL, APL, APOL and APRL) will continue to hold a relevant interest in the Dragon Shares and voting power in the Company of approximately 25.83%.

Information in relation to the associates of APOL, GLL, APAC and API(1) is set out in section 6(b) of this Explanatory Memorandum.

4. INDEPENDENT EXPERT'S REPORT

To assist Shareholders in their consideration of the Proposed Transfer and reaching a conclusion on whether to vote for or against the Resolution, the Company has commissioned the Independent Expert to prepare the Independent Expert's Report in relation to the Proposed Transfer. Details of which are set out in Appendix II to this circular.

The Independent Expert has given and has not withdrawn its consent to the issue of this circular with the inclusion of its report given as of the date of the circular and references to its name in the form and context in which they appear.

5. RELEVANT CONSIDERATIONS FOR SHAREHOLDERS

(a) Reasons to vote in favour of the Resolution

(i) The Independent Expert has concluded the advantages of the Proposed Transfer outweigh the disadvantages.

As set out in the Independent Expert's Report, the Independent Expert has concluded that, in the absence of an alternate offer, the advantages of the Proposed Transfer outweigh the disadvantages to the Shareholders. Specifically, the Independent Expert did not consider there to be any disadvantages in approving the Proposed Transfer.

In particular, the Independent Expert notes that the Proposed Transfer will not result in any shift in value or dilution resulting from the transfer of existing Shares between APOL and GLL.

In addition, the Independent Expert has noted there is no premium for control to be paid by APAC and as such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their Shares.

Shareholders are urged to read the Independent Expert's Report carefully to understand the scope of the report, the methodology of the assessment, the sources of information and the assumptions made.

(ii) APAC has substantial experience in investing in resources companies and is likely to be an active and supportive Shareholder.

APAC's primary strategic investment business targets substantial investments in mineral explorers and producers that may provide cashflow, productivity assets or offtake opportunity. APAC has a specialist resources investment team and experience in holding substantial interests in resources companies, including Tanami Gold NL, Mount Gibson Iron Limited, Metals X Limited, Prodigy Gold NL (formerly ABM Resources NL) and Westgold Resources Limited. Accordingly, APAC is likely to be able to bring additional experience and operate as an active and supportive Shareholder in the Company, which may benefit the non-associated Shareholders.

(b) Reasons to vote against the Resolution

(i) Alternative view to the Independent Expert

Shareholders may disagree with the conclusions reached in the Independent Expert's Report.

(ii) Advantages may not be realised

The advantages outlined in section 5(a) of this Explanatory Memorandum include forward looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties as well as the decisions of third parties over whom the Company may have little or no influence. Ultimately, actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and Shareholders may disagree with the likelihood of those advantages being realised.

(iii) Changes to APAC's intentions

A summary of APAC's intentions in respect of the Company if the Proposed Transfer completes is set out in section 6 of this Explanatory Memorandum.

APAC's intentions have been formed on the basis of facts and information concerning the Company and the general business environment which is known to APAC as at the Latest Practicable Date. APAC has indicated that final decisions on these matters will be made by it in light of all material facts and circumstances at the relevant time. Accordingly, APAC's intentions may change as new information becomes available or as circumstances change.

(iv) Opportunity for a superior proposal

Shareholders might consider that a superior proposal to the Proposed Transfer may emerge, for example a takeover offer for all of the Shares in the Company from an independent third party. However, it should be noted that any such superior proposal, unless the acquirer intended to acquire less than 100% of the Company's Shares, would need to be subject to the agreement of APRL, as the holder of approximately 25.83% of the Company's Shares.

(c) Other relevant considerations

(i) The Company's costs and expenses will be fully reimbursed

The Company has entered into a cost reimbursement deed with APOL and GLL, under which any cost or expense to the Company associated with facilitating the Proposed Transfer, including the costs of legal advisers and holding the EGM, will be fully reimbursed within 10 business days of the date of the EGM, regardless of whether the Resolution is passed.

(ii) No impact on issued capital or financial position

No new Shares will be issued by the Company nor will any money be paid or received under or in connection with the Proposed Transfer, as such there will be no impact on the Company's issued capital or financial position.

6. FURTHER INFORMATION REGARDING APAC

(a) Intentions of APAC

(i) Appointment of Directors

APAC has advised that it has no current intention to make any changes to the Board following completion of the Proposed Transfer.

(ii) Intentions for the future of the Company

Save as disclosed in this Explanatory Memorandum, APAC has advised that, upon completion of the Proposed Transfer:

- it has no current intention to change the business of the Company, such that it will continue materially in the same manner as at the Latest Practicable Date;
- it has no current intention to inject further capital into the Company;
- it has no current intention regarding the future employment of the present employees of the Company;
- it has no current intention in relation to any proposal whereby property will be transferred between itself or its associates and the Company; and
- it has no current intention to otherwise redistribute the fixed assets of the Company.

(iii) Financial and dividend policies of the Company

APAC has no current intention to significantly change the financial or dividend policies of the Company (to the extent that there are any specific policies in place).

(iv) Additional transactions

The Company has been advised by each of the parties to the Proposed Transfer that they have no current intention to enter into, either directly or through their associates, any further transactions in respect of the Company or its Shares.

(v) General

The intentions and statements of future conduct set out above are of current intention only as at the Latest Practicable Date which may change as new information becomes available or circumstances change. The statements should be read in this context and also as being subject to the legal obligation of the Directors, including any nominees of APAC, to act in good faith in the best interest of the Company and for proper purposes, and to have regard to the interests of the Shareholders.

The implementation of APAC's current intentions of its ownership of the Shares will be subject to the laws of Australia (including the Corporations Act), the laws of Hong Kong and the Company's constitution.

(b) List of associates

The following persons have been identified as associates of APOL, GLL, APAC and API(1) in respect of the Company:

- APL;
- AGL;
- Lee and Lee Trust;
- Mr. Lee Seng Hui;
- Ms. Lee Su Hwei;
- Mr. Lee Seng Huang;
- in relation to APAC, Mr. Arthur George Dew (director of APAC); and
- in relation to APAC, Mr. Brett Robert Smith (director of APAC).

7. OTHER MATERIAL INFORMATION

Save as disclosed in the circular, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of the Resolution.

Set out below is the text of the Independent Expert's Report received from BDO Corporate Finance (WA) Pty Ltd, the Independent Expert, in respect of the Proposed Transfer for the purpose of inclusion in this circular.

FINANCIAL SERVICES GUIDE

9 July 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('**we**' or '**us**' or '**ours**' as appropriate) has been engaged by Dragon Mining Limited ('**Dragon Mining**' or '**the Company**') to provide an independent expert's report on the proposed sale of shares in Allied Properties Resources Limited ("**APRL**"), which holds approximately 25.83% of the issued share capital of Dragon Mining, from Allied Properties Overseas Limited ('**APOL**') to Genuine Legend Limited ('**GLL**'). You are being provided with a copy of our report because you are a shareholder of Dragon Mining and this Financial Services Guide ('**FSG**') is included in the event you are also classified under the Corporations Act 2001 ('**the Act**') as a retail client.

Our report and this FSG accompanies the circular of Dragon Mining dated 9 July 2021 ('**Circular**') required to be provided to you by Dragon Mining to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately A$80,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Dragon Mining.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Dragon Mining for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('**AFCA**').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('**FOS**') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out in the accompanying report.

We accept no duty of care or liability to you or any third party for any loss suffered in connection with the use of this document.

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9 July 2021

The Directors
Dragon Mining Limited
Unit 202, Level 2
39 Mends Street
South Perth, WA 6151

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. INTRODUCTION

On 17 May 2021, Dragon Mining Limited ('**Dragon Mining**' or '**the Company**') announced that one of the Company's substantial shareholders, Allied Properties Overseas Limited ('**APOL**'), a wholly-owned subsidiary of Allied Group Limited ('**AGL**'), had entered into a conditional sale and purchase agreement ('**the Sale and Purchase Agreement**') to transfer all of its shares in its wholly-owned subsidiary Allied Properties Resources Limited ('**APRL**') to Genuine Legend Limited ('**GLL**'), a wholly-owned subsidiary of APAC Resources Limited ('**APAC**') and to assign GLL a shareholder's loan in the principal amount of approximately HK$412 million ('**Shareholder Loan**') currently due to APOL by APRL subject to adjustment ('**the Proposed Transaction**').

Under the terms of the Proposed Transaction, the consideration payable by GLL to APOL will be approximately HK$103 million in cash.

As at the date of the announcement, APRL owned 41,032,727 shares in Dragon Mining, representing approximately 25.83% of the issued share capital of the Company. As the Proposed Transaction will result in GLL's ownership of Dragon Mining increasing from below 20% to more than 20%, approval from Dragon Mining shareholders not associated with the Proposed Transaction ('**Shareholders**') is required in order for the Proposed Transaction to proceed under the Corporations Act 2001 (Cth) ('**the Act**').

Further details of the Proposed Transaction are outlined in Section 4 of our Report. All figures are quoted in Australian dollars unless otherwise stated.

2. SUMMARY AND OPINION

2.1 Requirement for the report

The directors of Dragon Mining have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether or not the advantages of the Proposed Transaction outweigh the disadvantages from the perspective of Shareholders.

Our Report is prepared pursuant to item 7 of section 611 of the Act ('**Item 7 s611**') and is to be included in the Circular in order to assist Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('**ASIC**') Regulatory Guide 74 'Acquisitions Approved by Members' ('**RG 74**'), Regulatory Guide 111 'Content of Expert's Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- How the advantages of the Proposed Transaction compare to the disadvantages of the Proposed Transaction;
- Whether approving the Proposed Transaction will deter the likelihood of a takeover offer being made for Dragon Mining, which would provide Shareholders with the opportunity to receive a premium for control for their shares;
- Whether a premium for control is being offered in relation to the transfer of Dragon Mining shares;
- Whether further transactions are planned between Dragon and any of the parties to the Proposed Transaction or their associates;
- Other factors which we consider to be relevant to Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the advantages of the Proposed Transaction outweigh the disadvantages to Shareholders. Specifically, we do not consider there to be any disadvantages in approving the Proposed Transaction.

We consider the Proposed Transaction to be advantageous to Shareholders because there is no shift in value or dilution resulting from the transfer of existing Dragon Mining shares between GLL and APOL. In addition, there is no premium for control to be paid by APAC and as such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares in Dragon Mining.

Furthermore, the underlying consequence of the Proposed Transaction is minimal as there is no practical change in ultimate ownership, given that APOL and APAC are both investment holdings of the Lee and Lee Trust ('**L&L Trust**'), with AGL being focused on property investment and development and financial services together with property management and elderly care services, and APAC being focused on resources investments, which is deemed to be more appropriate for Dragon Mining.

2.4 Advantages and Disadvantages

We have considered the analysis in Section 11 of our Report, in terms of both:

- Advantages and disadvantages of the Proposed Transaction; and
- Other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

The advantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES

Section	Advantages
11.1.1	No premium for control will be payable by APAC, meaning that Shareholders will not miss out on the opportunity to receive a premium for control for their shares in Dragon Mining
11.1.2	APAC specialises in investments in resource companies
11.1.3	The ownership consequence of the Proposed Transaction is minimal as there is no practical change in ultimate ownership
11.1.4	APAC has no current intention to alter the board, future operations or financial position of Dragon Mining
11.1.5	All costs incurred in relation to the Proposed Transaction are to be reimbursed by APAC
11.1.6	Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company

Source: BDO analysis

We do not consider there to be any disadvantages to Shareholders should the Proposed Transaction proceed.

Other key matters we have considered include:

Section	Description
11.3	Alternative proposals
11.4	If the Proposed Transaction is approved, it is unlikely that it will deter a takeover bid
11.5	Practical level of control
11.6	Consequences of not approving the Proposed Transaction

Source: BDO analysis

3. SCOPE OF THE REPORT

3.1 Purpose of the Report

Section 606 of the Corporations Act ('**Section 606**') expressly prohibits the acquisition of shares or further shares by a party, if the party acquiring the interest does so through a transaction and because of the transaction, that party's (or someone else's) voting power in the company increases from 20% or below to more than 20%. In the case of the Proposed Transaction, GLL will acquire APOL's 25.83% interest in Dragon Mining, resulting in GLL's voting power increasing from below 20% to more than 20%.

Section 611 of the Corporations Act ('**Section 611**') provides exceptions to the Section 606 prohibition and item 7 s611 permits such an acquisition if Shareholders have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party. Item 7 s611 states that Shareholders must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 s611 resolution, Dragon Mining can commission an Independent Expert's Report. The directors of Dragon Mining have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

In determining whether the advantages of the Proposed Transaction outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111 which suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism utilised to effect it.

RG 111 suggests that an expert should assess whether a premium for control will be provided to the vendor of any shares. The greater any premium for control then the greater the advantages of undertaking the transaction must be to Shareholders.

RG 111 sets out that the expert should inquire whether further transactions are planned between the entity, the vendor or their associates and if any are contemplated determine if these are at arm's length.

RG 111 also suggests that an expert should consider whether the transaction will deter the making of a takeover bid.

3.3 Adopted basis of evaluation

RG 111 suggests that the main purpose of an Independent Expert's Report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

Having regard to RG 111, we have completed our Report as follows:

- An investigation into the advantages and disadvantages of the Proposed Transaction (Section 11);
- An analysis of any premium for control to be received by APOL (Section 10.5); and
- An analysis of any other issues that could be reasonably anticipated to concern Shareholders as a result of the Proposed Transaction (Section 11).

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. OUTLINE OF THE PROPOSED TRANSACTION

On 17 May 2021, Dragon Mining announced that one of the Company's substantial shareholders, APOL, a wholly-owned subsidiary of AGL, had entered into the Sale and Purchase Agreement to transfer all of its shares in its 100% owned subsidiary, APRL, to GLL, a wholly-owned subsidiary of APAC and to assign to GLL a Shareholder Loan, currently due to APOL by APRL subject to adjustment.

Upon completion of the Proposed Transaction (if approved), APRL will become a wholly-owned subsidiary of GLL and form part of the larger APAC group, and the Shareholder Loan will be assigned to GLL and become due to GLL by APRL. The Shareholder Loan is interest free and repayable on demand.

Under the terms of the Sale and Purchase Agreement, the consideration payable by GLL to APOL for its 100% interest in APRL will be HK$102,581,817.50 in cash.

The announcement by Dragon Mining was dated 14 May 2021 and released on the Hong Kong Stock Exchange ('**HKEx**') before market open on 17 May 2021. APAC announced the Proposed Transaction on the HKEx in its own disclosure at market close on 14 May 2021.

As shown in Section 6.1 of this Report, the only existing asset held by APRL is its 25.83% interest in Dragon Mining (representing 41,032,727 shares in Dragon Mining), which is held at a current book value of HK$84,471,185. Apart from the investment in Dragon Mining and the Shareholder Loan, APRL holds no other assets or liabilities.

Therefore, in line with the announcement by APAC on the HKEx on 14 May 2021, the Proposed Transaction is structured such that the cash consideration payable of HK$102,581,817.50 is directly in relation to the acquisition of APRL's investment in Dragon Mining. APAC disclosed in its announcement for illustrative purposes that this is equivalent to a value of HK$2.50 per Dragon Mining share.

The Proposed Transaction is subject to certain conditions precedent, the most significant of which are set out below:

- The passing of the resolution by the requisite majority of Shareholders approving the Proposed Transaction in accordance with item 7 of section 611 of the Act;

- The passing of the resolutions by both the requisite majority of the APAC shareholders who are entitled to vote on the relevant resolutions under the HKEx Listing Rules and other applicable laws and regulations and APAC, in its capacity as the sole shareholder of GLL, to approve GLL entering into and undertaking its obligations as set out in the Sale and Purchase Agreement;

- All other necessary governmental and regulatory approvals, consents, waivers, authorisation, registrations, filings and compliance with all the requirements under the Listing Rules and other applicable laws and regulations in connection with the Proposed Transaction having been obtained and not revoked prior to completion of the Proposed Transaction.

We note that if any of the aforementioned conditions precedent are not satisfied or waived by 14 August 2021 or such other date as may be agreed between GLL and APOL in writing and that is the later to occur of:

(a) three months after the date of the Sale and Purchase Agreement; and

(b) the date as may be approved by ASIC

the Sale and Purchase Agreement will be terminated.

5. PROFILE OF DRAGON MINING

5.1 History

Dragon Mining is a HKEx-listed gold producing company with operations in the Nordic region encompassing production plants and mining assets in Finland and Sweden. The Company's primary operations include:

- The Vammala Processing Plant ('**Vammala Plant**') in Finland;

- The Jokisivu Gold Mine ('**Jokisivu**') in Finland;

- The Kaapelinkulma Gold Mine ('**Kaapelinkulma**') in Finland;

- The Orivesi Gold Mine ('**Orivesi**') in Finland;

- The Svartliden Processing Plant ('**Svartliden Plant**') in Sweden;

- The Fäboliden Gold Mine ('**Fäboliden**') in Sweden; and

- The Svartliden Gold Mine ('**Svartliden**') in Sweden, now ceased.

The Company was previously listed on the ASX, but resolved to delist from the ASX on 19 October 2018 due to the majority of the Company's shareholders residing outside of Australia as well as a general lack of interest from Australian-based investors toward Dragon Mining's foreign gold assets. The Company subsequently completed a successful listing on the HKEx on 2 November 2018.

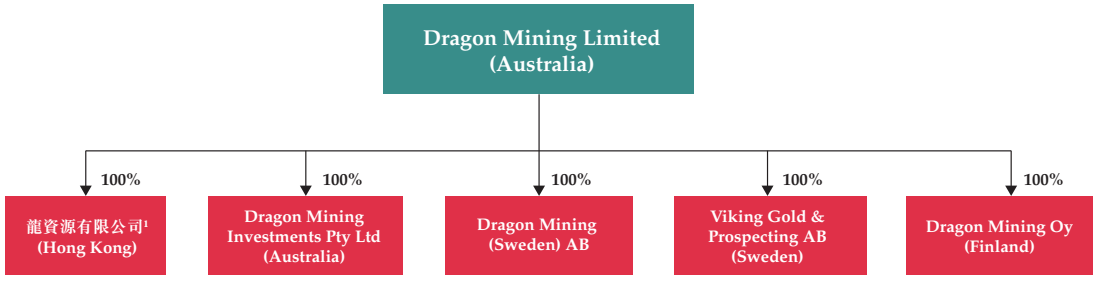
The Company's registered headquarters remain in South Perth, Western Australia, and the parent entity, Dragon Mining Limited, remains an Australian-incorporated public unlisted company subject to the Corporations Act.

The current directors of Dragon Mining are:

- Mr. Brett Robert Smith – Chief Executive Officer and Executive Director;
- Mr. Arthur George Dew – Chairman and Non-Executive Director;
- Mr. Wong Tai Chun Mark – Alternate Director to Arthur George Dew;
- Ms. Lam Lai – Non-Executive Director;
- Mr. Carlisle Caldow Procter – Independent Non-Executive Director;
- Mr. Pak Wai Keung Martin – Independent Non-Executive Director; and
- Mr. Poon Yan Wai – Independent Non-Executive Director.

5.2 Corporate Structure

Dragon Mining has a number of wholly owned subsidiaries as depicted below:



[1] *Translated to Dragon Mining Limited*
Source: Annual Report 2020.

5.3 Finnish Operations

We have presented a brief overview of the Company's mining operations in Finland to the extent that it relates to our assessment. Further information on the technical information of the projects is available in the Independent Technical Specialist Report in Appendix 4.

Operations Overview

Dragon Mining's Finnish operations encompass the Jokisivu, Kaapelinkulma and Orivesi gold mines, from which the ore that is extracted is processed through the Vammala Plant (collectively, '**the Vammala Production Centre**' or '**Vammala PC**'). The Vammala PC is located in southern Finland, approximately 160km northwest of Helsinki.

The Vammala Plant is a 300,000 tonnes per annum ('**tpa**') conventional crushing, milling and flotation facility, which was recommissioned in June 2007. From 2007 to 2019, the Vammala Plant primarily processed ore sourced from Orivesi and Jokisivu and had produced approximately 362 thousand ounces ('**koz**') of gold over the period to December 2019. In parallel, the Company was progressing the development of Kaapelinkulma, at which production first commenced in April 2019 through open pit operations.

Currently, production for the Vammala PC is primarily sourced from Jokisivu, which accounted for 261 kilotonnes ('**kt**') of the total 316kt ore milled at the Vammala PC for the year ended 31 December 2020. This follows the cessation of mining at Orivesi in June 2019, which historically produced higher grade ore tonnes. Furthermore, the Company has recently advised having mined the permitted volume at Kaapelinkulma, which means that production at Vammala going forward will stem solely from mining at Jokisivu.

In view of the above, the Company commenced active drilling campaigns throughout 2020 with the aim of generating sufficient resources to maintain the 300kt per annum production schedule. This is in line with the Company's operational cycle, whereby the Vammala PC's mine life is based on a rolling two year period, with drilling programmes undertaken every few years to supplement the 300kt production schedule.

Exploration

During 2020, Dragon Mining completed 167 diamond core drill holes over the course of 20,083 metres at targeted deposits in Jokisivu and Kaapelinkulma. This is compared to the 90 diamond core holes for 11,035 metres completed in 2019. In addition, early stage exploration activities were conducted over Orivesi through the undertaking of a geochemical survey and review of geophysical datasets.

On 16 March 2021, the Company announced its updated resource and reserve estimates for its Nordic operations. The latest mineral resource and reserves estimates for the Vammala PC as at 31 December 2020 are outlined in the tables below:

	Measured			Indicated			Inferred			Total		
Mineral Resource Estimate	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces
	kt	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*
Vammala PC												
Jokisivu	640	4.8	100	1,500	3.6	180	530	4.0	67	2,700	4.0	340
Kaapelinkulma	26	2.3	2	79	3.2	8	170	2.6	14	280	2.7	24
Orivesi	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	46
Total	760	4.8	120	1,700	3.8	210	770	3.7	93	3,200	4.0	410

Source: Annual Report 2020 and Management.

	Proved			Probable			Total		
Ore Reserves	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces
	kt	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*
Vammala PC									
Jokisivu	490	2.5	40	1,300	2.3	93	1,800	2.3	130
Kaapelinkulma	–	–	–	21	4.1	3	21	4.1	3

Source: Annual Report 2020 and Management.

In December 2020, Dragon Mining entered into an asset sale agreement to acquire an Exploration Permit application (ML2018:0082) from Sunstone Metals Limited ('**Sunstone**'), which fully surrounds the Dragon Mining Jokisivu project area. The acquisition was completed in the first half of 2021 and comprises possible gold deposit extensions which are interpreted to continue from Jokisivu into the exploration area.

In addition the Company applied for a new Exploration License encompassing the Uunimäki gold project ('**Uunimäki**') which is expected to be granted in the second half of 2021. Uunimäki is an advanced exploration area having been subjected to diamond core drilling and other exploration activities.

Environmental

On 12 March 2020, the Regional State Administrative Agency for Southern Finland ('**AVI**') issued Dragon Mining with a new environmental permit for the Vammala PC to process 300,000tpa of ore including from Kaapelinkulma. However, the new permit contained much stricter permit conditions for crushing which would have hindered the Company's ongoing approach to operations. Therefore, the Company is in the midst of appealing these conditions. Operations continue based on the existing environmental permit from 2008 while the appeal is being processed.

5.4 Swedish Operations

We have presented a brief overview of the Company's mining operations in Sweden to the extent that it relates to our assessment. Further information on the technical information of the projects is available in the Independent Technical Specialist Report in Appendix 4.

Operations Overview

Dragon Mining's Swedish operations encompass the Svartliden and Fäboliden gold mines as well as the Svartliden Plant (collectively, '**the Svartliden Production Centre**' or '**Svartliden PC**'). The Svartliden PC is located in northern Sweden, approximately 750km north of Stockholm.

The Svartliden PC was first established as part of an integrated operation comprising the Svartliden Plant and the Svartliden open-pit and underground gold mining operation that was brought into production in March 2005 with a total of 391,610

ounces ('**oz**') of gold produced (including external concentrates) up to the end of 2016. Underground mining at the Svartliden gold deposit was completed in the December 2013 quarter, following which stockpiled material was processed until April 2015.

The primary focus of the Company's Swedish operations is therefore on the Fäboliden gold project. The Company was granted an Environmental Permit for test-mining at Fäboliden starting May 2018. On 16 March 2020, the Company announced the updated results of its Life of Mine study for open cut operations at Fäboliden, which showed an increase in ore reserves which in turn, resulted in an increase in the forecast open pit mine life. Over the course of 2020, Dragon Mining mined and transported 39,951 tonnes of ore at 2.7g/t of gold to the Svartliden Plant. Processing of this ore at the Svartliden Plant was completed by November 2020.

The Svartliden Plant is a 300,000tpa conventional comminution and carbon in leach ('**CIL**') plant, which is currently on partial care and maintenance with the exception of occasional concentrate processing from the Company's Finnish operations as well as test ore from Fäboliden.

Exploration

The Company's primary exploration activity for its Swedish operations has been the undertaking of diamond core drilling campaigns at Fäboliden from late 2020 to early 2021. The latest mineral resource and reserves estimates for the Svartliden PC as at 31 December 2020 are outlined in the tables below:

	Measured			Indicated			Inferred			Total		
Mineral Resource Estimate	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces
	kt	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*
Svartliden PC												
Fäboliden	100	3.4	11	4,300	2.9	410	5,800	3.3	610	10,000	3.1	1,000
Svartliden	120	3.4	13	310	3.8	38	60	4.0	8	490	3.7	59
Total	220	3.4	24	4,600	3.0	440	5,900	3.3	620	11,000	3.1	1,100

Source: Annual Report 2020 and Management.

	Proved			Probable			Total		
Ore Reserves	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces	Tonnes	Gold	Ounces
	kt	*g/t*	*kozs*	*kt*	*g/t*	*kozs*	*kt*	*g/t*	*kozs*
Svartliden PC									
Fäboliden	110	3.0	11	2,000	2.9	190	2,100	2.9	200

Source: Annual Report 2020 and Management.

On 16 October 2020, the Company announced the results of its Fäboliden underground scoping study ('**Scoping Study**') for the purposes of assessing the viability of undertaking underground mining operations at Fäboliden. The Scoping Study highlighted a 15 year operating life with an average annual production of 23kozs of gold, which demonstrated the potential of a viable underground operation for the Company to advance further evaluation.

Environmental

The key environmental issue for Dragon Mining's Swedish operations is the application for the Fäboliden Environmental Permit to allow full scale mining to commence at Fäboliden.

A recent ruling in March 2021 by the European Court of Justice ('**EU Court**') which rejected certain Swedish case law relating to a Habitat's Directive, implied that additional field work and assessments were necessary for Dragon Mining's current Environmental Permit application to receive approval.

On 20 May 2021, the Company announced that it had requested from the Swedish Land and Environment Court for a deferral to submit its relevant material on 25 October 2021 and to hold the court hearing shortly thereafter. The Company emphasised in its request that it is imperative that the Environmental Permit application be processed before the end of 2021.

5.5 Recent Corporate Actions

On 7 January 2021, Dragon Mining announced a placement of up to 21,000,000 new shares at an issue price of HK$2.05 per Dragon Mining share to raise gross proceeds of up to approximately HK$43.05 million under general mandate ('**Placement**'). The intention of the Placement was to strengthen the Company's financial position and liquidity in anticipation for the requirement of significant additional funds to pay for additional environmental bonds relating to the Company's mines in Finland and Sweden as a result of changes to regulatory policies.

The Placement was completed on 22 January 2021 for the issue of 20,000,000 shares. The Company announced that it intended to apply the entire net proceeds of approximately HK$39.74 million toward the payment of additional environmental bonds.

5.6 Historical Statements of Financial Position

The historical statements of financial position of Dragon Mining based on the audited financial statements of the Company for the years ended 31 December 2020, 31 December 2019 and 31 December 2018 are outlined in the table below:

Statement of Financial Position	Audited as at 31-Dec-20 *$'000*	Audited as at 31-Dec-19 *$'000*	Audited as at 31-Dec-18 *$'000*
CURRENT ASSETS			
Cash and cash equivalents	14,352	8,182	10,905
Trade and other receivables	6,278	5,949	3,990
Inventories	16,114	16,684	10,057
Other assets	209	163	429
TOTAL CURRENT ASSETS	36,953	30,978	25,381
NON-CURRENT ASSETS			
Property, plant and equipment	38,534	33,347	26,556
Mineral exploration and evaluation costs	3,989	8,699	5,333
Right-of-use assets	377	320	–
Other assets	5,544	5,289	5,480
TOTAL NON-CURRENT ASSETS	48,444	47,655	37,369
TOTAL ASSETS	85,397	78,633	62,750
CURRENT LIABILITIES			
Trade and other payables	6,548	7,049	6,409
Provisions	2,351	2,263	1,892
Interest bearing liabilities	147	65	7
Other liabilities	321	226	100
Current tax liability	303	–	–
TOTAL CURRENT LIABILITIES	9,670	9,603	8,408
NON-CURRENT LIABILITIES			
Provisions	19,025	19,114	12,617
Interest bearing liabilities	3,217	6,535	4,278
Other liabilities	7	17	–
TOTAL NON-CURRENT ASSETS	22,249	25,666	16,895
TOTAL LIABILITIES	31,919	35,269	25,303
NET ASSETS	53,478	43,364	37,447
EQUITY			
Contributed equity	133,991	133,991	133,991
Reserves	(496)	(417)	(23)
Accumulated losses	(80,017)	(90,210)	(96,521)
TOTAL EQUITY	53,478	43,364	37,447

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

The Company's auditor issued an unqualified opinion for all three audited financial statement periods. We note for the year ended 31 December 2019, an emphasis of matter was raised in relation to the impact of the coronavirus outbreak ('**COVID-19**') on the preparation of the final report. The financial statements were not adjusted and the auditor's opinion was not modified in respect of this matter.

Commentary on Historical Statements of Financial Position

- The significant cash flow movements in the cash and cash equivalents balance over the assessed periods are outlined in the table below:

Significant Cash Flow Movements	**Audited for the year ended 31-Dec-20** *$'000*	**Audited for the year ended 31-Dec-19** *$'000*
Opening cash and cash equivalents	8,182	10,905
Receipts from customers	68,539	53,196
Payments to suppliers and employees	(47,056)	(45,345)
Payments for property, plant and equipment	(3,632)	(6,983)
Payments for development activities	(7,667)	(6,431)
Drawdown/(repayment) of loan facilities	(3,000)	2,000
Other cash flow movements	(1,014)	840
Closing cash and cash equivalents	14,352	8,182

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020 and 31 December 2019.

- Trade and other receivables comprised the following components over the assessed periods:

Trade and other receivables	**Audited as at 31-Dec-20** *$'000*	**Audited as at 31-Dec-19** *$'000*	**Audited as at 31-Dec-18** *$'000*
Trade receivables	5,019	4,281	2,843
Other receivables	1,259	1,668	1,147
Trade and other receivables	6,278	5,949	3,990

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

Other receivables include bank guarantees held on deposit with National Australia Bank ('**NAB**') for the lease of the Company's corporate premises. The deposits are rolled over every three months in accordance with the lease terms.

- Inventories are held at the lower of cost and net realisable value. The breakdown of inventories at the assessed periods are outlined in the table below:

Inventories	**Audited as at 31-Dec-20** *$'000*	**Audited as at 31-Dec-19** *$'000*	**Audited as at 31-Dec-18** *$'000*
Ore and concentrate stockpiles	7,261	9,875	4,509
Gold in circuit valued	8,003	5,896	4,499
Raw materials and stores	850	913	1,049
Total Inventories	16,114	16,684	10,057

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

- Property, plant and equipment of $38.53 million as at 31 December 2020 comprised the following components:

Property, plant and equipment	**Land** *$'000*	**Buildings** *$'000*	**Property, plant and equipment** *$'000*	**Mine properties** *$'000*	**Total** *$'000*
Finland (Dragon Mining Oy)					
Gross carrying amount – at cost	853	1,641	18,964	86,514	107,972
Less: Accumulated depreciation	–	(1,257)	(17,698)	(70,825)	(89,780)
Sweden (Dragon Mining AB)					
Gross carrying amount – at cost	524	939	17,045	49,587	68,095
Less: Accumulated depreciation	–	(928)	(15,686)	(31,286)	(47,900)
Corporate (Dragon Mining Limited Australia)					
Gross carrying amount – at cost	–	–	74	146	220
Less: Accumulated depreciation	–	–	(64)	(9)	(73)
Net carrying amount	1,377	395	2,635	34,127	38,534

Source: Dragon Mining's audited financial statements for the year ended 31 December 2020, Consolidation workbook for the year ended 31 December 2020.

- The balance movements of property, plant and equipment from 31 December 2019 to 31 December 2020 are further outlined below:

Property, plant and equipment	Land	Buildings	Property, plant and equipment	Mine properties	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Carrying amount at 31 December 2019	1,362	496	2,369	29,120	33,347
Additions	–	7	1,391	1,060	2,458
Depreciation	–	(110)	(1,111)	(6,733)	(7,954)
Disposals	–	–	–	–	–
Net foreign exchange movement	15	2	50	(357)	(290)
Reclassifications	–	–	(64)[1]	11,037[2]	10,973
Carrying amount at 31 December 2020	1,377	395	2,635	34,127	38,534

[1] *Reclassification of right-of-use assets*

[2] *Reclassification of exploration expenditure to mine properties.*

Source: Dragon Mining's audited financial statements for the year ended 31 December 2020.

- Right-of-use-assets of $0.38 million as at 31 December 2020 comprised $0.22 million related to property and $0.16 million related to plant and equipment which are all related to operations;

- Other current assets of $0.21 million as at 31 December 2020 related to prepayments while other non-current assets of $5.54 million related to environmental bonds that have been deposited with the Swedish and Finnish government authorities;

- Trade and other payables of $6.55 million as at 31 December 2020 all related to trade payables and accruals;

- Provisions primarily related to rehabilitation provisions for the Company's projects. The breakdown of provisions is outlined in the table below:

Provisions	Audited as at 31-Dec-20 *$'000*	Audited as at 31-Dec-19 *$'000*	Audited as at 31-Dec-18 *$'000*
Current			
Employee entitlements	1,839	2,263	1,762
Rehabilitation	313	–	–
Other	199	–	130
Current provisions	2,351	2,263	1,892
Non-current			
Employee entitlements	149	122	86
Rehabilitation	18,876	18,992	12,531
Non-current provisions	19,025	19,114	12,617

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

- The breakdown of provisions between the Company's Finnish and Swedish operations as at 31 December 2020 is further outlined in the table below:

Provisions	Employee entitlements *$'000*	Rehabilitation *$'000*	Other *$'000*	Total *$'000*
Current				
Finland (Dragon Mining Oy)	1,241	302	199	1,742
Sweden (Dragon Mining AB)	440	11	–	451
Corporate (Dragon Mining Limited Australia)	158	–	–	158
Current provisions	1,839	313	199	2,351
Non-current				
Finland (Dragon Mining Oy)	–	12,242	–	12,242
Sweden (Dragon Mining AB)	–	6,634	–	6,634
Corporate (Dragon Mining Limited Australia)	149	–	–	149
Non-current provisions	149	18,876	–	19,025

Source: Dragon Mining's audited financial statements for the year ended 31 December 2020, Consolidation workbook for the year ended 31 December 2020.

- Interest bearing liabilities (current and non-current) totalling $3.36 million as at 31 December 2020 comprised primarily of a $3.00 million unsecured loan facility from AP Finance Limited ('**AP Finance Loan Facility**') with the residual $0.36 million relating to lease liabilities. The AP Finance Loan Facility was for a total of $12.00 million, of which $9.00 million remained undrawn as at 31 December 2020. The AP Finance Loan Facility has a maturity date of 30 June 2022 and incurs a fixed interest rate of 4% on both Australian dollar and Hong Kong dollar denominated drawdowns; and

- Other current liabilities of $0.32 million and other non-current liabilities of $0.01 million as at 31 December 2020 related to operational creditors.

5.7 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	**Audited for the year ended 31-Dec-20** *$'000*	**Audited for the year ended 31-Dec-19** *$'000*	**Audited for the year ended 31-Dec-18** *$'000*
Revenue from customers	69,255	53,073	37,850
Cost of sales	(51,599)	(42,208)	(41,154)
Gross profit/(loss)	17,656	10,865	(3,304)
Other revenue	12	73	216
Other income	314	1,136	35
Exploration expenditure	(626)	(60)	(51)
Management and administration expenses	(4,269)	(4,914)	(3,754)
Exploration written off	(2,381)	–	–
Operating expenses	(175)	(83)	(398)
Finance costs	(133)	(210)	(191)
Foreign exchange gain/(loss)	111	(496)	(782)
Hong Kong listing costs	–	–	(1,302)
Profit/(loss) before tax	10,509	6,311	(9,531)
Income tax expense	(316)	–	–
Profit/(loss) after income tax	10,193	6,311	(9,531)
Other comprehensive income			
Exchange differences on translation of foreign operations	(79)	(394)	1,620
Total comprehensive income/(loss) for the year, net of tax	10,114	5,917	(7,911)

Source: Dragon Mining's audited financial statements for the years ended 31 December 2020, 31 December 2019 and 31 December 2018.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- The Company experienced a gross loss in the year ended 31 December 2018 due to a decrease in the production of higher grade ore tonnes with the shortfall not fully compensated by the addition of lower-grade ore tonnes from Jokisivu, as well as some operational challenges encountered in the operations of Orivesi. Cost of sales were also higher because of the lower production and processing of lower-grade ore;

- The Company experienced gross profits and net profits in the years ended 31 December 2019 and 31 December 2020, due to stronger USD gold prices and improved gold production compared to the year ended 31 December 2018;

- Revenue from customers relate to gold sales, which increased from $53.07 million in the year ended 31 December 2019 to $69.26 million in the year ended 31 December 2020. The increase of 30.5% was attributable to the stronger USD gold spot prices in 2020, as well as the increased quantity of gold sold, which corresponded to the reduction in gold inventory brought forward from the year ended 31 December 2019;

- Other income of $1.14 million for the year ended 31 December 2019 relate to the sale of property, plant and equipment for Swedish operations;

- Exploration expenditure increased significantly from $0.06 million in the year ended 31 December 2019 to $0.63 million in the year ended 31 December 2020. The increase was attributable primarily to the exploration drilling campaign at the Company's Finnish operations pertaining to Kaapelinkulma, Jokisivu and the recently closed Orivesi; and

- Exploration written off of $2.38 million for the year ended 31 December 2020 related to capitalised exploration costs for Orivesi being fully written off upon cessation of mining.

5.8 Capital Structure

The share structure of Dragon Mining as at 30 April 2021 is outlined below:

	Number
Total Ordinary Shares on Issue	158,840,613
Top 20 Shareholders*	152,434,319
Top 20 Shareholders – % of shares on issue	95.97%

* *Includes HKSCC Nominees Limited representing shareholdings on the HKEx, which comprises 92.17% of the total shares outstanding.*

Source: Dragon Mining's share registry report as at 30 April 2021.

The ordinary shares held by the most significant shareholders as at 30 April 2021 are detailed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares (%)
Allied Properties Resources Limited	41,032,727	25.83%
Sincere View International Ltd	31,111,899	19.59%
Subtotal	72,144,626	45.42%
Others	86,695,987	54.58%
Total ordinary shares on Issue	158,840,613	100.00%

Source: S&P Capital IQ.

We note that Dragon Mining had no options or performance rights on issue as at 30 April 2021.

6. PROFILE OF CURRENT AND PROPOSED SUBSTANTIAL SHAREHOLDERS

We have provided brief company backgrounds on AGL and its wholly-owned subsidiaries, APOL and APRL as well as APAC and its wholly-owned subsidiary, GLL. We present this information on the basis that they represent the current and proposed substantial shareholders of the Company, respectively, and consider that an understanding of the outgoing and incoming substantial shareholders is relevant to our assessment of the Proposed Transaction.

6.1 AGL and Subsidiaries

Overview

APRL is a wholly-owned subsidiary of APOL, which in turn is an indirect wholly-owned subsidiary of AGL. AGL is incorporated in Hong Kong while APOL and APRL are incorporated under the laws of the British Virgin Islands.

AGL is a large investment holding company listed on the HKEx (stock code: 373) with a strategic focus on property investment, development, financial services and provision of elderly care services in Hong Kong and overseas. It does so primarily by holding controlling stakes in multiple subsidiaries, each representing varying properties, financial services providers and property investment operations.

APOL and APRL form part of these subsidiaries and have a particular focus on property investments and developments in the commercial, residential and hospitality space in both China and Hong Kong. APOL and APRL became indirect wholly-owned subsidiaries of AGL in November 2020 following the privatisation of Allied Properties (H.K.) Limited, which was previously listed on the HKEx.

Related entities

AGL and Dragon Mining have several common directors and key management personnel:

- Mr. Arthur George Dew is Chairman and Non-Executive Director of both AGL and Dragon Mining; and
- Mr. Mark Wong Tai Chun is an Alternate Director to Mr. Arthur George Dew in Dragon Mining and is also the director of investment for AGL.

AGL's largest substantial shareholder is the L&L Trust, which owns 74.96% of AGL's issued capital as at 31 December 2020. Mr. Lee Seng Hui and Ms. Lee Su Hwei, both AGL directors, are the trustees of the discretionary L&L Trust.

APAC is a known associate of the AGL Group, with AGL (through its subsidiaries) holding approximately 39.90% interest in APAC's issued capital. Further information on APAC and its subsidiaries are outlined in Section 6.2 below.

APRL Statement of Financial Position

We have been provided with management accounts for APRL comprising the statement of financial position of APRL as at 7 June 2021. This is outlined in the table below:

Statement of Financial Position	**Unaudited as at 07-Jun-21** *HK$*
NON-CURRENT ASSETS	
Interest in an associate – Dragon Mining	84,471,185
TOTAL ASSETS	84,471,185
CURRENT LIABILITIES	
Amount due to holding company – Allied Properties Overseas Limited	411,537,528
TOTAL LIABILITIES	411,537,528
NET ASSETS	(327,066,343)
EQUITY	
Share capital	8
Exchange reserve	(198,343)
Accumulated losses	(326,868,008)
TOTAL EQUITY	(327,066,343)

Source: Provided by APOL.

In relation to APRL's statement of financial position, we note the following:

- The only asset held by APRL is its investment in Dragon Mining which is carried at a book value of HK$84.47 million;

- The only liability held by APRL is in relation to the Shareholder Loan with a current book value of HK$411.54 million; and

- Apart from the above, there are no other assets or liabilities held by APRL.

The Proposed Transaction comprises a cash consideration component of HK$102,581,817.50 payable by GLL to APOL for its 100% interest in APRL, as well as an assignment of the Shareholder Loan from APOL to GLL. Therefore, the structure of the Proposed Transaction implies that the $102,581,817.50 is in direct relation to the acquisition of APRL's 41,032,727 shares in Dragon Mining.

6.2 APAC and GLL

Overview

GLL is a wholly-owned subsidiary of APAC, which is a natural resources investment and commodities business company listed on the HKEx (stock code: 1104). The Company is incorporated in Bermuda with limited liability.

APAC operates through four key business segments:

- Primary strategic investment business, which comprises:

  - o a 36.35% interest in ASX-listed Mount Gibson Iron Limited; and

  - o a 46.30% interest in ASX-listed Tanami Gold Limited.

- Resource investment business, which comprises emerging investments that may become primary strategic investments including:

  - o a 15.31% interest in ASX-listed Metals X Limited;

  - o a 10.89% interest in ASX-listed Prodigy Gold Limited; and

  - o minor holdings of less than 5% interest in approximately 60 other natural resource companies listed on various major stock exchanges.

- Commodity business, which is based in Shanghai, primarily trading in iron ore; and

- Principal investment and financial services, which covers income generated from financing loans receivable, convertible notes and other financial assets.

Related entities

APAC and Dragon Mining also have several common directors and key management personnel:

- Mr. Brett Robert Smith is the Chief Executive Officer and Executive Director of Dragon Mining and the Deputy Chairman and Executive Director of APAC;
- Mr. Arthur George Dew is the Chairman and Non-Executive Director of both APAC and Dragon Mining; and
- Mr. Mark Wong Tai Chun is an Alternate Director to Mr. Arthur George Dew in Dragon Mining and APAC.

APAC's largest substantial shareholder is AGL (through its subsidiaries), which holds approximately 39.90% interest in APAC's issued capital. Mr. Lee Seng Hui who is the Chief Executive and Executive Director of AGL and trustee to the L&L Trust, is also a Non-Executive Director of APAC.

7. ECONOMIC ANALYSIS

In the following section, we set out an analysis of the current economic context and outlook in Finland and Sweden and consider the implications for Dragon Mining's operations and the mining industry. We have also presented a brief analysis of the current economic context of Hong Kong to the extent that it relates to Dragon Mining's corporate environment.

We have not presented an economic analysis on Australia on the basis that it only represents the Company's country of incorporation and headquarters.

7.1 Finland

Overview

Finland is a member of the European Union ('**EU**') and is known to be one of the leading countries in innovation and economic performance. However, like many others, the effects of the COVID-19 pandemic has hit the national economy with Gross Domestic Product ('**GDP**') estimated to record a contraction of 2.9% in 2020 according to the International Monetary Fund ('**IMF**'). This was mainly driven by a sharp contraction in private consumption.

The pandemic also led to a fall in government revenues and a rise in expenditures, prompting an increase in the budget deficit to 1.9% in 2020 from 0.3% in 2019. Fiscal support measures primarily comprised grants and compensations for losses incurred during the forced closure of businesses and extensions to unemployment benefit schemes.

Inflation for 2020 is expected to be subdued at 0.4% in 2020 and is estimated to rise only marginally in 2021 and 2022 to 1.4% and 1.5%, respectively (IMF estimates).

However, compared to most other EU countries, Finland has performed considerably better and the outlook for GDP is positive with the IMF estimating GDP growth at 2.3% and 2.5% for 2021 and 2022, respectively.

Economic activity in Finland is primarily made up of its services sector, which accounts for around 60% of total GDP. The industry sector, which includes mining, accounts for approximately 24% of GDP with forestry and paper production being one of the country's main exports.

Overall, the economic context of Dragon Mining's Finnish operations appear to be generally positive with the economy set to recover after the adverse impacts of COVID-19.

Source: IMF World Economic Outlook Database, April 2021.

Mining

The main governing laws and regulations relating to mining activity in Finland are the Repealed Mining Act and the Finnish Mining Act of 1 July 2011. The current mining authority is Turvallisuus-ja kemikaalivirasto ('**Tukes**'), which grants the relevant permits for exploration and mining.

There is no specified restriction on the maximum duration for the validity of a mining permit (unless it is a fixed term permit). This is also the case for mining concessions which were the mining area rights granted prior to 2011. However, the Finnish Mining Act states that the permit may expire by the decision of Tukes if the permit holder does not initiate mining activity or relevant works within five years of grant as specified under the Finnish Mining Act.

On the other hand, exploration permits have a maximum validity period of four years upon grant, which may be extended for a maximum of three years at a time. In total, the permit may remain valid for a maximum of 15 years if all prerequisites for extensions exist.

Another key requirement for mining activities is an environmental permit granted by AVI pursuant to the Environmental Protection Act. Occasionally, a company may require a water permit which is usually processed jointly with an environmental permit matter.

Dragon Mining has historically satisfied the requirements of the Finnish Mining Act to qualify for the relevant exploration and mining permits. However, more recently, it is the applications for environmental permits that pose potential delays for the Company's operations as changes to related environmental regulations and legislations lead to more complex application processes.

Source: Finnish Mining Act 2011, Dragon Mining Prospectus 2018.

7.2 Sweden

Overview

Sweden is also a member of the EU. The impact of COVID-19 on the Swedish economy is similar to the impact on the Finnish economy with the IMF projecting GDP contraction to be contained at 2.8% for 2020 aided by softer preventative restrictions earlier in the year and a strong third quarter recovery. GDP growth is estimated to turn positive in 2021 at 3.1%, however, declining business confidence and rising unemployment rates are anticipated to weigh on economic recovery.

Unemployment worsened even after slowing to 6.8% pre COVID-19, with the IMF projecting an 8.3% unemployment rate in 2020 and 8.7% in 2021. This is driven by the slowed activity in the services industry even when Sweden opted against nationwide lockdowns.

Economic activity in Sweden is primarily made up of the services sector, which accounts for around 65% of total GDP. The industry sector contributes 22% of GDP dominated by major car manufacturing groups, Ikea and H&M.

Sweden has a similar economic profile to Finland and the economic environment for Dragon Mining's operations appears generally positive.

Source: IMF World Economic Outlook Database, April 2021.

Mining

The mineral and mining industry has been significant for the Swedish economy with Sweden accounting for 91% of Europe's iron ore. The Swedish government's mineral strategy to increase ore production is also accompanied by a strong emphasis on sustainable mining.

A mining operation in Sweden is required to have an exploitation concession in accordance with the Mineral Act 1991 and an environmental permit according to the Environmental Code (the principal environmental law in Sweden).

The process for gaining an exploration permit and exploitation concession is governed by the Mining Inspectorate who is also the governing authority regarding matters regulated by the Mineral Act 1991. The County Administrative Board in Sweden ('**CAB**') also takes part in the environmental evaluation of applications for exploration permits and exploitation concessions. Applications for exploitation concessions need to demonstrate economic viability and should also be accompanied by an environmental impact assessment ('**EIA**').

The EIA is also a key requirement for the application for an environmental permit, which is a process carried out by the Land and Environmental Court that includes a court hearing. Test mining applications however, are processed by the CAB, which Dragon Mining had managed to receive approval for in relation to testing at Fäboliden.

As previously mentioned, the court hearing for the environmental permit for full scale mining at Fäboliden has been delayed with the Company having to submit additional material for its application due to certain EU Court rulings. While the Company aims to attain its environmental permit by the end 2021, this poses the key risk area that may delay its mining operations.

Source: Swedish Mining Act 1991, Dragon Mining Prospectus 2018.

7.3 Hong Kong

Overview

Recent political instability has proceeded to jeopardise Hong Kong's status as a stable and efficient trade and investment hub. The six month protests against the Hong Kong extradition bill in 2019 and the US-China trade war sent the economy into its first recession in a decade. In the third quarter of 2019 the economy had contracted an annualised 2.9%. The protests disrupted retail sales and tourism, with tourist arrivals observing a 56% decline year-on-year in November 2019.

Furthermore, on the back of the 2019 economic downturn, COVID-19 plunged Hong Kong into its second consecutive year of annual contraction with a 6.1% decrease in GDP for 2020, reflecting the country's most severe contraction on record. The sharp fall in GDP was largely driven by a sharp reduction in domestic demand. Domestic consumption activities were severely disrupted by the outbreak and the resultant social distancing measures, while investment spending retreated noticeably. However, despite global disruptions, Hong Kong's annual exports only suffered a minor decline, being supported in part by the swift resumption of production and economic activities in mainland China.

In response to the COVID-19 pandemic, the Hong Kong Government introduced relief measures totalling HK$300 billion through various initiatives. These measures included a one-off cash transfer of HK$10,000 to eligible residents, waged subsidies through the Employment Support Scheme and one-off subsidies, rent concessions and fee waivers for hard-hit sectors.

With the development of COVID-19 vaccines and strong exports, the first quarter of 2021 saw the economy rebound, albeit with real GDP below pre-pandemic levels. In the March 2021 quarter, GDP rose 7.8% from March 2020 lows, ending six consecutive quarters of growth decline and its longest recession. The rebound was largely driven by a strong increase in exports, led by mainland China's swift economic recovery and the US. However, this growth has been inhibited in part by weak consumer spending and tourism as strict social distancing measures remain in place.

The Hong Kong Monetary Authority forecasts real GDP growth in the range of 3.5% to 5.5% throughout 2021 as COVID-19 vaccination roll-outs continue and mainland China's economy strengthens to support Hong Kong's exports. However, this expectation remains shrouded amongst uncertainties, in particular, further COVID-19 outbreaks, vaccine rollout efficacy and lingering US-China trade tensions.

Source: Hong Kong Monetary Authority 2020 Annual Report, Bloomberg.

8. INDUSTRY ANALYSIS

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021
Mine production	2,940	3,128	3,242	3,334	3,459	3,492	3,554	3,530	3,389	851
Net producer hedging	(45)	(28)	105	13	38	(26)	(13)	6	(52)	(25)
Recycled gold	1,638	1,197	1,132	1,070	1,233	1,111	1,132	1,274	1,283	270
Total supply	4,533	4,297	4,479	4,417	4,730	4,577	4,673	4,810	4,620	1,096

Source: World Gold Council Quarter 1 2021 Statistics, 31 March 2021

Historically, the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crises. Growing uncertainty on the back of the recent COVID-19 outbreak has caused the price of gold to rally, as investors demand the high liquidity that gold provides. The recent increase in the price of gold has positively impacted the gold industry and will continue to do so if economic uncertainty prevails.

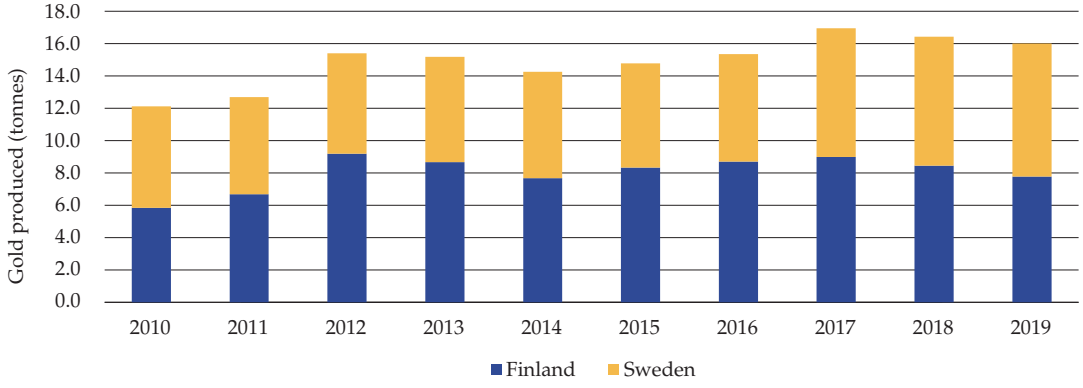
The gold ore mining industry has performed steadily in recent years, with growth driven by price increases and slow economic growth. However, gold mine production in 2019 was lower than in 2018, the first annual decline in production since 2008. This decline can be mainly attributed to China's fall in mine output by 6% due to strict environmental restrictions that have come into force in recent years. Gold production fell again in 2020 due to the impact COVID-19 had on mine closures, which stalled operations globally.

Finland and Sweden are the two largest gold producers in the EU, cementing the Nordic region's position as Europe's exploration and mining hub and a rising gold producer on a global scale. Finland is located on the Fennoscandian shield, which has strong similarities to Canada and Australia.

Gold mine production has consistently risen over the last decade from approximately 17 tonnes in 2010 to 31 tonnes in 2019. This production increase can be related to the increasing attractiveness of the Nordic region, largely driven by political stability and the relatively low corporate tax rate. Most of the Nordic region's mining history has been dominated by base metals, meaning that the region has been largely underexplored for gold-mining companies. Finland and Sweden are home to several large-scale producing gold mines, including those owned by Agnico Eagle Mines Limited, Endomines AB and Dragon Mining as well as several current exploration projects owned by Boliden AB, Aurion Resources Limited, Mawson Gold Limited and Sunstone Metals Limited.

Gold mine production since 2010 in Finland and Sweden is depicted in the graph below:

Gold Mine Production



Source: World Gold Council

Key external drivers

Global gold prices have a significant impact on the revenue generated by industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders industry growth.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought-after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global GDP growth can therefore have a negative impact on gold demand and the industry. The recent rally in gold prices, which saw it reach a historical high during early August 2020, reflects ongoing easing of global monetary policies, continued geopolitical uncertainty, and the outbreak of COVID-19.

The World Gold Council forecasts gold prices in 2021 to be positive, yet more subdued than the previous year. This may be driven by the recovery of consumer demand relative to 2020 as economic conditions improve. Gold's performance may also be boosted further by a prolonged low interest rate environment which would all but remove the opportunity cost of investing in gold. In addition, the potential for a second wave of COVID-19 remains, which would likely cause a spike in demand for gold as a safe haven asset.

Gold ore mining trends

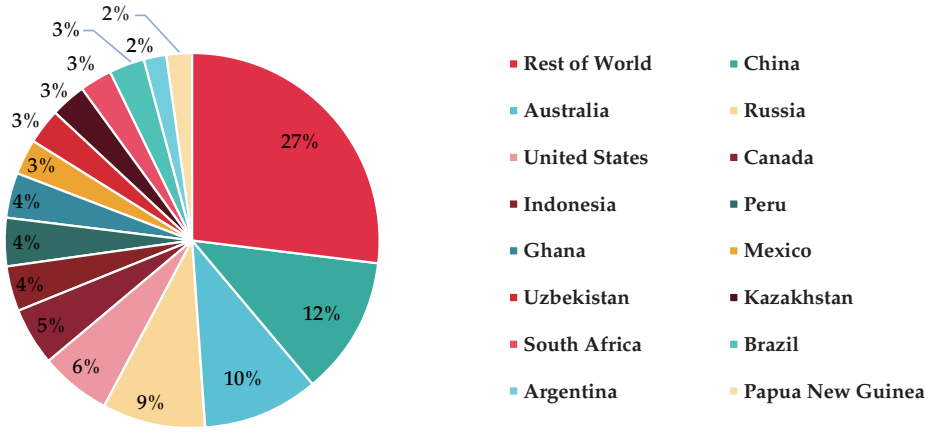
Gold ore mining is a capital intensive and high-cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the industry has diversified geographically as China and Australia now dominate global gold production. According to the United States Geological Survey ('**USGS**'), total estimated global gold ore mined for 2020 was approximately 3,287 metric tonnes. The chart below illustrates the estimated global gold production by country for 2019.

According to the World Gold Council, global gold production fell 4% in 2020 following the effects of COVID-19. The virus led to a number of gold mine closures across the world due to lockdown restrictions imposed by individual countries across the March 2020 quarter. Notably, the production from the world's largest gold producers, including Newmont Corporation, Barrick Gold Corporation, AngloGold Ashanti Limited and Newcrest Mining Limited, had more than halved in the June 2020 quarter to 1.4Moz, down from 2.9 million ounces ('**Moz**') in the June 2019 quarter.

The decrease in supply was hardest felt in the Americas region as production fell by 28% in Peru, 18% in Argentina and 15% in Chile. The World Gold Council expects COVID-19 interruptions to diminish further in 2021, removing a potential headwind to mine production. This is likely to be assisted by a return to growth by the Grasberg mine in Indonesia, the largest producing gold mine in the world, which was responsible for a large fall in mine supply in 2020.

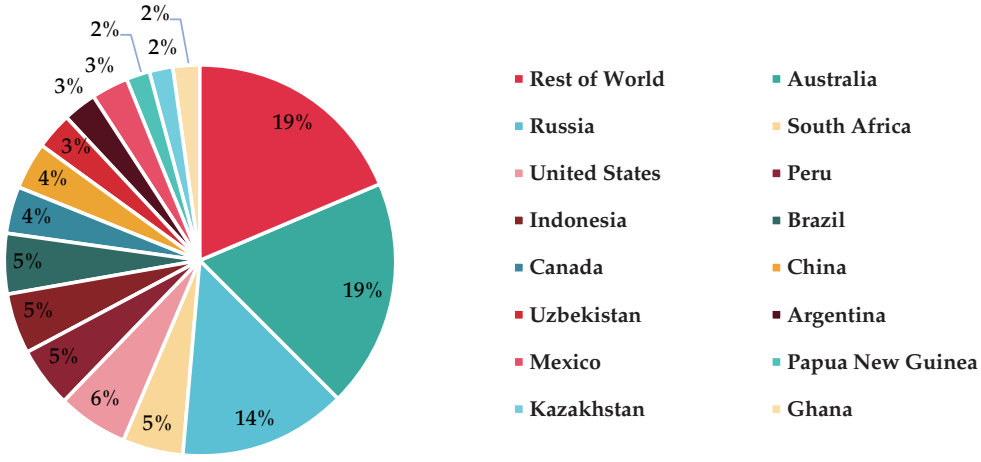
Global Gold Production by Country (2020)



Source: 2021 USGS and BDO analysis

Despite China's leading global gold production in 2020, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 38% of global gold reserves.

Global Gold Reserves by Country (2020)



Source: 2021 USGS and BDO analysis.

According to the 2021 USGS, Australia's gold reserves amount to 10,000 tonnes, representing 19% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will grow by an annualised 0.5% over the five-year period through to 2025-26, reaching approximately $24.4 billion. However, rising production costs due to lower ore quality and higher transportation costs are anticipated to reduce industry profitability over the period.

Gold prices

The gold spot price since 2010 and forecast prices through to 2030 are depicted in the graph below.

Gold Spot and Forecast Price

Source: Bloomberg and Consensus Economics

The price of gold reached US$1,900 on 5 September 2011, largely due to the debt market crisis in Europe and the Standard and Poor's downgrade of the US credit rating. Global stock markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US$1,700 during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US$1,051 in December 2015.

During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom's exit from the EU. The price of gold reached US$1,363 in late 2016 before stabilising around US$1,200 to US$1,300 throughout 2017.

The gold price fluctuated throughout 2018. In January 2018, the gold price strengthened, rising to approximately US$1,360, spurred on by a weak US dollar. From April 2018 through to August 2018, the price of gold trended downwards. Prices remained flat through August and September of 2018, before increasing in October and November of 2018.

The price of gold declined to US$1,270 in May 2019, before rallying past US$1,500 to reach a six year high. Demand for gold was primarily driven by investors looking to avoid US-China trade war uncertainties, while civil unrest in Hong Kong prompted investors to abandon riskier asset classes for safe haven assets. The gold price continued to remain around US$1,500 throughout October 2019, although it dipped slightly to US$1,465 in mid-November 2019.

Gold prices have fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic sell-off as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of US$1,471, before rallying. Throughout May and June 2020, prices remained elevated around US$1,700.

Through early July 2020, gold prices steadily increased to above the US$1,800 level, before spiking in late July and early August to exceed US$2,000. The COVID-19 crisis remains the primary driver of the gold price, as central banks continue to inject trillions of dollars into financial markets and investors further prioritise safe haven assets. Additionally, the availability of cheap money through low global interest rates is further spurring investment in gold. Gold prices reached a record high of approximately US$2,064 on 6 August 2020, before declining slightly below the US$2,000 mark through to November 2020. Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US$1,900 after remaining in the US$1,800s through most of December 2020.

During March 2021, the price of gold fell below US$1,700 for the first time in eight months as rising US treasury yields threaten gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. Demand was also weakened by increased consumer confidence in the gradual reopening of global economies as COVID-19 vaccination rates rise. However, gold has since rebounded as global inflation concerns rose and the US dollar weakened.

According to Consensus Economics forecasts, the price of gold is set to decline over the medium term but remain high in comparison to historical levels. This medium-term decline is likely to occur on the back of developments in relation to a COVID-19 vaccination as well as stability in the United States following the presidential election of Joe Biden.

Source: Bloomberg, Consensus Economics, IBISWorld and Reuters

9. VALUATION APPROACH ADOPTED

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**');
- Discounted cash flow ('**DCF**');
- Quoted market price basis ('**QMP**');
- Net asset value ('**NAV**'); and
- Market based assessment (such as a Resource Multiple).

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('**Sum-of-Parts**') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methodologies as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual asset and liability of the company.

9.1 Value of Dragon Mining

In order to assess whether a premium for control is being received by APOL for the sale of its shares in Dragon Mining to GLL, we consider it appropriate to assess the value of a Dragon Mining share on a minority interest basis and to compare this to the consideration payable by GLL to APOL for each Dragon Mining share.

Should the price paid per share exceed our assessed value per share of Dragon Mining, then GLL will be deemed to be paying a premium for control for APOL's shares in Dragon Mining. As such, Shareholders will be missing out on the opportunity to be paid a premium for control if a formal takeover offer had been made for all of the shares in Dragon Mining. The greater the control premium, the greater the advantages of the Proposed Transaction to the Shareholders would need to be to support a finding that the advantages of the Proposed Transaction outweigh the disadvantages.

Conversely, should our assessed value per Dragon Mining share on a minority interest basis exceed the consideration per share to be received by APOL, then GLL will be deemed to be not paying a premium for control. As such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares.

Therefore, we have assessed the value of a Dragon Mining share on a minority interest basis, which is to be compared with the consideration per share to be received by APOL, in order to determine the quantum of the premium for control to be paid, if any.

As the quoted prices of Dragon Mining's shares and the cash consideration payable by GLL to APOL are both denominated in Hong Kong dollars, our final valuation assessment is also denominated in Hong Kong dollars. Foreign currencies, where applicable, are converted at prevailing spot exchange rates sourced from Bloomberg.

In our assessment of APOL's interest in Dragon Mining, we have chosen to employ the following valuation methodologies:

- Sum-of-Parts, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a controlling interest value, therefore, we have assessed a minority interest discount to be applied in order to derive the value of a Dragon Mining share on a minority interest basis; and

- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a Dragon Mining share if it were to be sold on market. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of Dragon Mining by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of the Company's Finnish operations and mineral assets having reliance on the valuation carried out by an independent technical expert, comprising:

    - The value of the Jokisivu mine, applying the DCF methodology;

    - The value of Kaapelinkulma;

    - The value of Orivesi;

    - The value of early stage exploration tenements in Finland not included in the above;

    - The value of the Vammala Plant; and

    - The value of closure costs for the Company's Finnish operations.

- Value of the Company's Swedish operations and mineral assets having reliance on the valuation carried out by an independent technical expert, comprising:

    - The value of Fäboliden open cut mine operations, applying the DCF methodology;

    - The value of any resource and exploration assets not included in the Fäboliden DCF valuation;

    - The value of Svartliden;

    - The value of the Svartliden Plant;

    - The value of gold in-circuit at Svartliden; and

    - The value of closure costs for the Company's Swedish operations.

- Value of the Company's other assets and liabilities, applying the cost approach under the NAV methodology.

We have chosen these methodologies for the following reasons:

- Jokisivu and Fäboliden are valued using a DCF methodology as Dragon Mining's main assets comprise the future cash flows to be generated from the mining operations at Jokisivu and Fäboliden;

- The other components to our Sum-of-Parts valuation are valued using alternative valuation methodologies by an independent technical specialist, as contained in the Technical Specialist Report in Appendix 4;

- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The FME methodology is also not considered to be appropriate for valuing finite life assets, such as mining assets; and

- The QMP basis is a relevant methodology to consider because Dragon Mining's shares are listed on the HKEx, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means that there is a regulated and observable market where Dragon Mining shares can be traded. However, in order for the QMP methodology to be considered appropriate, Dragon Mining's shares should be liquid and the market should be fully informed on the Company's activities.

Technical Expert

In performing our valuation of Dragon Mining using the Sum-of-Parts method, we have relied on the independent Technical Specialist Report prepared by RPM Advisory Services Pty Ltd ('**RPM**'), which includes an assessment of the market value of the Company's aforementioned assets.

We instructed RPM to provide an independent market valuation of the Company's aforementioned assets. RPM considered a number of different valuation methodologies when valuing these assets and has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**') and the JORC Code.

We are satisfied with the valuation methodologies adopted by RPM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN code. The specific valuation methodologies used by RPM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 4 of our Report.

10. VALUATION OF DRAGON MINING

10.1 Sum-of-Parts

We have valued Dragon Mining using a Sum-of-Parts approach, with our valuation including:

- The value of the Company's Finnish Operations and mineral assets, including:
  - The value of the Jokisivu mine, applying the DCF methodology;
  - The value of Kaapelinkulma;
  - The value of Orivesi;
  - The value of early stage exploration tenements in Finland not included in the above;
  - The value of the Vammala Plant; and
  - The value of closure costs for the Company's Finnish operations.
- The value of the Company's Swedish Operations and mineral assets, including:
  - The value of Fäboliden open cut mine operations, applying the DCF methodology;
  - The value of any resource and exploration assets not included in the Fäboliden DCF valuation;

  - The value of Svartliden;
  - The value of the Svartliden Plant;
  - The value of gold in-circuit at Svartliden; and
  - The value of closure costs for the Company's Swedish operations.
- The value of other assets and liabilities not included in the above.

The valuation of mineral assets undertaken by RPM was denominated in US dollars, therefore, we have converted the US dollar-denominated valuation figures into Hong Kong dollars for our Sum-of-Parts valuation.

The value of other assets and liabilities in Dragon Mining are based on the Company's audited statement of financial position as at 31 December 2020, which is denominated in Australian dollars. Therefore, we have converted the value of other assets and liabilities to Hong Kong dollars for our Sum-of-Parts valuation.

Foreign currencies, where applicable, are converted at prevailing spot exchange rates sourced from Bloomberg.

The summary of our Sum-of-Parts valuation is set out in the table below:

Valuation of Dragon Mining	**Ref**	**Low** *HK$m*	**Preferred** *HK$m*	**High** *HK$m*
Finnish Operations				
DCF value of Jokisivu mine	10.1.1	60.29	81.24	130.04
Value of Kaapelinkulma	10.1.2	3.65	7.84	14.12
Value of Orivesi	10.1.3	6.52	14.04	25.29
Value of other Finnish mineral assets	10.1.4	3.10	3.18	3.26
Value of Vammala Plant	10.1.5	4.50	4.50	4.50
Value of closure costs for Finnish operations	10.1.6	(65.64)	(65.64)	(65.64)
Sub-total		***12.42***	***45.16***	***111.57***
Swedish Operations				
DCF value of Fäboliden open cut mine	10.1.7	62.69	65.10	135.24
Residual value of Fäboliden not in DCF	10.1.8	134.62	281.81	502.71
Value of Svartliden	10.1.9	11.17	24.13	43.53
Value of Svartliden Plant	10.1.10	3.41	3.41	3.41
Value of gold in-circuit at Svartliden	10.1.11	41.05	41.05	41.05
Value of closure costs for Swedish operations	10.1.12	(39.57)	(39.57)	(39.57)
Sub-total		***213.37***	***375.93***	***686.37***
Value of other assets and liabilities	10.1.13	126.69	126.69	126.69
Total value of Dragon Mining (controlling interest)		**352.48**	**547.78**	**924.63**
Number of shares outstanding	5.8	158,840,613	158,840,613	158,840,613
Value per share (HK$) (controlling interest)		**2.219**	**3.449**	**5.821**
Minority discount	10.1.14	26%	23%	20%
Value per share (HK$) (minority interest)		**1.642**	**2.656**	**4.657**

Source: BDO analysis.

RPM Valuation Summary

The valuation of mineral assets undertaken by RPM was denominated in US dollars, which is summarised in the table below:

RPM Valuation Summary	Ref	Low *US$m*	Preferred *US$m*	High *US$m*
Finnish Operations				
DCF value of Jokisivu mine	10.1.1	7.77	10.47	16.76
Value of Kaapelinkulma	10.1.2	0.47	1.01	1.82
Value of Orivesi	10.1.3	0.84	1.81	3.26
Value of other Finnish mineral assets	10.1.4	0.40	0.41	0.42
Value of Vammala Plant	10.1.5	0.58	0.58	0.58
Sub-total		***10.06***	***14.28***	***22.84***
Swedish Operations				
DCF value of Faboliden open cut mine	10.1.7	8.08	8.39	17.43
Residual value of Faboliden not in DCF	10.1.8	17.35	36.32	64.79
Value of Svartliden	10.1.9	1.44	3.11	5.61
Value of Svartliden Plant	10.1.10	0.44	0.44	0.44
Value of gold in-circuit at Svartliden	10.1.11	5.29	5.29	5.29
Sub-total		***32.60***	***53.55***	***93.56***
Value of closure costs for Finnish operations	10.1.6	(8.46)	(8.46)	(8.46)
Value of closure costs for Swedish operations	10.1.12	(5.10)	(5.10)	(5.10)
Sub-total		***(13.56)***	***(13.56)***	***(13.56)***
Total value of Dragon Mining Assets		**29.10**	**54.27**	**102.84**

Source: Technical Specialist Report (Appendix 4), BDO analysis.

10.1.1. DCF value of Jokisivu

We have instructed RPM to independently value the Jokisivu mine asset. In performing the valuation assessment for Jokisivu, RPM applied the DCF valuation methodology based on Jokisivu's life of mine plan, up to date operating and capital costs and other technical parameters.

RPM also applied a comparable transactions valuation methodology using resource multiples. However, RPM states that the DCF valuation is preferred as it deals with recently estimated ore reserves at Jokisivu, while the comparable transactions method does not. Therefore, the preferred valuation was weighted towards the DCF net present value with the high and low ends of the assessment based on the comparable transactions methodology.

Included within the DCF value of the Jokisivu mine are tenement areas Jokisivu 2 and 3, which are mining claims closely associated with the Jokisivu mining claim and mining operation.

The results of RPM's valuation of Jokisivu are summarised below:

DCF value of Jokisivu mine	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
DCF value of Jokisivu Mine (USD)	*7.77*	10.47	16.76
USD/HKD exchange rate	*7.759*	*7.759*	*7.759*
DCF value of Jokisivu Mine (HKD)	**60.29**	**81.24**	**130.04**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the Jokisivu Mine to be in the range of HK$60.29 million to HK$130.04 million with a preferred value of HK$81.24 million. Further information on the assumptions and methodologies applied can be found in the Technical Specialist Report in Appendix 4 of our Report.

10.1.2. Value of Kaapelinkulma

We have instructed RPM to independently value Kaapelinkulma and its associated mineral resource. In performing the valuation assessment for Kaapelinkulma, RPM applied the comparable transactions valuation methodology using resource multiples. RPM considered it reasonable to apply a 10% discount to the value of the resource due to certain environmental risk factors.

The results of RPM's valuation of Kaapelinkulma are summarised below:

Value of Kaapelinkulma	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of Kaapelinkulma (USD)	0.47	1.01	1.82
USD/HKD	*7.759*	*7.759*	*7.759*
Value of Kaapelinkulma (HKD)	**3.65**	**7.84**	**14.12**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of Kaapelinkulma to be in the range of HK$3.65 million to HK$14.12 million with a preferred value of HK$7.84 million.

10.1.3. Value of Orivesi

We have instructed RPM to independently value Orivesi and its associated residual mineral resource. In performing the valuation assessment for Orivesi, RPM applied the comparable transactions valuation methodology using resource multiples. RPM considered it reasonable to apply a 25% discount to the value of the resource to reflect the risk of these resources being available in a mine which closed previously for economic reasons and the cost of reopening the mine.

The results of RPM's valuation of Orivesi are summarised below:

Value of Orivesi	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of Orivesi (USD)	0.84	1.81	3.26
USD/HKD	*7.759*	*7.759*	*7.759*
Value of Orivesi (HKD)	**6.52**	**14.04**	**25.29**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the Orivesi to be in the range of HK$6.52 million to HK$25.29 million with a preferred value of HK$14.04 million.

10.1.4. The value of early stage exploration tenements in Finland not included in the above

We have instructed RPM to independently value the other Finnish mineral assets not captured in the above. In performing the valuation assessment for these mineral assets, RPM applied the comparable transactions valuation methodology using area multiples as the primary methodology. RPM applied the Geoscientific valuation methodology as a secondary crosscheck, however, as there is no requirement for Dragon to provide expenditure commitments for both Swedish and Finnish mining authorities, the cost to hold the tenements (which is a key input in the Geoscientific method) was not accurately determined and could lead to a misleading low valuation. Therefore, RPM weighted their assessment toward the valuation under the area multiples methodology.

The results of RPM's valuation of the other exploration tenements in Finland are summarised below:

Value of other Finnish mineral assets	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of other Finnish mineral assets (USD)			
Sarvisuo 1-2	0.05	0.05	0.05
Sarvisuo 3	0.05	0.05	0.05
Ori	0.01	0.02	0.03
Jokisivu 4-5	0.10	0.10	0.10
Jokisivu 7-8	0.02	0.02	0.02
Jokisivu 10	0.12	0.12	0.12
Uunimäki 1	0.05	0.05	0.05
Total (USD)	**0.40**	**0.41**	**0.42**
USD/HKD	*7.759*	*7.759*	*7.759*
Value of other Finnish mineral assets (HKD)	**3.10**	**3.18**	**3.26**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the other Finnish mineral assets not captured in the above to be in the range of HK$3.10 million to HK$3.26 million with a preferred value of HK$3.18 million.

10.1.5. Value of Vammala Plant

We have instructed RPM to independently value the Vammala Plant. In performing the valuation assessment, RPM applied the cost method with the results summarised below:

Value of Vammala Plant	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of Vammala Plant (USD)	0.58	0.58	0.58
USD/HKD	*7.759*	*7.759*	*7.759*
Value of Vammala Plant (HKD)	**4.50**	**4.50**	**4.50**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the Vammala Plant to be HK$4.50 million.

10.1.6. Value of closure costs for Finnish operations

We have instructed RPM to independently value the closure costs with regards to the mining operations in Finland with the results summarised below:

Value of closure costs for Finnish operations	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of closure costs for Finnish operations (USD)			
Kaapelinkulma	(0.78)	(0.78)	(0.78)
Orivesi	(5.40)	(5.40)	(5.40)
Jokisivu*	N/A	N/A	N/A
Vammala Plant	(2.28)	(2.28)	(2.28)
Total (USD)	**(8.46)**	**(8.46)**	**(8.46)**

Value of closure costs for Finnish operations	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
USD/HKD	*7.759*	*7.759*	*7.759*
Value of closure costs for Finnish operations (HKD)	**(65.64)**	**(65.64)**	**(65.64)**

* *Closure costs for Jokisivu are included in the DCF value of Jokisivu and therefore not included in this assessment.*

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the closure costs for Finnish operations to be HK$65.64 million.

10.1.7. DCF value of Fäboliden open cut mine

We have instructed RPM to independently value the Fäboliden open cut mine asset. In performing the valuation assessment for Fäboliden, RPM applied the DCF valuation methodology based on Fäboliden's open cut life of mine plan, up to date operating and capital costs and other technical parameters.

RPM also applied a comparable transactions valuation methodology using resource multiples as a crosscheck to the DCF. The preferred valuation was weighted towards the DCF net present value with the high and low ends of the assessment based on the comparable transactions methodology.

The results of RPM's valuation of Fäboliden are summarised below:

DCF value of Fäboliden open cut mine	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
DCF value of Fäboliden open cut mine (USD)	8.08	8.39	17.43
USD/HKD	*7.759*	*7.759*	*7.759*
DCF value of Fäboliden open cut mine (HKD)	**62.69**	**65.10**	**135.24**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the Fäboliden open cut mine to be in the range of HK$62.69 million to HK$135.24 million with a preferred value of HK$65.10 million. Further information on the assumptions and methodologies applied can be found in the Technical Specialist Report in Appendix 4 of our Report.

10.1.8. Value of any resource and exploration assets not included in the Fäboliden DCF

We have instructed RPM to independently value the residual Fäboliden resource not contained within the DCF, which primarily comprises of 80% inferred resources from the Fäboliden underground mine asset, for which the Scoping Study had been completed. The underground resource at Fäboliden, was valued using the comparable transactions valuation methodology using resource multiples.

RPM also assessed the value of the exploration assets related to Fäboliden comprising Fäboliden nr 11, which was valued using area multiples and Geoscientific approaches.

The results of RPM's valuation of other resource and exploration assets in Fäboliden are summarised below:

Residual value of Fäboliden not in DCF	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Residual value of Fäboliden not in DCF (USD)			
Fäboliden underground	16.39	35.36	63.83
Fäboliden nr 11	0.96	0.96	0.96
Total (USD)	**17.35**	**36.32**	**64.79**
USD/HKD	*7.759*	*7.759*	*7.759*
Residual value of Fäboliden not in DCF (HKD)	**134.62**	**281.81**	**502.71**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the residual value of the residual Fäboliden assets to be in the range of HK$134.62 million to HK$502.71 million with a preferred value of HK$281.81 million.

10.1.9. Value of Svartliden

We have instructed RPM to independently value the Svartliden mine asset, for which the existing operation and mineral resources cover the majority of the exploration concession Svartlidengruvan K nr 1. In performing the valuation assessment for Svartliden, RPM applied the comparable transactions valuation methodology using resource multiples. RPM considered it reasonable to apply a 25% discount to the value of the resource to reflect the risk of these resources being available in a mine which closed previously for economic reasons and the cost of reopening the mine.

The results of RPM's valuation of Svartliden are summarised below:

Value of Svartliden	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of Svartlidengruvan K nr 1 (USD)	1.44	3.11	5.61
USD/HKD	*7.759*	*7.759*	*7.759*
Value of Svartlidengruvan K nr 1 (HKD)	**11.17**	**24.13**	**43.53**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of Svartliden to be in the range of HK$11.17 million to HK$43.53 million with a preferred value of HK$24.13 million.

10.1.10. Value of Svartliden Plant

We have instructed RPM to independently value the Svartliden Plant. In performing the valuation assessment, RPM applied the cost method with the results summarised below:

Value of Svartliden Plant	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of Svartliden Plant (USD)	0.44	0.44	0.44
USD/HKD	*7.759*	*7.759*	*7.759*
Value of Svartliden Plant (HKD)	**3.41**	**3.41**	**3.41**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the Svartliden Plant to be HK$3.41 million.

10.1.11. Value of gold in-circuit at Svartliden

We have instructed RPM to independently value the gold in-circuit at Svartliden, which comprises 2,830oz of gold in-circuit stocks at the Svartliden plant as at 1 June 2021. In performing the valuation assessment, RPM have determined the value of the gold in-circuit using the spot price of gold as at 1 June 2021, being US$1,898.7/oz (London Bullion Market Association Gold Price) less extraction and selling costs of US$31.2/oz.

The results of RPM's valuation of gold in-circuit at Svartliden are summarised below:

Value of gold in-circuit at Svartliden	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of gold in-circuit at Svartliden (USD)	5.29	5.29	5.29
USD/HKD	*7.759*	*7.759*	*7.759*
Value of gold in-circuit at Svartliden (HKD)	**41.05**	**41.05**	**41.05**

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of gold in-circuit at Svartliden to be HK$41.05 million.

10.1.12. Value of closure costs for Swedish operations

We have instructed RPM to independently value the closure costs with regards to the mining operations in Sweden with the results summarised below:

Value of closure costs for Swedish operations	**Low**	**Preferred**	**High**
	$m	*$m*	*$m*
Value of closure costs for Swedish operations (USD)			
Fäboliden Mine*	N/A	N/A	N/A
Svartliden Mine and Plant	(5.10)	(5.10)	(5.10)
Fäboliden Mine Test Project**	N/A	N/A	N/A
Total	**(5.10)**	**(5.10)**	**(5.10)**
USD/HKD	*7.759*	*7.759*	*7.759*
Value of closure costs for Swedish operations (HKD)	**(39.57)**	**(39.57)**	**(39.57)**

* *Closure costs for Fäboliden mine are included in the DCF value of Fäboliden and therefore not included in this assessment.*

** *Closure costs for Fäboliden mine test project is null and void as the full Fäboliden closure cost will cover this cost upon environmental approvals.*

Source: Technical Specialist Report (Appendix 4), BDO analysis, Bloomberg.

Based on the above analysis, we consider the value of the closure costs to be HK$39.57 million.

10.1.13. Value of Dragon Mining's other assets and liabilities

The other assets and liabilities of Dragon Mining represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Dragon Mining and analysis of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between the book value and the fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Note	Audited as at 31-Dec-20 $'000	Adjustment $'000	Adjusted $'000
CURRENT ASSETS				
Cash and cash equivalents	*a)*	14,352	2,203	16,555
Trade receivables		5,019	(5,019)	–
Other receivables	*b)*	1,259	–	1,259
Inventories		16,114	(16,114)	–
Other assets	*c)*	209	–	209
TOTAL CURRENT ASSETS		**36,953**	**(18,930)**	**18,023**
NON-CURRENT ASSETS				
Property, plant and equipment – operations		38,387	(38,387)	–
Property, plant and equipment – corporate	*d)*	147	–	147
Mineral exploration and evaluation costs		3,989	(3,989)	–
Right-of-use assets		377	(377)	–
Other assets	*c)*	5,544	–	5,544
TOTAL NON-CURRENT ASSETS		**48,444**	**(42,753)**	**5,691**
TOTAL ASSETS		**85,397**	**(61,683)**	**23,714**
CURRENT LIABILITIES				
Trade and other payables		6,548	(6,548)	–
Provisions – Employee entitlements	*e)*	1,839	–	1,839
Provision – Rehabilitation		313	(313)	–
Provisions – Other		199	(199)	–
Interest bearing liabilities	*f)*	147	–	147
Other liabilities		321	(321)	–
Current tax liability		303	–	303
TOTAL CURRENT LIABILITIES		**9,670**	**(7,381)**	**2,289**

Statement of Financial Position	Note	Audited as at 31-Dec-20 $'000	Adjustment $'000	Adjusted $'000
NON-CURRENT LIABILITIES				
Provisions – Employee entitlements	*e)*	149	–	149
Provision – Rehabilitation		18,876	(18,876)	–
Interest bearing liabilities	*f)*	3,217	(3,000)	217
Other liabilities		7	(7)	–
TOTAL NON-CURRENT ASSETS		**22,249**	**(21,883)**	**366**
TOTAL LIABILITIES		**31,919**	**(29,264)**	**2,655**
NET ASSETS (A$'000)		**53,478**	**(32,419)**	**21,059**
AUD/HKD		*6.016*	*6.016*	*6.016*
NET ASSETS (HK$'000)		**321,724**	**(195,033)**	**126,691**

Source: Dragon Mining's audited financial statements for the year ended 31 December 2020, 31 May 2021 unconsolidated management accounts and BDO analysis.

Management does not prepare consolidated accounts outside of the Company's reporting periods. Therefore, management provided us with unconsolidated accounts as at 31 May 2021, comprising the unaudited statements of financial position for Dragon Mining and its subsidiaries. We have not undertaken a review of Dragon Mining's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have made adjustments to the audited statement of financial position as at 31 December 2020, where we deem there to be a significant change in the balance of the other assets and liabilities based on management accounts as at 31 May 2021. In addition, any assets and liabilities that are deemed to be captured elsewhere in our Sum-of-Parts valuation are adjusted down to a nil balance.

We note the following in relation to the above valuation of Dragon Mining's other assets and liabilities:

Note a): Cash and cash equivalents

Dragon Mining's management accounts as at 31 May 2021 show a consolidated cash and cash equivalents balance of $16.56 million (after foreign currency conversion at prevailing exchange rates) as at 31 May 2021. Management has confirmed that this is an accurate reflection of the Company's cash balance, which had increased since $14.35 million as at 31 December 2020 primarily due to the Placement completed in January 2021.

Therefore, we have applied an adjustment of $2.20 million to the audited cash and cash equivalents balance as at 31 December 2020.

Note b): Other receivables

As outlined in Section 5.6 of our Report, the Company held other receivables of $1.26 million at 31 December 2020 relating to bank guarantees held on deposit with NAB for the lease of the Company's corporate premises. These have not been captured elsewhere in our Sum-of-Parts valuation.

Therefore, we have retained the balance of other receivables.

Note c): Other assets

As outlined in Section 5.6 of our Report, other current assets of $0.21 million at 31 December 2020 relate to prepayments and other non-current assets of $5.54 million relate to environmental bonds deposited with the Swedish and Finnish government authorities, both of which have not been captured elsewhere in our Sum-of-Parts valuation.

Therefore, we have retained the balance of other current and non-current assets.

Note d): Property, plant and equipment

As outlined in Section 5.6 of our Report, $0.15 million of the property, plant and equipment at 31 December 2020 related to corporate while the remaining $38.39 million related to operations. Property, plant and equipment related to corporate purposes is not captured elsewhere in our Sum-of-Parts valuation and has therefore been retained.

Note e): Provisions – employee entitlements

As outlined in Section 5.6 of our Report, provisions (current and non-current) comprise employee entitlements, rehabilitation and other provisions. Provisions for employee entitlements are deemed to not be captured in our Sum-of-Parts valuation and hence are retained.

Note f): Interest bearing liabilities

Management has advised that the AP Finance Loan Facility drawdown of $3.00 million has been paid off subsequent to 31 December 2020. Therefore, we have applied an adjustment of $3.00 million to the audited non-current interest bearing liabilities balance as at 31 December 2020.

Note g): Other operational assets and liabilities

We consider that the following assets and liabilities are operational in nature, and hence their balances are captured within the mineral asset valuation performed by RPM in the Technical Specialist Report:

- Trade receivables;
- Inventories;
- Property, plant and equipment for operations;
- Mineral exploration and evaluation costs;
- Right-of-use assets;
- Trade and other payables;
- Provisions for rehabilitation;
- Other provisions; and
- Other liabilities (relating to operations).

As these items have been addressed within the valuation of mineral assets in our Sum-of-Parts valuation, we have adjusted their balances to nil in our valuation assessment of other assets and liabilities.

10.1.14. Minority discount

The value of a Dragon Mining share derived under the Sum-of-Parts approach is reflective of a controlling interest, that is, the value that an acquirer would pay to gain a controlling stake in the Company and its operations.

However as outlined in Section 9.1, in order to assess whether a premium for control is being received by APOL for the sale of its shares in Dragon Mining to GLL, and in turn, whether Shareholders are missing out on a premium for control, we consider it appropriate to assess the value of Dragon Mining on a minority interest basis.

Therefore, we have adjusted our valuation of a Dragon Mining share to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula 1 – (1/(1+control premium)).

Based on our analysis in Appendix 3, we consider an appropriate control premium to be in the range of 25% to 35% with a midpoint of 30%, and therefore, the minority interest discount is in the range of 20% to 26% with a midpoint of 23%.

10.2 Quoted Market Prices for Dragon Mining shares

To provide a comparison to the valuation of a Dragon Mining share in Section 10.1, we have also assessed the quoted market price for a Dragon Mining share.

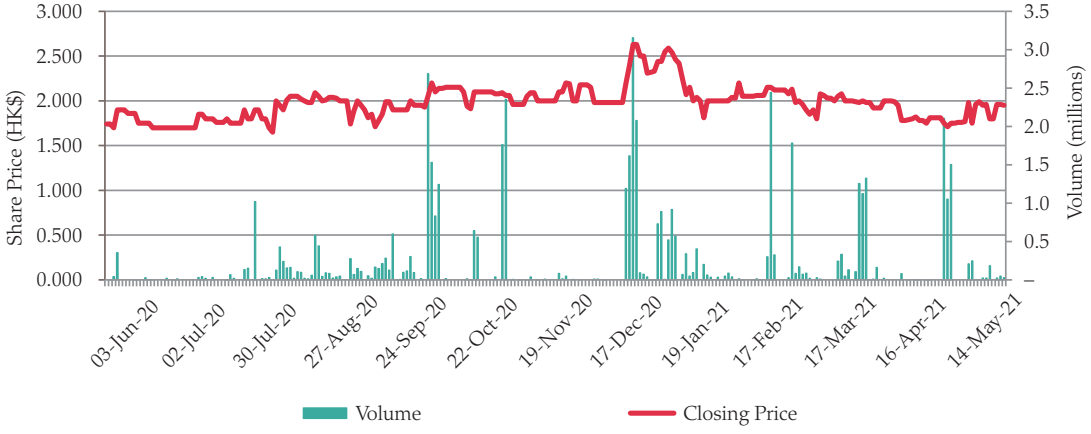
The quoted market value of a company's shares is reflective of a minority interest, which is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Minority interest value

Our analysis of the quoted market price of a Dragon Mining share is based on the pricing prior to the announcement of the Proposed Transaction. This is because the value of a Dragon Mining share after the announcement may include the effects of any change in value as a result of the Proposed Transaction.

Information on the Proposed Transaction was announced to the market firstly by APAC at market close on 14 May 2021 and subsequently at market open on 17 May 2021. Therefore, the following chart provides a summary of the share price movement over the 12 months to 14 May 2021, which was the last trading day prior to the announcement.

Dragon Mining share price and trading volume history



Source: Bloomberg and BDO analysis.

The daily price of Dragon Mining shares from 14 May 2020 to 14 May 2021 has ranged from a low of HK$1.650 on 21 July 2020 to a high of HK$2.630 on 10 December 2020 and 11 December 2020. The highest single day of trading over the assessed period was 10 December 2020, when 3,157,000 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement *HK$ (movement)*			Closing Share Price Three Days After Announcement *HK$ (movement)*		
03/05/2021	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 30th April, 2021	1.750	▼	11.62%	1.950	▲	11.43%
01/04/2021	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 31st March, 2021	1.780	▼	8.72%	1.800	▲	1.12%
30/03/2021	Company Information Sheet	1.990	▼	0.50%	1.780	▼	10.55%
25/03/2021	Notice Of Annual General Meeting	2.000	▲	4.17%	1.990	▼	0.50%
02/03/2021	Date Of Board Meeting	2.060	▼	0.96%	2.000	▼	2.91%
01/03/2021	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 28th February, 2021	2.080	▲	15.56%	2.030	▼	2.40%
19/02/2021	Voluntary Announcement	2.000	▲	1.01%	1.850	▼	7.50%
16/02/2021	Positive Profit Alert	2.080	▼	1.89%	2.000	▼	3.85%
07/01/2021	Placing Of New Shares Under General Mandate	2.000	▼	6.98%	1.810	▼	9.50%
06/01/2021	Voluntary Announcement – Drilling Campaigns Advance On Dragon Mining's Finnish And Swedish Projects	2.150	▲	3.86%	2.000	▼	6.98%
05/01/2021	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 31st December, 2020	2.070	▼	7.59%	2.040	▼	1.45%
02/11/2020	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 31st October, 2020	2.090	►	0.00%	2.000	▼	4.31%
03/09/2020	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 31st August, 2020	1.990	▲	7.57%	1.900	▼	4.52%
02/09/2020	Voluntary Announcement – Drilling Continues To Define Extensions Of The Jokisivu Gold Deposits	1.850	▲	3.93%	1.900	▲	2.70%

Date	Announcement	Closing Share Price Following Announcement *HK$ (movement)*			Closing Share Price Three Days After Announcement *HK$ (movement)*		
20/08/2020	Announcement Of The Interim Results For The Half Year Ended 30 June 2020	1.740	▼	13.00%	1.950	▲	12.07%
10/08/2020	Date Of Board Meeting	2.000	▼	2.44%	2.040	▲	2.00%
03/08/2020	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 31st July, 2020	2.000	▼	0.99%	2.090	▲	4.50%
31/07/2020	Change Of Principal Place Of Business In Hong Kong	2.020	▼	1.46%	1.980	▼	1.98%
02/07/2020	Monthly Return Of Equity Issuer On Movements In Securities For The Month Ended 30th June, 2020	1.800	▲	2.27%	1.750	▼	2.78%

Source: Investor Relations Asia Pacific, Bloomberg and BDO analysis

On 3 May 2021, Dragon Mining released its monthly return of equity issuer on movements in securities for the month of April 2021, which revealed no movements in the Company's securities. On the date of the announcement, the share price decreased by 11.62% to close at HK$1.750, before increasing 11.43% over the subsequent three-day period to close at HK$1.950.

On 1 April 2021, Dragon Mining released its monthly return of equity issuer on movements in securities for the month of March 2021, which revealed no movements in the Company's securities. On the date of the announcement, the share price decreased by 8.72% to close at HK$1.780, before increasing 1.12% over the subsequent three-day period to close at HK$1.800.

On 30 March 2021, Dragon Mining released its company information sheet. On the date of the announcement, the share price decreased by 0.50% to close at HK$1.990, before further decreasing 10.55% over the subsequent three-day period to close at HK$1.780.

On 1 March 2021, Dragon mining released its monthly return of equity issuer on movements in securities for the month of February 2021, which revealed no movements in the Company's securities. On the date of the announcement, the share price increased by 15.56% to close at HK$2.080, before decreasing 2.40% over the subsequent three-day period to close at HK$2.030.

On 19 February 2021, Dragon Mining announced that it had been informed by a public shareholder of the Company that he had lodged a complaint to ASIC alleging that Sincere View International Limited, a substantial shareholder of the Company, was in breach of sections 609 and 611 of the Act. The Company advised that it had not received an enquiry from ASIC in relation to the alleged breach. On the date of the announcement, the share price increased 1.01% to close at HK$2.000, before decreasing 7.50% over the subsequent three-day period to close at HK$1.850.

On 7 January 2021, Dragon Mining announced a placement of up to 21,000,000 new shares at an issue price of HK$2.05 to raise up to HK$43.05 million under general mandate, with the intention to apply the entire net proceeds for the payment of additional environmental bonds for its mines in Finland and Sweden as a result of changes to regulatory policies. On the date of the announcement, the share price decreased by 6.98% to close at HK$2.000, before further decreasing 9.50% over the subsequent three-day period to close at HK$1.810.

On 6 January 2021, Dragon Mining released its quarterly drilling update for its Finnish and Swedish Projects for the December 2020 quarter. On the date of the announcement, the share price increased by 3.86% to close at HK$2.150, before decreasing 6.98% over the subsequent three-day period to close at HK$2.000.

On 5 January 2021, Dragon Mining released its monthly return of equity issuer on movements in securities for the month of December 2020, which revealed no movements in the Company's securities. On the date of the announcement, the share price decreased by 7.59% to close at HK$2.070, before further decreasing 1.45% over the subsequent three-day period to close at HK$2.040.

On 3 September 2020, Dragon Mining released its monthly return of equity issuer on movements in securities for the month of August 2020, which revealed no movements in the Company's securities. On the date of the announcement, the share price increased by 7.57% to close at HK$1.990, before decreasing 4.52% over the subsequent three-day period to close at HK$1.900.

On 20 August 2020, Dragon Mining released its interim results for the half year ended 30 June 2020 highlighting a basic earnings per share of HK$4.51 for the six months to 30 June 2020, up from a basic earnings per share of HK$1.94 in the comparative half year ended 30 June 2019. On the date of the announcement, the share price decreased by 13.00% to close at HK$1.740, before increasing 12.07% over the subsequent three-day period to close at HK$1.950.

To provide further analysis of the market prices for a Dragon Mining share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 14 May 2021.

Share Price per unit	**14-May-21**	**10 Days**	**30 Days**	**60 Days**	**90 Days**
Closing price	HK$1.950				
Volume weighted average price		HK$1.815	HK$1.857	HK$1.928	HK$2.004

Source: Bloomberg and BDO analysis

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction, to avoid the influence of any increase in the price of Dragon Mining shares that has occurred since the Proposed Transaction was announced.

An analysis of the volume of trading in Dragon Mining's shares for the twelve months to 14 May 2021 is set out below:

Trading days	Share price low (intraday)	Share price high (intraday)	Cumulative volume traded	As a % of Issued capital
1 day	HK$1.850	HK$1.950	28,000	0.02%
10 days	HK$1.700	HK$2.160	586,000	0.42%
30 days	HK$1.070	HK$2.160	5,545,000	3.99%
60 days	HK$1.070	HK$2.160	10,781,000	7.77%
90 days	HK$1.070	HK$2.200	16,765,000	12.07%
180 days	HK$1.070	HK$2.750	43,182,000	31.10%
1 year	HK$1.070	HK$2.750	48,699,000	35.08%

Source: Bloomberg and BDO analysis

This table indicates that Dragon Mining's shares display a low level of liquidity, with 35.08% of the Company's current issued capital being traded over a twelve month period and 0.42% of its issued capital traded over the ten day trading period prior to the announcement of the Proposed Transaction.

RG 111.86 states that for the quoted market price methodology to be an appropriate methodology, there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in the share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Dragon Mining, we consider the shares to display a moderate level of liquidity. Although less than 1% of securities have been traded weekly on average, 35.08% of the Company's current issued capital was traded over a twelve month period and 31.10% of the Company's current issued capital was traded in the last 180 trading days. We consider this to demonstrate a moderate level of liquidity.

Our assessment is that a range of values for Dragon Mining shares (on a minority interest basis) based on market pricing, after disregarding post announcement pricing, is between HK$1.850 and HK$2.000, with a rounded midpoint value of HK$1.925.

10.3 Assessment of the value of a Dragon Mining share

The results of the valuations performed are summarised in the table below:

	Low	**Preferred**	**High**
	HK$	*HK$*	*HK$*
Sum-of-Parts (Section 10.1)	1.642	2.656	4.657
QMP (Section 10.2)	1.850	1.925	2.000
Assessed value per Dragon Mining share (minority)	1.925	2.656	3.387

Source: BDO analysis

We note that the value ranges overlap and the low value obtained under the QMP method is higher than the low value obtained from the Sum-of-Parts method. The difference in values derived from the above methodologies may be explained by the following:

- Our QMP analysis in section 10.2 indicates that Dragon Mining shares display a moderate level of liquidity with 35.08% of the Company's issued capital traded in the twelve months prior to the announcement of the Transaction. Therefore, the quoted market price may not necessarily be fully reflective of the underlying value of the Company's shares.

- The Sum-of-Parts approach shows a wide range of values from low to high. This is a consequence of the wide range in values of the Company's mining assets, in particular of Jokisivu and Fäboliden reflecting the wide range of possible value outcomes.

We consider the Sum-of-Parts to be the most appropriate methodology to value Dragon Mining because Dragon Mining is a gold mining company, therefore its core value lies in the mineral assets that it holds. The Sum-of-Parts valuation includes a valuation of the Company's mineral assets by RPM. A technical specialist is likely to have a more informed and realistic view of the value of the Company's mineral assets and exploration areas than that assigned by the market, therefore we consider incorporating this valuation into the Sum-of-Parts valuation to be the most appropriate approach.

However, we note that the values under our Sum-of-Parts methodology display a wide range primarily driven by the wide range of values derived from the Technical Specialist Report. For the purpose of our assessment, we consider it reasonable to place greater reliance on the preferred value under the Sum-of-Parts valuation of HK$2.656. This is on the basis that it is the best indicator of the value of Dragon Mining's mineral assets, underpinned by RPM's preferred assessments with particular relation to Jokisivu and Fäboliden using the DCF methodology.

For the low end of our adjusted range, we have elected to use the preferred value under the QMP methodology, being HK$1.925. We do not consider it reasonable to apply the high value under our Sum-of-Parts methodology as the high end of our adjusted range. Instead, we considered the preferred value of HK$2.656 under our Sum-of-Parts methodology to reflect a preferred midpoint. Therefore, we have adopted a value of HK$3.387 as the high end of our adjusted range, consistent with a low end of HK$1.925 and a midpoint of HK$2.656, and which is supported by the uncertainty raised by RPM in relation to environmental risks.

Based on the reasoning above, we consider the value of a Dragon Mining share to be between HK$1.925 and HK$3.387, with a preferred value of HK$2.656.

10.4 Assessment of the price paid per Share paid by GLL

As outlined in Section 6.1, the only existing asset held by APRL as at 7 June 2021 is the 41,032,727 shares held in Dragon Mining. As the Shareholder Loan is to be assigned to GLL following the Proposed Transaction, it is not subject to the cash consideration payable of HK$102,581,817.50. As such, we consider that the cash consideration payable by GLL to APOL is directly related to the acquisition of APOL's investment in Dragon Mining and does not include any other assets or liabilities.

Therefore, the implied price per Dragon Mining Share paid by GLL is assessed as follows:

	Price paid per Share
Cash consideration payable by GLL (HK$)	102,581,817.50
Number of Dragon Mining shares held by APOL	41,032,727
Price paid per Dragon Mining share (HK$)	2.50

Source: BDO analysis

10.5 Assessment of the premium for control

As outlined in Section 9.1, should the consideration to be paid by APAC to APOL exceed our assessed value of APOL's interest in Dragon Mining, then APAC will be deemed to be paying a premium for control. As such, we have outlined below a comparison between the price paid per Dragon Mining share to be received by APOL, to the value per Dragon Mining share assessed in Section 10.3.

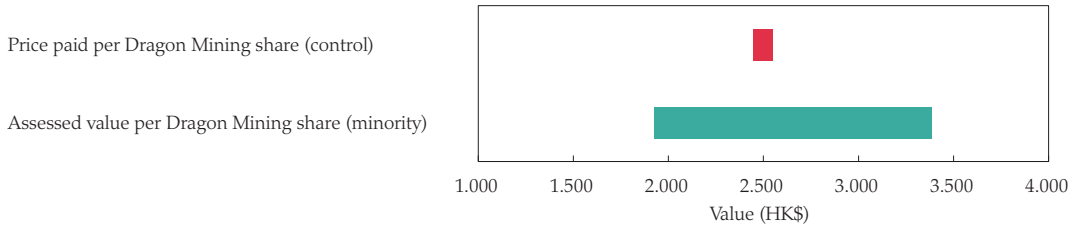
	Ref	Low	Preferred	High
		HK$	*HK$*	*HK$*
Assessed value per Dragon Mining share (minority)	10.3	1.925	2.656	3.387
Price paid per Dragon Mining share (control)	10.4	2.500	2.500	2.500
Assessed control premium paid by APAC		30%	Nil	Nil

Source: BDO analysis

Based on our preferred and high values, we have assessed that no premium for control is to be received by APOL for the sale of its shares in Dragon Mining to APAC. However, we note that based on our low value, APAC will be paying a premium for control of 30%.

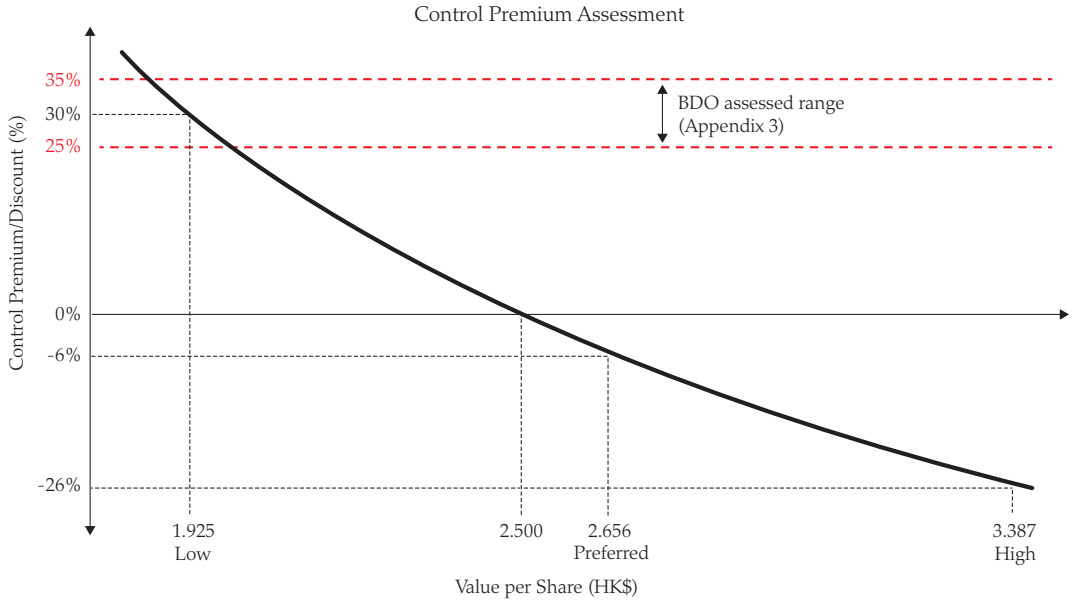
Our assessment of the premium for control is graphically presented below:

Valuation Summary



The above pricing indicates our assessed value per Dragon Mining share exceeds the price paid per Dragon Mining share at our preferred and high values, but is below the price paid per Dragon Mining share at our low value.

However, note that under our low value, the premium for control of 30% being offered by APAC to APOL is within our assessed premium for control range of 25% to 35% for Dragon Mining, as detailed in Appendix 3. To further illustrate, we have graphically presented the relationship between the value per Dragon Mining share and the premium for control being offered by APAC to APOL below:



Based on the above, a value per Dragon Mining share (as assessed) that is greater than HK$2.50 (being the price paid per Dragon Mining share by APAC), will imply that there is not a premium for control in the price paid by APAC. Conversely, a value per Dragon Mining share (as assessed) that is less than HK$2.50 will imply that there is a premium for control in the price paid by APAC.

Therefore, given that we have placed greater reliance on our preferred value of HK$2.656, we have assessed that no premium for control is to be received by APOL for the sale of its shares in Dragon Mining to APAC.

11. EVALUATION OF THE PROPOSED TRANSACTION

11.1 Advantages of the Proposed Transaction

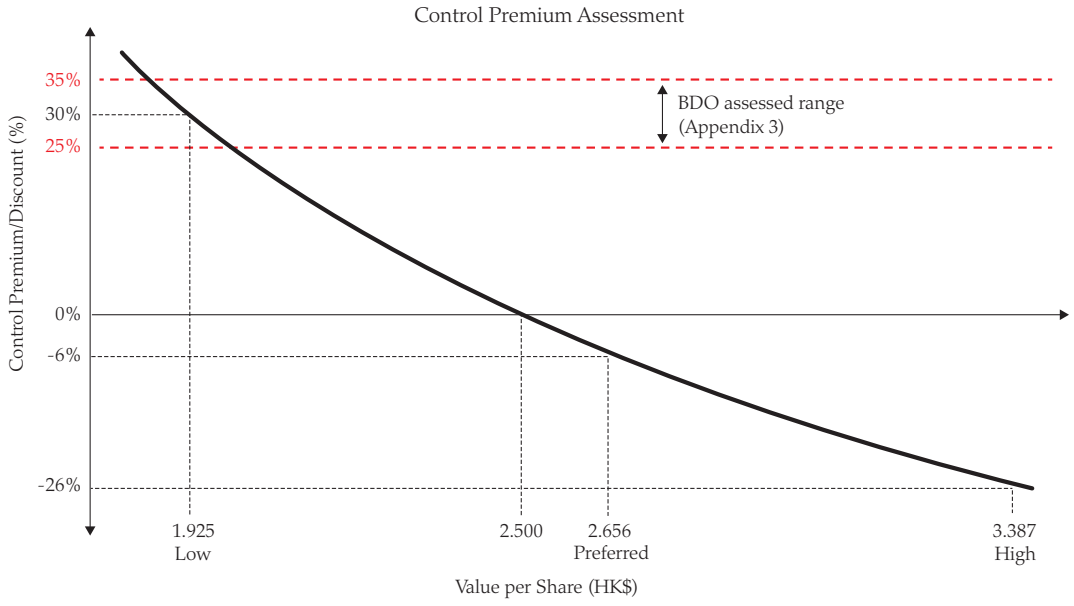
11.1.1. No premium for control will be payable by APAC, meaning that Shareholders will not miss out on the opportunity to receive a premium for control for their shares in Dragon Mining

In Section 10.5, we assessed the value per Dragon Mining share prior to the announcement of the Proposed Transaction and compared this to the price paid per Dragon Mining share by APAC, in order to assess whether a premium for control is to be received by APOL, for the sale of its shares in Dragon Mining to APAC.

As outlined in Section 10.5, we have concluded that no premium for control is to be received by APOL for the sale of its shares in Dragon Mining to APAC, based on our preferred and high values. Given that we have placed greater reliance on our preferred value, we have assessed that no premium for control is to be received by APOL for the sale of its shares in Dragon Mining to APAC. Therefore, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their Dragon Mining shares should the Proposed Transaction proceed.

However, we note that based on our low value, APAC will be paying a premium for control of approximately 30%, which is within our assessed premium for control range of 25% to 35% for Dragon Mining, as detailed in Appendix 3.

The relationship between the value per Dragon Mining share and the premium for control being offered by APAC to APOL is illustrated below:



11.1.2. APAC specialises in investments in resource companies

APAC's primary strategic investment business targets substantial investments in mineral exploration and production companies, including Mount Gibson Iron Limited and Tanami Gold NL. Therefore, APAC's specialist resources investment team may provide benefits to Dragon Mining.

Specifically, given that APAC has experience in holding interests in resource companies listed on major stock exchanges including Australia, Canada, Hong Kong, the United Kingdom and the US, the management of APAC will likely bring additional experience and operate as an active and supportive shareholder in the Company. As outlined in Section 5(a)(ii) of Appendix I to the Circular, APAC may be able to provide cashflow, productivity assets or offtake opportunity.

Furthermore, the value of the 25.83% interest in Dragon Mining would represent a much larger percentage of the total value of APAC's active investments, relative to the total value of AGL's active investments. Therefore, APAC may have more financial incentive to maximise the value of its investment in Dragon Mining, which will benefit the non-associated Shareholders of Dragon Mining.

11.1.3. The ownership consequence of the Proposed Transaction is minimal as there is no practical change in ultimate ownership

As outlined in Section 3.2 of our Report, RG 111 suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages, should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism utilised to effect it.

As highlighted in Section 6 of our Report and affirmed by Section 2(c) of Appendix I to the Circular, AGL and APAC are both investment holdings of the L&L Trust, with AGL being focused on property, retail and financial investments and APAC being focused on resources investments. As such, the Proposed Transaction will result in the transfer of the 25.83% interest in Dragon Mining to a more logical holding company, being APAC.

Should the Proposed Transaction proceed, the L&L Trust will still hold a relevant interest in Dragon Mining and hence there will be no practical change of ownership in the Company. Therefore, the position of Shareholders will largely be unaffected by the substance of the Proposed Transaction.

11.1.4. APAC has no current intention to alter the board, future operations or financial position of Dragon Mining

Affirming Section 11.1.2 above that the position of Shareholders will largely be unaffected by the substance of the Proposed Transaction, APAC has disclosed its current intentions in Section 6 of Appendix I to the Circular. APAC has advised that it has no current intentions to change the composition of the board of directors of Dragon Mining, the future of the Company or the financial and dividend policies of the Company.

However, as stated in Section 5(b)(iii) of Appendix I to the Circular, APAC's intentions have been formed on the basis of facts and information concerning the Company and the general business environment which is known to APAC at the current date. APAC will make final decisions on these matters in light of all material facts and circumstances at the relevant time. Accordingly, APAC's intentions may change as new information becomes available or as circumstances change.

11.1.5. All costs incurred in relation to the Proposed Transaction are to be reimbursed by APAC

The directors of Dragon Mining have advised that all costs and expenses incurred in relation to the Proposed Transaction will be fully reimbursed by APAC, regardless of whether the Proposed Transaction is approved. Therefore, the transfer of existing shares between APOL and APAC will not impact the value of existing Shareholders' interests.

11.1.6. Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company

Given that the Proposed Transaction will result in a transfer of existing shares in Dragon Mining, rather than the issue of new shares, Shareholders' individual and collective interests prior to, and following the Proposed Transaction will remain unchanged and Shareholders will continue to hold a 74.17% interest in the Company. We note that the only change in voting power arising from the Proposed Transaction will be an increase in GLL's interest from nil to 25.83% and a corresponding decrease in APOL's interest from 25.83% to nil.

11.2 Disadvantages of the Proposed Transaction

We do not consider there to be any disadvantages to Shareholders should the Proposed Transaction proceed.

11.3 Alternative proposals

We have made enquiries to APOL and APAC regarding their intentions in the event that Shareholders do not approve the Proposed Transaction. Based on these responses, we are not aware of any alternative proposals that are likely to emerge, should the Proposed Transaction not be approved.

Furthermore, the Directors of Dragon Mining are not aware of any other proposal that may emerge should the Proposed Transaction not be approved.

In the event that a takeover is made for Dragon Mining and therefore potentially providing Shareholders with the opportunity to receive a premium for control for their shares, this would need to be subject to the agreement of APRL, the holder of 25.83% of the Company's issued shares.

11.4 If the Proposed Transaction is approved, it is unlikely that it will deter a takeover bid

Given that the Proposed Transaction represents a transfer of existing shares, there are no control implications as APOL is being replaced by APAC as the Company's substantial shareholder. As such, we consider it unlikely that if the Proposed Transaction is approved, it would have any impact on the likelihood of receiving a takeover bid from an alternate party.

11.5 Practical level of control

Prior to the Proposed Transaction, APOL holds 25.83% of Dragon Mining's issued capital. If the Proposed Transaction is approved, then this interest will be transferred to APAC, which will mean that APAC will replace APOL as a substantial shareholder. As outlined in Section 11.1.2, AGL and APAC are both investment holdings of the L&L Trust, with AGL being focused on property, retail and financial investments and APAC being focused on resources investments.

Therefore, the L&L Trust will still hold a relevant interest in Dragon Mining and hence there will be no control implications for existing Shareholders as the Proposed Transaction represents a transfer of existing shares in the Company. As such, Shareholders' interests prior to, and following the Proposed Transaction, will remain unchanged.

11.6 Consequences of not approving the Proposed Transaction

11.6.1. APOL will remain as Dragon Mining's substantial shareholder

If the Proposed Transaction is not approved, then the Company's shareholding structure will remain unchanged as APOL will continue to hold 25.83% of Dragon Mining.

11.6.2. Should the Proposed Transaction not proceed, an alternative for APAC could be to progressively increase its interest pursuant to the creep provisions of Section 611 of the Act, which would result in the outcome of the Proposed Transaction eventuating either way

We have not been advised of APAC's intention should the Proposed Transaction not proceed. However, should APAC still intend to acquire a substantial interest in Dragon Mining, it is possible that APAC could acquire and progressively increase its in Dragon Mining interest pursuant to the creep provisions of section 611 of the Act whereby a controlling shareholder can acquire an additional 3% interest every six months without obtaining shareholder approval. We note from our analysis in Section 10.2 that Dragon Mining shares display a moderate level of liquidity, with 35.08% of shares traded in the twelve months prior to the announcement of the Proposed Transaction. Therefore, if these on-market purchases were to occur, this may provide Shareholders with an opportunity to liquidate their positions and may place upward pressure on the Company's share price.

However, as detailed below in Section 11.3, based on our enquiries, nothing has come to our attention to suggest that an alternative offer would be presented to Shareholders if the Proposed Transaction is not approved. Even if an alternative offer was made, the price, structure and terms of such an offer are not known and cannot be predicted.

12. CONCLUSION

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the advantages of the Proposed Transaction outweigh the disadvantages to Shareholders. Specifically, we do not consider there to be any disadvantages in approving the Proposed Transaction.

We consider the Proposed Transaction to be advantageous to Shareholders because there is no shift in value or dilution resulting from the transfer of existing Dragon Mining shares between GLL and APOL. In addition, there is no premium for control to be paid by APAC and as such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares in Dragon Mining.

Furthermore, the underlying consequence of the Proposed Transaction is minimal as there is no practical change in ultimate ownership, given that APOL and APAC are both investment holdings of the L&L Trust with AGL being focused on property investment and development and financial services together with property management and elderly care services, and APAC being focused on resources investments, which is deemed to be more appropriate for Dragon Mining.

13. SOURCES OF INFORMATION

This report has been based on the following information:

- Draft Circular, including the Explanatory Memorandum as set out in Appendix I thereto;
- Audited financial statements of Dragon Mining for the years ended 31 December 2018, 31 December 2019 and 31 December 2020;
- Unaudited management accounts of Dragon Mining for the period ended 31 May 2021;
- Independent Valuation Report of Dragon Mining's mineral assets dated 9 July 2021 performed by RPM;
- Share registry information of Dragon Mining;
- Sale and Purchase Agreement;
- Announcements made by Dragon Mining and APAC;
- Dragon Mining Prospectus 2018;
- Finnish Mining Act 2011;
- IMF World Economic Outlook Database, April 2021;

- Swedish Mining Act 1991;
- Hong Kong Monetary Authority 2020 Annual Report;
- World Gold Council;
- USGS;
- IBISWorld;
- Consensus Economics;
- Bloomberg;
- Information in the public domain; and
- Discussions with Directors and Management of Dragon Mining.

14. INDEPENDENCE

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of A$80,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Dragon Mining in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Dragon Mining including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Dragon Mining and GLL and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Dragon Mining and GLL and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Dragon Mining or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Dragon Mining and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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15. QUALIFICATIONS

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

16. DISCLAIMERS AND CONSENTS

This report has been prepared at the request of Dragon Mining for inclusion in the Circular which will be sent to Shareholders. Dragon Mining engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed transfer of a substantial holdings in Dragon Mining from APOL to GLL.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the Circular. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Circular other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to GLL. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to Shareholders, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Dragon Mining. The valuer engaged for the mineral asset valuation, RPM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully
BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes
Director

Adam Myers
Director

APPENDIX 1 – GLOSSARY OF TERMS

Reference	Definition
The Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
AGL	Allied Group Limited
APAC	APAC Resources Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
AP Finance Loan Facility	The $3.00 million unsecured loan facility from AP Finance Limited
APOL	Allied Properties Overseas Limited
APRL	Allied Properties Resources Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AVI	The Regional State Administrative Agency for Southern Finland
BDO	BDO Corporate Finance (WA) Pty Ltd
CAB	The County Administrative Board in Sweden
CIL	Carbon in leach
Circular	Circular of Dragon Mining
The Company	Dragon Mining Limited
COVID-19	The coronavirus outbreak
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
Dragon Mining	Dragon Mining Limited

EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EIA	Environmental Impact Assessment
EU	European Union
EU Court	European Court of Justice
Fäboliden	The Fäboliden Gold Mine in Sweden
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GDP	Gross Domestic Product
GLL	Genuine Legend Limited
HKEx	Hong Kong Stock Exchange
IMF	International Monetary Fund
Item 7 s611	Item 7 of section 611 of the Corporations Act 2001 Cth
Jokisivu	The Jokisivu Gold Mine in Finland
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Kaapelinkulma	The Kaapelinkulma Gold Mine in Finland
Koz	Thousand ounces
Kt	Kilotonnes
L&L Trust	The Lee and Lee Trust
Moz	Million ounces
NAB	National Australia Bank

NAV	Net Asset Value
Orivesi	The Orivesi Gold Mine in Finland
oz	Ounces
Placement	The Placement announced by Dragon Mining of up to 21,000,000 new shares at an issue price of HK$2.05 per Dragon Mining share to raise gross proceeds of up to approximately HK$43.05 million under general mandate
The Proposed Transaction	The transaction outlined in the Sale and Purchase Agreement announced by Dragon Mining Limited on 17 May 2021
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RPM	RPM Advisory Services Pty Ltd
The Sale and Purchase Agreement	The Sale and Purchase Agreement entered into by Allied Properties Overseas Limited and Genuine Legend Limited as announced by Dragon Mining Limited on 17 May 2021
Scoping Study	The Fäboliden underground scoping study
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Dragon Mining Limited not associated with the Proposed Transaction

Shareholder Loan	The loan due to Allied Properties Overseas Limited by Allied Properties Resources Limited, and being assigned from Allied Properties Overseas Limited to Genuine Legend Limited pursuant to the Sale and Purchase Agreement
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Sunstone	Sunstone Metals Limited
Svartliden	The Svartliden Gold Mine in Sweden
Svartliden Plant	The Svartliden Processing Plant in Sweden
tpa	Tonnes per annum
Tukes	Turvallisuus-ja kemikaalivirasto
Uunimäki	The Uunimäki Gold Project
USGS	United States Geological Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Vammala Plant	The Vammala Processing Plant in Finland
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

APPENDIX 2 – VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

1 NET ASSET VALUE

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 QUOTED MARKET PRICES BASIS

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 CAPITALISATION OF FUTURE MAINTAINABLE EARNINGS

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('**EBIT**') or earnings before interest, tax, depreciation and amortisation ('**EBITDA**'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 DISCOUNTED FUTURE CASH FLOWS

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 MARKET BASED ASSESSMENT

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

APPENDIX 3 – MINORITY INTEREST DISCOUNT

Minority discount

The value of a Dragon Mining share derived under the Sum-of-Parts approach is reflective of a controlling interest, which we are required to convert to a minority interest value for our assessment. The conversion is done by applying a minority interest discount, which is widely perceived as the inverse of a control premium.

We have set out below an assessment of a reasonable premium for control likely to be paid by an acquirer purchasing a controlling stake in Dragon Mining, which is then used to derive the relevant minority interest discount to apply to our Sum-of-Parts valuation.

Premium for control

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed the control premiums on completed transactions, paid by acquirers of HKEx-listed general mining companies and all HKEx-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%.

There were seven HKEx-listed company transactions for which the announced premium was in excess of 100%. We have removed these transactions from our analysis because we consider it likely that the particular acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control by a hypothetical acquirer, rather than the specific strategic value flowing to particular acquirers.

We have summarised our findings below:

All HKEx-listed Companies

Year	Number of Transactions	Average Deal Value (HK$m)	Average Control Premium (%)
2021	11	2,679.82	46.02
2020	39	4,589.61	37.03
2019	23	3,154.15	24.22
2018	26	4,938.26	19.92
2017	41	4,692.23	19.51
2016	39	2,628.93	23.32
2015	17	12,510.26	27.16
2014	19	4,216.89	16.26
2013	12	12,034.33	29.04
2012	19	2,414.55	30.64
2011	14	933.49	23.71

Source: Bloomberg and BDO analysis

HKEx-listed General Mining Companies

Year	Number of Transactions	Average Deal Value (HK$m)	Average Control Premium (%)
2021	–	–	–
2020	1	1,799.94	20.17
2019	1	3.25	5.15
2018	–	–	–
2017	1	49,315.13	33.53
2016	2	86.99	10.16
2015	1	6,187.19	68.67
2014	–	–	–
2013	–	–	–
2012	–	–	–
2011	–	–	–

Source: Bloomberg and BDO analysis

We note that there was a limited number of data points for transactions relating to HKEx-listed mining companies. Therefore, we have also included the control premiums on completed transactions, paid by acquirers of ASX-listed general mining companies and ASX-listed gold mining companies, from which we note to have a larger number of data points for our assessment.

ASX-listed General Mining Companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	2	2,976.25	15.89
2020	6	494.16	33.24
2019	11	153.60	36.27
2018	9	61.53	39.47
2017	5	13.91	35.21
2016	11	66.19	51.54
2015	9	340.82	57.86
2014	15	113.69	41.79
2013	13	134.67	34.94
2012	16	231.26	49.34
2011	20	845.42	33.08

Source: Bloomberg and BDO analysis

ASX-listed Gold Mining Companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	1	5,864.23	2.02
2020	1	2,748.72	10.10
2019	1	219.99	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	5	19.15	51.38
2015	4	56.22	53.80
2014	8	123.49	48.94
2013	4	241.86	20.24
2012	6	137.84	57.98
2011	5	1,032.94	41.35

Source: Bloomberg and BDO analysis

The mean and median of the HKEx data set comprising control transactions from 2011 onwards for all HKSE-listed companies and HKEx-listed general mining companies are set out below:

	All HKEx-listed Companies		HKEx-listed General Mining Companies	
Entire Data Set Metrics	**Deal Value** *(HK$m)*	**Control Premium** *(%)*	**Deal Value** *(HK$m)*	**Control Premium** *(%)*
Mean	4,600.78	26.03	9,579.92	24.64
Median	513.73	18.88	986.90	15.17

Source: Bloomberg and BDO analysis

Similarly, the mean and median of the ASX data set comprising control transactions from 2011 onwards for ASX-listed general mining companies and ASX-listed gold mining companies are set out below:

	ASX-listed General Mining Companies		ASX-listed Gold Mining Companies	
Entire Data Set Metrics	**Deal Value** *($m)*	**Control Premium** *(%)*	**Deal Value** *($m)*	**Control Premium** *(%)*
Mean	336.87	40.87	452.02	43.42
Median	45.11	38.28	40.69	41.63

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

The tables above indicate that the long-term average control premium paid by acquirers of all HKEx-listed companies and HKEx-listed general mining companies is approximately 26.03% and 24.64% respectively.

The long-term average control premium paid by acquirers of ASX-listed general mining companies and ASX-listed gold mining companies is generally higher, at approximately 40.87% and 43.32% respectively.

However, in assessing the ASX transactions included in our tables above, we note that the data appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 38.28% for ASX-listed general mining companies and 41.63% for ASX-listed gold mining companies.

In determining a reasonable premium for control for Dragon Mining, we have weighted our analysis towards the HKEx data set on the basis that the HKEx is the trading platform for which Dragon Mining operates on. However, we have adopted the mean control premiums observed on the HKEx as the low end of our assessed range based on the data observed from ASX gold mining companies, which show general higher premiums. We consider an appropriate premium for control to be between 25% and 35%, with a midpoint of 30%.

Minority interest discount conclusion

The minority discount is based on the inverse of the control premium and is calculated using the formula: 1 – (1/(1+control premium))

Therefore, our implied minority interest discount ranges from 20% to 26% with a midpoint of 23%.

APPENDIX 4 – INDEPENDENT VALUATION REPORT

DOCUMENT CONTROL SHEET

Client

BDO Corporate Finance (WA) Pty Ltd on behalf of Dragon Mining Ltd

Report Name	**Date**
Dragon Mining Ltd Independent Technical Expert Report and Valuation	9 July 2021
Job No.	**Revision No.**
ADV-AU-00183	Final

File Name:

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Authorisations

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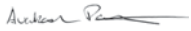
Name		Position	Signature	Date
Mining – Finland	Blaine Bovee	Director of Studies – Principal Mining Engineer		22/06/2021
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RPM has created this report using data and information provided by or on behalf of the Client as per Appendix C and data and information which RPM has produced in estimating Mineral Resources and Ore Reserves for the Clients assets. Unless specifically stated otherwise, RPM has verified to the best of its ability the data and information used to create this report. RPM otherwise accepts no liability for the accuracy or completeness of that data and information, even if that data and information has been incorporated into or relied upon in creating this report (or parts of it).

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5. Mining Unknown Factors

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond RPM's control and that RPM cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

EXECUTIVE SUMMARY

Background

RPM Advisory Services Pty Ltd ("RPM") was engaged to provide services to BDO Corporate Finance (WA) Pty Ltd ("BDO") on behalf of Dragon Mining Limited ("Dragon Mining" or the "Company") and the shareholders of Dragon Mining Limited (collectively the "Client"), regarding the compilation of an Independent Technical Valuation ("the Valuation") of Dragon Mining's Finnish and Swedish mineral assets (the "Assets").

The Valuation Date for the Assets is 1st June 2021. The Valuation is undertaken in USD based on the Foreign Exchange Rates for USD:SEK and USD:Euro as at the Valuation Date.

Dragon Mining's assets fall within two gold producing areas referred to as "Production Centres": Svartliden in Sweden and Vammala in Finland (**Figure 1**). The Svartliden Production Centre comprises the Svartliden process plant, the now closed Svartliden mine, and the Fäboliden mine which is currently awaiting an environmental permit to continue to mine (**Figure 2**). 108 kilo tonnes (kt) of ore at 2.7g/t gold was mined from a test pit at the Fäboliden project in 2018 and 2019 under an environmental permit, with the ore treated through the Svartliden plant in 2019 and 2020. The Vammala Production Centre comprises the Vammala process plant, the Jokisivu underground mine, the recently closed Kaapelinkulma open cut mine and the closed Orivesi underground mine. Ore from the Finnish mines is trucked to the Vammala process plant where a flotation concentrate and a minor gravity gold concentrate is produced (**Figure 3**). The gravity concentrate is sold to a third party, whilst the concentrate is transported to the Svartliden plant which produces a gold doré via a carbon in leach process (CIL). The Svartliden plant has previously treated ore from the Svartliden mine and test mining ore from the Fäboliden mine. There are exploration tenements associated with these mining operations. The Valuation considered the process plants, mines and exploration assets of the Company.

Figure 1 Dragon Mining Production Centres

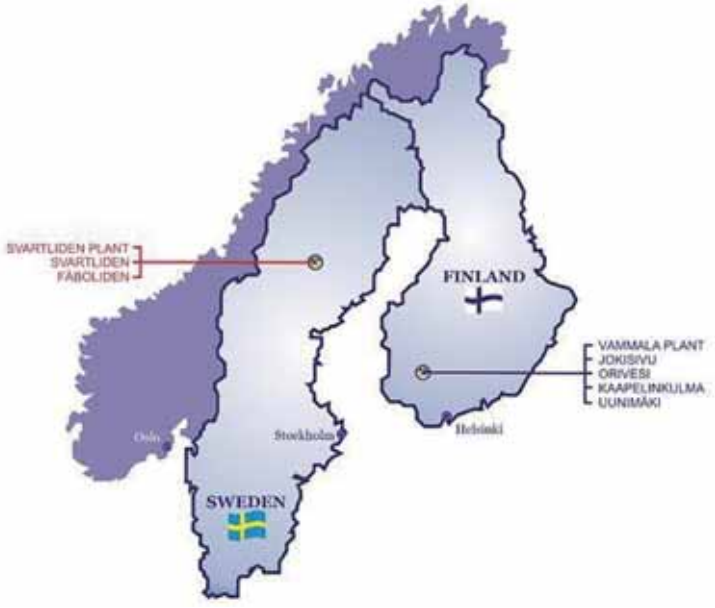
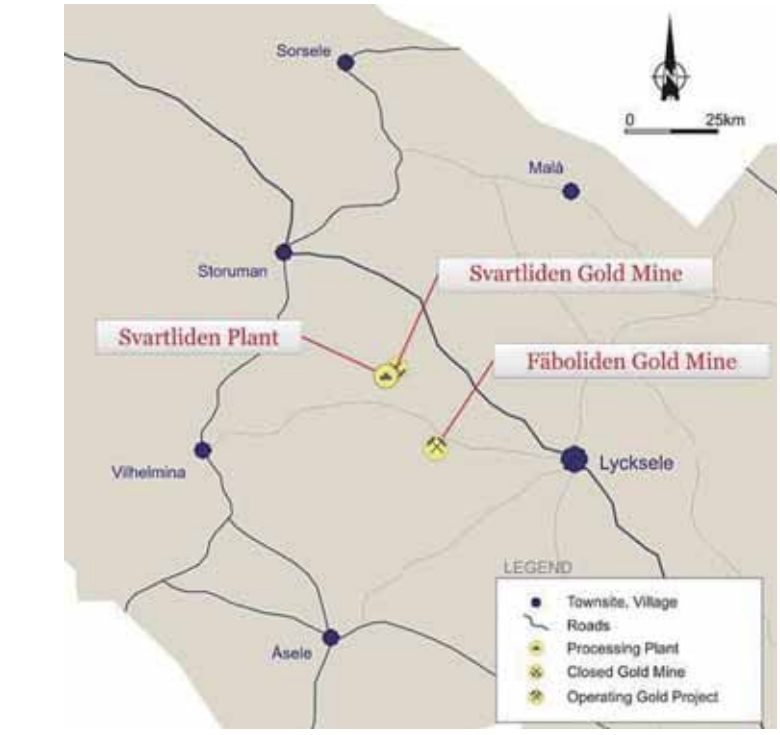
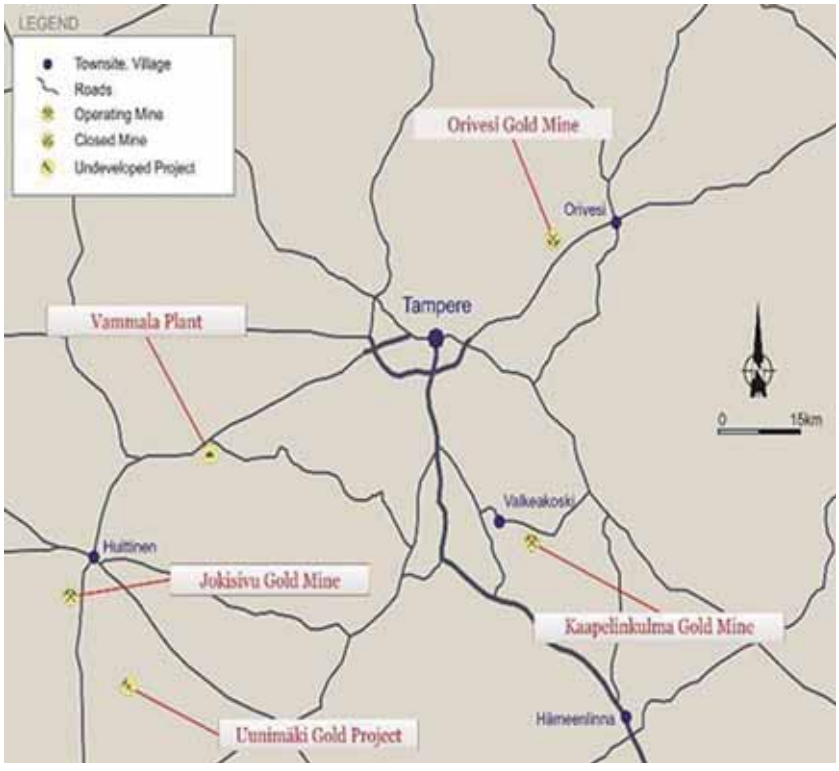


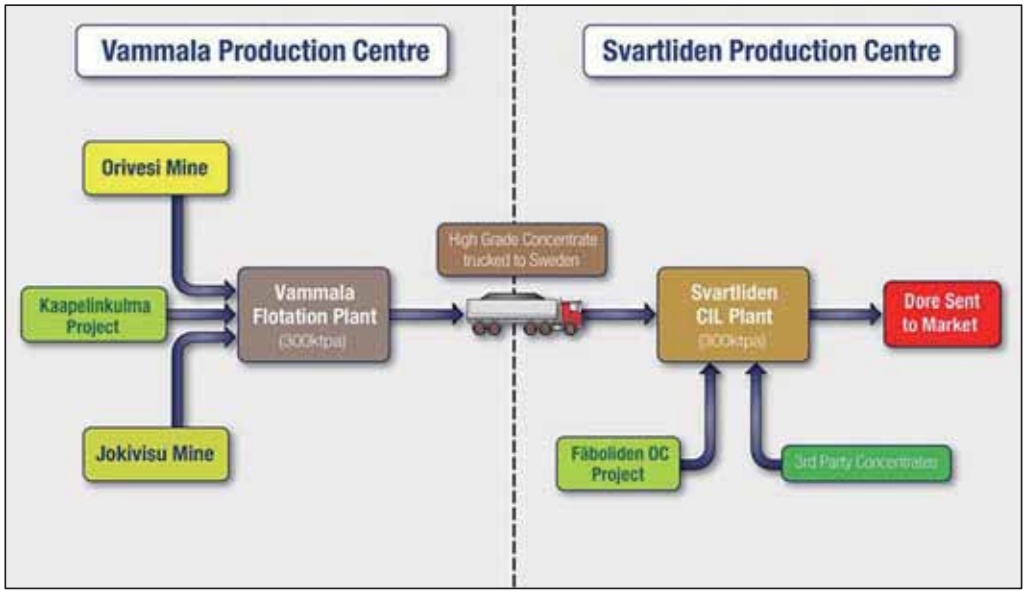
Figure 2 Dragon Mining Production Centre Location Plans





Source: Dragon Mining Website

Figure 3 Dragon Mining Production Flow



Source: Dragon Mining Website

Tenements

Dragon Mining has six mining permits or concessions, three exploration permits, three exploration Permit Applications and one Reservation in Finland **(Table 1)**.

Dragon Mining has two exploitation concessions and one exploration permit in Sweden **(Table 2)**.

The tenements are wholly owned by Dragon Mining's local subsidiaries, Dragon Mining AB (Sweden) and Dragon Mining OY (Finland).

All tenements are wholly owned by Dragon Mining.

RPM provides the below information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

Table 1 Finland Tenements

Area	Asset	ID	Type	Registered Holder	Area (Ha)
Orivesi	Orivesi	2676	Mining Concession	Dragon Mining Oy	39.82
	Sarvisuo 1-2	ML2013:0006	Exploration Permit	Dragon Mining Oy	41.10
	Sarvisuo 3	ML2015:0026	Exploration Permit Application	Dragon Mining Oy	46.51
	Ori	VA2020:0021	Reservation	Dragon Mining Oy	1,979.73

Area	Asset	ID	Type	Registered Holder	Area (Ha)
Jokisivu	Jokisivu	7244	Mining Concession	Dragon Mining Oy	48.32
	Jokisivu 2	KL2015:0005	Mining Permit	Dragon Mining Oy	21.30
	Jokisivu 3	KL2018:0010	Mining Permit	Dragon Mining Oy	8.97
	Jokisivu 4-5	ML2012:0112	Exploration Permit	Dragon Mining Oy	85.76
	Jokisivu 7-8	ML2017:0131	Exploration Permit	Dragon Mining Oy	18.60
	Jokisivu 10	ML2018:0082	Exploration Permit Application	Dragon Mining Oy	900.33
Kaapelinkulma	Kaapelinkulma	K7094	Mining Concession	Dragon Mining Oy	65.10
Uunimäki	Uunimäki 1	ML2020:0020	Exploration Permit Application	Dragon Mining Oy	89.22
Stormi	Stormi	1895	Mining Concession	Dragon Mining Oy	157.53

Table 2 Sweden Tenements

Area	Asset	Type	Registered Holder	Area (Ha)
Svartliden	Svartlidengruvan K nr 1	Exploitation Concession	Dragon Mining (Sweden) AB	87.54
Fäboliden	Fäboliden K nr 1	Exploitation Concession	Dragon Mining (Sweden) AB	122.00
Fäboliden	Fäboliden nr 11	Exploration Permit	Dragon Mining (Sweden) AB	836.26

Geology

Finland

The Orivesi Gold Mine has two areas of mineralisation (Kutema and Sarvisuo) which are approximately 300m apart. The Kutema and Sarvisuo lodes occur as sub-vertical, pipe-like structures with extensive vertical continuity and thickness. Gold mineralisation is related to strongly deformed and silicified zones characterized by shearing, boudinaging, folding and quartz veining with gold occurring as fine native gold, and carried by some gold tellurides, and electrum (Au, Ag).

The Jokisivu Gold Mine has two areas of mineralisation (Kujankallio and Arpola) which are approximately 200m apart. The lodes are controlled by a conjugate set of brittle-ductile shear zones between two major NW-trending shear zones in the Jokivisu metadiorite. Mineralisation is hosted within relatively undeformed and unaltered diorite, in 1-5m wide shear zones characterised by laminated, pinching and swelling quartz veins and a well-developed moderately (50°) east-northeast plunging lineation. Gold occurs mostly as free grains in quartz veins.

The Kaapelinkulma Gold Mine is an orogenic-type gold deposit associated with a quartz diorite inclusion and controlling NNE and NE-trending sinistral shear zones. Mineralised shear zones contain banded quartz veins and veinlets characterized by variable pyrrhotite, arsenopyrite, loellingite, pyrite, chalcopyrite, scheelite, tellurides, bismuth, maldonite and gold. Native free gold is mostly associated with quartz.

Sweden

The Fäboliden and Svartliden deposits are hosted in a sequence of volcano-sedimentary packages in the Bothnian Basin which consist of strongly foliated and biotite-rich argillites with lesser sandstones. The Fäboliden mineralisation is generally situated at or near the boundary between the lower sediments and the intermediate volcanics, with mineralisation associated with small quartz or sulfide veins where arsenopyrite is dominant. Mineralisation at Svartliden is epigenetic, located in hydrothermally altered ductile shear zones and hosted by a banded iron formation (BIF) located on the contact between a sediment and metabasalt. Gold is associated with arsenopyrite and pyrrhotite.

Mineral Resource Estimates

The Mineral Resource Estimates were reviewed for all deposits. The geological interpretation methodologies are reasonable based on known occurrences of mineralisation from drilling, information from mine geologists on-site and gold assays. For some deposits, the erratic distribution of the high-grade mineralised zones necessitated using variable interpretation gold cut-off grades.

The statistical analysis, modelling and estimation has been carried out according to international best practice. For Orivesi, RPM recommends trialling variography for the larger objects and an Ordinary Kriging estimate for comparison with the Inverse Distance estimate.

The validation and resource classification methodologies used are reasonable and expected for these styles of deposit. Overall, the Mineral Resources are acceptable and have been estimated and reported to be in accordance with the recommended guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").

The Mineral Resources are summarised in the following tables.

Orivesi Mineral Resource

The Mineral Resource for the Orivesi Gold Mine is shown below on **Table 3** reported at a cut-off grade of 2.6 g/t Au and depleted for mining as of 31st December 2019.

Table 3 Orivesi Mine December 2019 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
Deposit	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au
	kt	*g/t*	*koz*	*kt*	*g/t*	*koz*	*kt*	*g/t*	*koz*	*kt*	*g/t*	*koz*
Kutema	59	4.5	9	61	5.1	10	13	4.4	2	130	4.8	20
Sarvisuo	34	5.7	6	47	7.0	11	58	4.9	9	140	5.8	26
Stockpiles	–	–	–	1	3.8	<1	–	–	–	1	3.8	<1
Total	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	47

Note:

1) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

2) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2019. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

4) The Mineral Resources have been reported at a gold cut-off grade of 2.6 g/t Au determined using a gold price of USD 1,770/troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of the nominal forecast gold price of USD 1,475/troy ounce as at 13th November, 2019, a mining cost of USD 88.48/t of ore for underground, a processing cost of USD 28.45/t of ore and a processing recovery of 85%.

Jokisivu Mineral Resource

The Mineral Resource for the Jokisivu Gold Mine is shown below on **Table 4** reported at a cut-off grade of 1.3 g/t Au and depleted for mining as of 31st December 2020.

Table 4 Jokisivu Gold Mine December 2020 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
Deposit	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au
	Mt	*g/t*	*oz*	*Mt*	*g/t*	*oz*	*Mt*	*g/t*	*oz*	*Mt*	*g/t*	*oz*
Kujankallio	0.5	5.0	79,000	0.9	3.4	100,000	0.1	2.9	13,000	1.6	3.8	190,000
Arpola	0.2	4.2	20,000	0.5	4.4	71,000	0.4	4.4	55,000	1.0	4.4	150,000
Stockpiles	–	–	–	<0.1	2.1	5,000	–	–	–	<0.1	2.1	5,000
Total	0.6	4.8	100,000	1.5	3.6	180,000	0.5	4.0	67,000	2.7	4.0	340,000

Note:

1) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

2) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

4) The Mineral Resources have been reported at a gold cut-off grade of 1.3 g/t Au determined using a gold price of US$1,890/troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of an average consensus forecast gold price of US$1,575/troy ounce that was generated from annual Consensus gold forecasts over the mine life period, a mining cost of US$39.50/t of ore for underground, a processing cost of US$25.54/t of ore and a processing recovery of 87%.

Kaapalinkulma Mineral Resource

The Mineral Resource for the Kaapelinkulma Gold Mine reported at a cut-off grade of 0.7 g/t Au based on actual mining and processing costs and recoveries and depleted for mining as at 31st December 2020 is shown below on **Table 5**.

Table 1 Kaapelinkulma Gold Mine December 2020 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
Type	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au
	t	*g/t*	*Ounces*	*t*	*g/t*	*Ounces*	*t*	*g/t*	*Ounces*	*t*	*g/t*	*Ounces*
Oxide	–	–	–	–	–	–	–	–	–	–	–	–
Transitional	–	–	–	–	–	–	–	–	–	–	–	–
Fresh	26,000	2.3	2,000	72,000	3.3	8,000	174,000	2.6	14,000	272,000	2.7	24,000
Stockpiles	–	–	–	8,000	2.9	1,000	–	–	–	8,000	2.9	1,000
Total	26,000	2.3	2,000	79,000	3.2	8,000	174,000	2.6	14,000	279,000	2.7	24,000

Note:

1) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

2) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

4) The Mineral Resources have been reported at a gold cut-off grade of 0.7 g/t Au determined using a gold price of US$2,250 per troy ounce which was extrapolated for the potential economic extraction of the resource at a level approximating 120% of the short term Consensus forecast gold price of US$1,880 per troy ounce, a mining cost of €16.59/bcm of ore and waste for open pit mining, a processing cost of €25.20/t of ore and a processing recovery of 83%. An exchange rate of USD1.00 = EUR0.84 was utilised as provided by Dragon Mining and checked by RPM.

Svartliden Mineral resource

The Mineral Resource for the Svartliden Gold Mine reported at a cut-off grade of 1.3 g/t Au for open pit material and 3.0 g/t Au for underground material and depleted for mining as at 30th April 2014 is shown below on **Table 6**.

Table 6 Svartliden Gold Mine April 2014 Mineral Resource Estimate

	Measured		Indicated		Inferred		Total		
Type	Quantity	Au	Quantity	Au	Quantity	Au	Quantity	Au	Au
	kt	*g/t*	*kt*	*g/t*	*kt*	*g/t*	*kt*	*g/t*	*koz*
Stockpiles	411	2.2					411	2.2	29.6
Open Pit	77	3.2	150	3.1			228	3.2	23.1
Underground	20	5.9	96	5.9	39	4.9	155	5.7	28.2
Total	508	2.5	246	4.2	39	4.9	794	3.2	80.9

Note:

1) Totals may differ due to rounding.

2) Exclusive of Mineral Reserves reported in Svartliden stockpiles.

Fäboliden Mineral Resource

The Mineral Resource for the Fäboliden Gold Mine reported at a cut-off grade of 1.1 g/t Au for open pit material above a revenue factor 1.2 optimised pit shell and at a cut-off grade of 2.0 g/t Au for underground material below the revenue factor 1.2 optimised pit shell depleted for mining as at 31st December 2020 is shown below on **Table 7**.

Table 7 Fäboliden Deposit December 2020 Mineral Resource Estimate

	Au	Measured			Indicated			Inferred			Total		
Material	Cut-Off	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au
	g/t	*Mt*	*g/t*	*oz*	*Mt*	*g/t*	*oz*	*Mt*	*g/t*	*oz*	*Mt*	*g/t*	*oz*
Open Pit	1.1	0.10	3.4	11,000	3.0	2.9	280,000	0.62	2.4	48,000	3.7	2.8	340,000
Underground	2.0	–	–	–	1.3	3.0	130,000	5.2	3.4	560,000	6.5	3.3	690,000
Stockpiles	–	–	–	–	<0.1	1.8	1,600	–	–	–	<0.1	1.8	1,600
Total		0.10	3.4	11,000	4.3	2.9	410,000	5.8	3.3	610,000	10	3.1	1,000,000

Note:

1) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

2) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

4) The Mineral Resources have been reported at gold cut-off grades and above and below a revenue factor 1.2 optimised pit shell determined using a gold price of US$1,740 per troy ounce (extrapolated for the potential economic extraction of the resource at a level approximating 120% of the long term Consensus forecast gold price as at January 2021 of USD1,450/oz), a mining cost of US$14.76/t of ore for open pit; and US$38.02/t of ore for underground, a processing cost of US$34.30/t of ore and a processing recovery of 82%.

Exploration

Dragon Mining's exploration tenements are all associated with the mineral deposits and mines, except for Uunimäki which is a new application in the Vammala district.

There is one exploration tenement in Sweden, Exploration Permit Fäboliden nr 11. It occurs along strike to the southwest of the Exploitation Concession associated with the Fäboliden deposit. Minor drill has been carried out with some promising intersections worthy of follow up.

There are six exploration tenements in Finland, three Exploration Permits and three Exploration Permit Applications. There is a Reservation tenement covering a large area around the Orivisi mine, which is a pre-cursor to exploration permit applications. The Uunimäki Exploration Permit Application is situated approximately 45km to the south of the Vammala plant.

Limited exploration has been carried out in the last several years by Dragon Mining on these tenements. Most exploration effort has focussed on exploring and infill drilling of mineral resources.

Exploration potential exists along strike of existing mineralisation and also along strike and at depth on existing mining tenements.

Mining

A high-level review was completed on the Jokisivu Underground Mine (Finland) and Fäboliden open cut mine (Sweden) with a particular focus on:

- Study status to meet the requirements of the JORC Code.
- Mining methods and mine design.
- Estimation of the ore cut-off grade.
- Life-of-mine (LOM) schedule.
- Derivation of mining costs.
- Estimation of Ore Reserves.

The outcomes of the Jokisivu and Fäboliden reviews are discussed below.

The Orivesi and the Kaapalinkulma mines have ceased production and have no current Ore Reserves and hence have been excluded from this Review.

Finland (Jokisivu Mine)

A life-of-mine (LOM) plan to a pre-feasibility study (PFS) level of accuracy has previously been prepared in order to support the declaration of an Ore Reserves estimate. The purpose of the mine plan was to assess if the Ore Reserves are technically achievable and economically viable.

The mining method at Jokisivu is long-hole open stoping (LHOS) with rockfill and is applied in an overhand manner. Mining advances from the bottom upwards in approximately 80m high mining panels leaving a sill pillar between the panels. Backfill material can be either waste rock from development or waste rock from the surface depending on the availability of material. In RPM's opinion the mining method is reasonable for the style and characteristics of the deposit. It has been largely applied since the inception of the underground mine and has a track record of being successfully applied. The design criteria underpinning the approach to underground mining is reasonable and again reflects current operations.

The mining modifying factors, that is the ore loss and dilution applied in the mining study, are based on operational experience and in-situ to run-of-mine (ROM) ore reconciliations. The dilution applied was 30% for stoping and 5% for ore development. The ore recovery is estimated at 90% for stoping and 95% for ore development. In RPM's opinion the approach to estimating mining modifying factors and outcomes are reasonable.

The marginal cut-off grades (COG) define the lowest grade of rock which can be mined and still pay for itself. The cut-off grades determined for the Jokisivu mine for the purpose of mine planning and estimation of Ore Reserves are set out on **Table 8.**

Table 8 Jokisivu Underground Cut-off (g/t Au) at USD1,699/oz

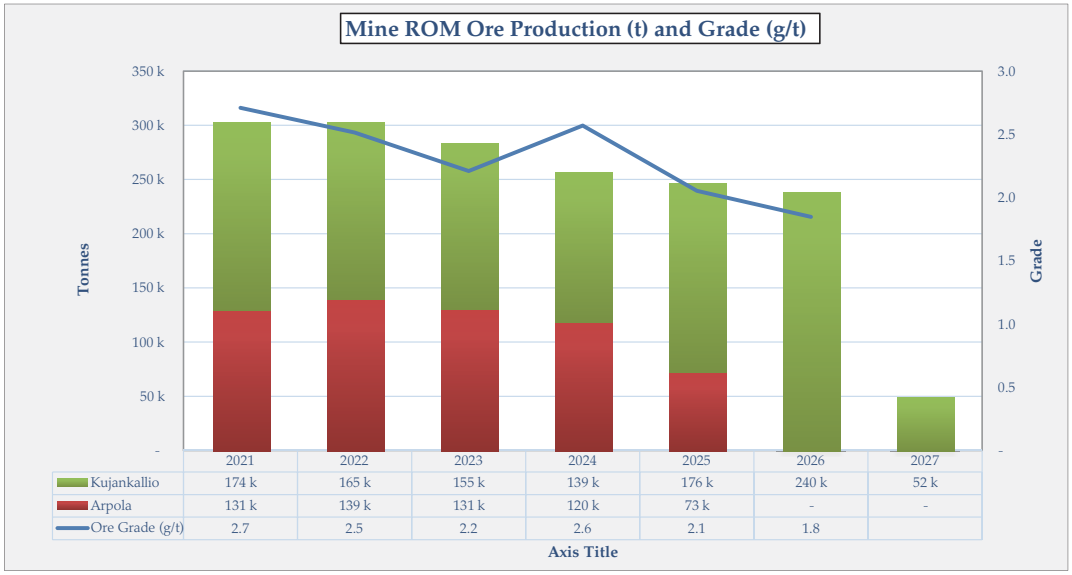
Area	Project	Operating	Stoping	Ore Dev.
Kujankallio In Situ Au Grade (g/t)	3.2	2.3	1.6	0.9
Arpola In Situ Au Grade (g/t)				

The stoping cut-off grade at the long-term price is 1.8 g/t Au. RPM has reviewed the estimation of the marginal cut-off grade and confirms it to be reasonable and accurate.

The economic mining limits were identified using the Vulcan Mine Stope Optimiser (MSO) software to define stope design shapes using the breakeven COG's described above. The mining limit optimisation process was restricted to only Measured and Indicated Mineral Resources. Inferred Resources were assigned a grade of zero for the purposes of the analysis and are hence considered as waste rock. This approach to estimating economic mining limits using the MSO software follows accepted industry practices. In RPM's opinion the approach is reasonable.

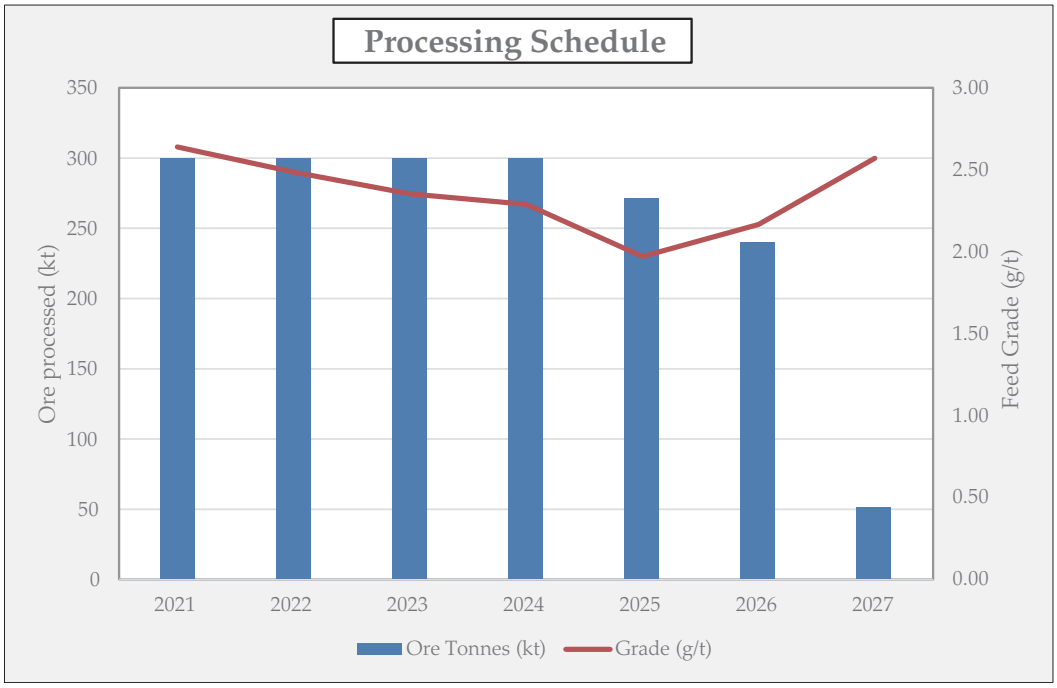
A life-of-mine schedule was prepared for underground ore extraction as illustrated in **Figure 4.** The results indicate that the target production of 300 kt per year is achieved to 2023, reducing to 250 kt per year as the Kujankallio region winds down and then ceases in 2025. The Arpola region ends operations in 2027.

Figure 4 Underground LOM Schedule



The ore processing schedule is illustrated in **Figure 5**. It indicates that the target production of 300 ktpa feed is achieved to 2024 with support of stockpiled ore before reducing as production at Kujankallio reduces.

Figure 5 LOM Ore Processing Schedule



In RPM's opinion the LOM underground schedule aligns with current operational outputs, and hence should be achievable.

The underground mining costs as set out in **Table 9** are understood to be based on an actual operation costs.

Table 9 Jokisivu Mining Operating Costs

Cost Centre	Item	Units	Value (USD)
U/G Development Cost	Capex Development	$/m	2,767
	Opex Development	$/m	2,216
U/G Mining	Ore Dev.	$/t ore	20.23
	U/G Stoping Costs	$/t ore	9.11
	U/G Opex Fixed Cost	$/t ore	9.91
	U/G Backfill Cost	$/t ore	1.22
Total Variable Cost		$/t ore	40.47

In RPM's opinion, an average variable mining cost of USD40/t ore and the mining development costs are reasonable based on our experience with similar small-scale gold mines. Given they are based on actual operational results increases the confidence in the outcomes.

In summary, the high-level mining review found no technical fatal flaws. The mine plan appears to be practical and achievable as it is underpin by a mining method approach, design criteria and costs based on actual operating data.

RPM prepared an Ore Reserve Statement on behalf of Dragon Mining dated 31 December 2020. The Statement was prepared in compliance with the requirements of the reporting guidelines of the JORC Code. The Ore Reserves estimated as of 31 December 2020 is set out on **Table 10.**

Table 10 Summary of Jokisivu Gold Mine Ore Reserves

Zone	Category	2020 Reserves		
		kt	*g/t*	*koz*
ARP	Proved	108	2	7
	Probable	486	2.4	37
	Total	594	2.3	44
KUJ	Proved	381	2.7	33
	Probable	719	2.2	51
	Total	1,100	2.4	84
Stockpiles	Probable	69	2.1	5
TOTAL	Proved	490	2.5	40
	Probable	1,273	2.3	93
	Total	1,763	2.3	132

Notes:

1. The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Joe McDiarmid who is a full-time Manager – Metals Consulting Australasia employed by RPM and is a Member of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code;

2. Tonnages are dry metric tonnes;

3. The economic in-situ ore cut-off grades were determined based on a variable gold price ranging from USD1,699 per troy ounce in the short term to USD1,443 per troy ounce long term, and historical costs and metallurgical modifying factors.

   Kujankallio stope cut-off grade of 1.6 g/t Au
   Arpola stope cut-off grade of 1.6 g/t Au

4. Ore Reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

Mineral Resources are reported inclusive of Ore Reserves (that is, Ore Reserves are not additional to Mineral Resources).

In RPM's opinion the estimate of Ore Reserves is reasonable and meets the requirements of the JORC Code. The estimate is suitable to support the valuation of the asset.

Sweden (Fäboliden Mine)

The mining method is open cut selective mining by hydraulic excavators mining in 2.5m flitches loading standard off-highway rear dump trucks hauling to surface ore stockpiles and waste disposal dumps. These would be supported by front-end loaders for stockpile rehandle.

A life-of-mine (LOM) plan to a pre-feasibility study (PFS) level of accuracy has been prepared in order to support the declaration of an Ore Reserves estimate. The purpose of the mine plan was to assess if the Ore Reserves are technically achievable and economically viable.

The economic pit limits were defined by considering the physical constraints to mining, which, for Fäboliden, is primarily the Exploitation Concession area. There are no other physical constraints to mining within the concession area such as property, infrastructure or environmental issues.

The Geovia Whittle 4X software was used to identify the economic open cut pit limits. Key inputs to the pit limit optimisation process included the Resource model, geotechnical parameters, metallurgical modifying factors and historical or forecast operating costs. This study was completed with revenue generated only by Measured and Indicated Resources. That is, no value was allocated to Inferred Resources and hence it was considered by the analysis as waste rock.

In RPM's opinion the approach to estimating the economic mining limits aligns with accepted industry practice. The selected pit shell was used to guide the ultimate pit design which formed the basis of the estimation of Ore Reserves and the mine planning study. The pit design criteria are based on the geotechnical study undertaken by Intra Tech and was confirmed during the PFS process through consultation with Dragon Mining.

RPM reviewed the ultimate pit design and, in our opinion, it appears practical and achievable. Sufficient detailed design has been completed to support the estimation of mineable quantities and life-of-mine planning.

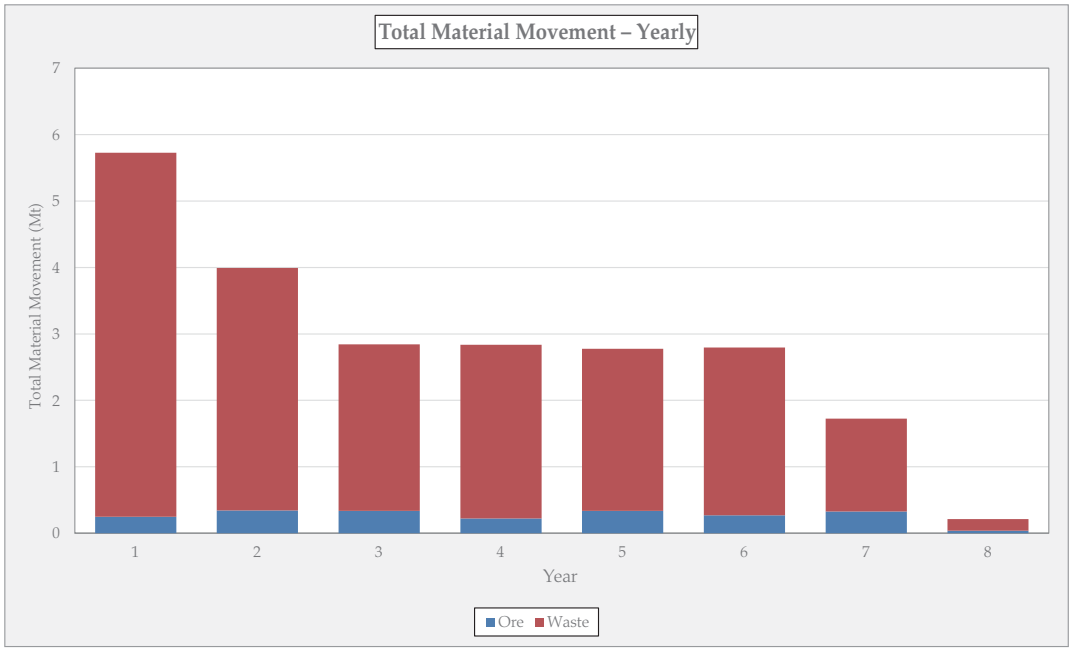
The mining modifying factors (ore loss and dilution) applied to the mineable in situ ore to enable conversion to ROM ore were estimated from a selective mining unit (SMU) analysis. The SMU defines the size of material that can be selectively excavated based on the mining parameters. The analysis indicated a global ore loss of 13% and dilution of 23%. In RPM's opinion the approach to estimating mining modifying factors follows accepted industry practice and is reasonable.

Mineralised rock with metal grades higher than the marginal cut-off grade is considered economic to be processed. The marginal cut-off grade for Fäboliden is estimated at 1.36 g/t Au for Fresh Rock. No oxide or transition rock is present. This cut-off grade is based on a USD1,450/oz gold price. A marginal processing cut-off grade for stockpiled ore is estimated at 1.07 g/t Au and is also based on USD1,450/oz gold price. The gold price is based on the long-term gold price within the Energy and Metals Consensus publication dated December 2020. RPM reviewed the estimation of the marginal cut-off grade and confirms it to be reasonable and accurate.

A life-of-mine schedule was prepared using RPM's Open Pit Metals Solution (OPMS) software. The categorisation of "ore" and "waste" rock was based on the above marginal cut-off grades.

The total material movements of ore and waste are illustrated in **Figure 6** . The results indicate a high pre-strip is required in Year 1 and 2, followed by steady-state mining for four years. Remanent ore is mined out in Year 8.

Figure 6 LOM Schedule Total Material Movement



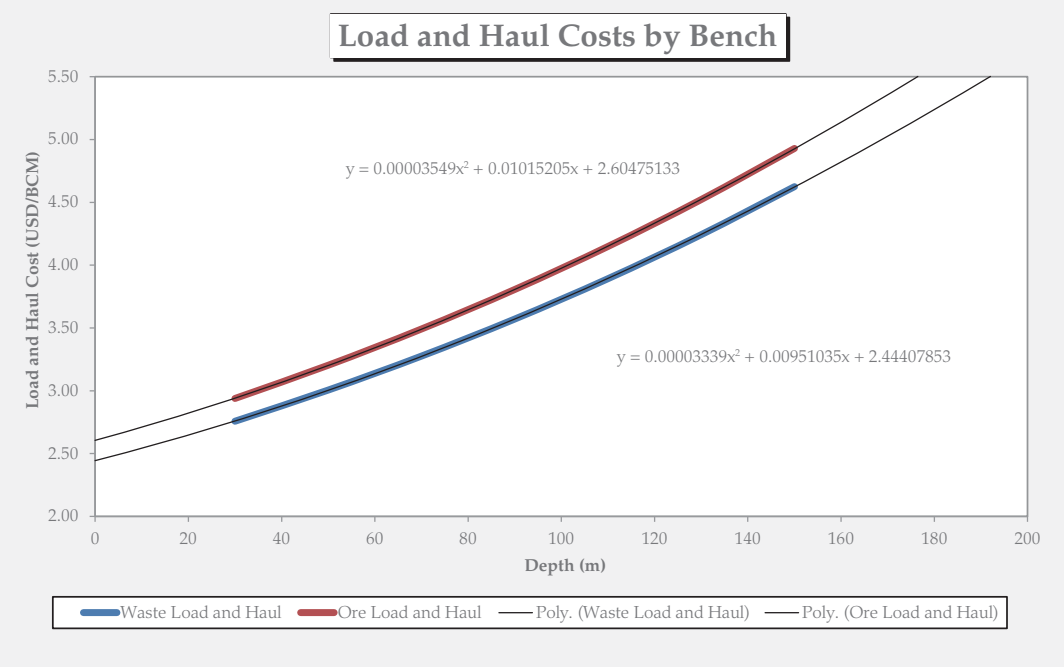
In RPM's opinion the LOM schedule appears reasonable and should be achievable. Further detailed scheduling may alter the waste stripping strategy, however, overall, it should not materially impact the estimation of Ore Reserves.

The mining costs are understood to be based on an actual cost estimate by a local mining contractor. The load and haul costs for "Fresh" rock changes with depth as illustrated in **Figure 7**. The loose overburden till is assumed to be a constant load and haul cost of USD2.12/bcm.

In addition to the load and haul costs, other mining costs are:

- Drill and blast:
  - Till: USD0.12/bcm.
  - Fresh: USD3.04/bcm.
- Fuel cost of USD2.00/bcm.
- In addition to the mining contractor's costs, historical cost estimates of:
- Mine site Admin: USD1.90/t ore.
- Grade Control: USD3.61/t ore.
- Service Costs: USD3.89/t ore.

Figure 7 Fresh Rock Load and Haul Mining Costs



The average mining cost over the LOM period averages USD3.50/t. In RPM's opinion, this average mining cost is on the low side for a small-scale gold mine. Also, though the load and haul costs are based on an actual mining contract estimate, no mining is currently being undertaken, and any future activity will likely be based on an adjusted contract that will be based on inflated costs. For the purposes of the cashflow model, RPM recommends that the mining activity cost be increased by 5%.

RPM prepared an Open Cut Ore Reserve Statement on behalf of Dragon Mining dated 31 December, 2020. The Statement was prepared in compliance with the requirements of the reporting guidelines of the JORC Code. The Open Cut Ore Reserves estimated as of 31 December 2020 is set out in **Table 11.**

Table 11 Summary of Fäboliden Gold Mine Open Cut Ore Reserves

Proved Reserves			Probable Reserves			Proved + Probable Reserves		
Quantity	Grade	Gold	Quantity	Grade	Gold	Quantity	Grade	Gold
kt	*Au g/t*	*'000 Oz*	*kt*	*Au g/t*	*'000 Oz*	*kt*	*Au g/t*	*'000 Oz*
110	3.0	11	2,000	2.9	190	2,100	2.9	200

Notes:

1. The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Joe McDiarmid who is a full-time Manager – Metals Consulting Australasia employed by RPM and is a Member of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code;

2. Tonnages are metric tonnes;

3. Gold price USD1,450/oz;

4. Figures reported are rounded to the second significant figures which may result in small tabulation errors. Ore Reserves have been estimated under the 2012 Edition of the JORC Code;

5. The Inferred Mineral Resource is considered as waste;

6. Fäboliden ore stockpile as at 31st December 2020 of 11 kt at a grade of 2.7 g/t gold is considered as Probable Reserves, and

7. Ore marginal stockpile as at 31st December 2020 of 17 kt at a grade of 1.2 g/t gold is considered as Probable Reserves.

Mineral Resources are reported inclusive of Ore Reserves (that is, Ore Reserves are not additional to Mineral Resources).

In RPM's opinion the estimate of Ore Reserves is reasonable and meets the requirements of the JORC Code. The estimate is suitable to support the valuation of the asset.

Processing

Finland

The Vammala processing plant is a well-established facility based on a conventional gold recovery flowsheet, consisting of crushing, grinding, gravity and flotation circuits with concentrate dewatering and tailings pumping to a Tailings Storage Facility (TSF).

The operation has a design throughput capacity of 300 ktpa which has been consistently exceeded over the last five years, averaging 312 ktpa. The 2021 production rate up to May was equivalent to 302 ktpa, with the forecast throughput falling away in 2025 and the last feed to the processing plant in 2027.

The processing plant is treating Jokisivu ores, where the gold is predominantly present in pyrite, and recovered to the flotation concentrate. A small quantity of the gold is free and recovered by gravity.

Overall site gold recoveries vary with feed grade, however average 86.9% over the next 7 years.

The flotation concentrate is transported to the Svartliden operation in Sweden for further treatment while the gravity gold concentrate, typically 99.3% gold, is sold separately.

Dragon Mining proposes to spend USD2.68 M in capital during 2021, principally a TSF lift, a 'ditch', rod mill linings and replacement of a crusher. RPM considers that this capital expenditure is reasonable and notes that it includes a 10% contingency.

Based on historical data, RPM considers that both the Vammala processing cost (USD25.54/milled tonne) and the concentrate 'selling cost' (USD408.43/dmt concentrate), which consists of concentrate transport and shipping costs to the plant as well as the Svartliden processing costs, to be reasonable.

Both the nature and the application of concentrate terms, e.g. 90% gold payability, is considered inappropriate. The payability factor of 90% was increased to 94.9% based on records.

RPM has included a sustaining capital cost of USD0.25M/annum (USD0.83/milled tonne) and estimated a salvage value of USD0.61 M for the Vammala processing operation.

Sweden

The Svartliden processing plant is also a well-established facility based on a conventional gold recovery flowsheet, consisting of crushing, grinding, leaching (Carbon-In-Leach, 'CIL'), gold recovery and detoxification circuits with tailings pumping to a Tailings Storage Facility (TSF).

The operation has a design throughput capacity of 300 ktpa with the mine schedule proposing to deliver this amount of plant feed annually.

Gold recovery from the Vammala flotation concentrate is 94.9%.

Projected gold recovery from the open cut ores is 80% which is supported by trial processing and test work.

Dragon Mining proposes to spend USD0.54 M on water treatment once approval for mining is granted. RPM considers that this expenditure is reasonable.

RPM has included a sustaining capital cost of USD0.2 M/annum (USD0.68/milled tonne).

Based on historical data, RPM considers that the Svartliden processing cost (USD44.39/milled tonne) for treating locally mined ores to be reasonable. This cost includes General & Administration costs.

RPM has estimated a salvage value of USD0.46 M for the Svartliden processing operation.

Environmental

Sweden Projects

Fäboliden Mine

- The Project is projected for start-up in the initial part of 2022. However, a more realistic view is that permit acquisition may extend to the middle to latter part of 2022. Environmental lawsuits are also common in Sweden, which poses the potential for more delays.

- Seepage from the waste rock storage facility is expected to generate ARD with leachable elements detrimental to water quality. A groundwater and surface water monitoring program should be installed to provide early detection of water quality impacts. Implementation of appropriate mitigation actions may be required if impacts are found.

- The project is projected to cause habitat loss of about 280 ha that could affect the conservation status of populations. The potential impact to a number of fauna and flora species including a protected orchid is the primary concern. Investigations related to impacts of the operation on water quality and habitats must be considered. The potential negative impacts on the typical fish species and benthic fauna within the mixing zone is also a concern.

As inventories will not be able to be carried out before the court hearing associated with the permitting action, the County Administration Board (CAB) is requiring acquisition of a Species Protection Exemption. The details of the Exemption are not known, but it appears it would include conditions supporting biodiversity protection. The CAB indicated that a permit cannot be issued before a species protection exemption has been granted. The alternative result would be not to grant the permit until a satisfactory species protection inventory was conducted.

Svartliden Mine and Processing Facility

- Groundwater contamination is an issue of concern. Seepage of contaminated solutions from the tailings storage area (mine pit) through cracks, waste rock storage areas, collections ponds and other facilities is likely occurring. A program should be installed to monitor potential areas of concern. If required, appropriate mitigation measures should be implemented.

- Seepage from tailings storage, through cracks in the pit wall, is likely impacting surface water and groundwater quality downgradient. A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented.

Closure Management

Closure cost adjustments should be made for the Fäboliden Mine and the Svartliden Mine as shown on **Table 12**. Dragon Mining's process for estimating the closure costs is reasonable. The closure costs are estimated in Swedish Kroner (SEK) and are present in Dragon Mining's accounts, except for the Fäboliden mine which has not been recognised in the accounts as it has not yet been approved. The accounts costs have been converted to USD using the exchange rate of the Valuation Date (1st June 2021). The Fäboliden mine cost has been back calculated from USD to SEK using the same exchange rate.

Table 12 Closure Costs

Facility	**Projected Closure Cost** *(USD)*	**Projected Closure Cost** *(SEK)*
	7.64M	
Fäboliden Mine	(16.2M[1])	63.4M
Fäboliden Mine Test Project	0.53M[2]	6.2M
Svartliden Mine and Plant	5.1M	42.0M

1 Amount required by the County Administration Board (CAB) in recommended conditions, includes costs for capping the WRSF required by CAB. The Project is in the permitting stage, so the 16.2M condition has not been finalized.

2 Projected closure costs for the mine test project are covered in the costs associated with the proposed Fäboliden Mine project. If the Fäboliden Mine is not permitted, the closure costs for the test project would stand.

Finland Projects

Kaapelinkulma Mine

- Surface water monitoring results appear to show impact caused by the mining operation. The Company should increase monitoring activities to show the causes of the problem. Once determined, appropriate mitigation measures should be implemented.

- Seepage from the waste storage facility may be impacting surface water and groundwater quality. A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented, if required. Capping the waste rock storage facilities at closure will reduce water infiltration and reduce seepage into the receiving streams and groundwater.

- The presence of several protected and endangered species makes biodiversity an important consideration of environmental quality. A detailed management program, noted as a biodiversity action plan in the IFC Performance Standard 6, must be developed, implemented and closely monitored.

Orivesi Mine

- The Orivesi mine is not operating and is projected for closure. The Project has operated for about 25 years with the known ore reserves mined out in June 2019. The mine's environmental permit issue was resolved at the same time after a long legal process with a Supreme Administration Court determination that the mine would not be permitted and would no longer be allowed to operate.

- Water treatment for surface water and groundwater in the mine area will likely extend for several decades. Appropriate facilities must be maintained to prevent environmental impact. The costs associated with monitoring and maintenance including disposal of water treatment waste must be incorporated into the closure costs.

- Seepage from the waste rock storage facilities will migrate into the surface and groundwater systems. The closure plan must include a detailed management system that mitigates impacts to the water resources.

Jokisivu Mine

- The Jokisivu Project is operating under an Environmental Permit issued on December 3, 2010 and revised on June 13, 2016. A new environmental permit was issued on February 17, 2021 with conditions that are currently under appeal by Dragon Mining. Operations can continue to operate under existing requirements until the appeal is finalized.

- The groundwater is located at the surface. Potential contamination from hydrocarbon toxic chemical spills is great. Management and training programs should be developed and implemented.

Vammala Processing Plant

- The new Vammala Environmental Permit was issued on 12 March 2020 to operate at the 300 ktpa. The permit contains much stricter permit conditions related to crushing than were imposed in the existing permit issued in 2014. The primary reason for the conditions is related to complaints received from stakeholders. The Company submitted an appeal of the conditions to the Administrative Court of Vaasa on 20 April 2020. The Company can continue to operate under its existing permit conditions until the court action is decided.

- The Court included additional dust control measures as conditions to the approved permit primarily to appease stakeholders that complained about dust. The Court will not likely modify this condition.

- Tailings stored in the Vammala TSF represent materials processed over the past 45 years or so. Seepage from the facility poses a significant impact risk to the environment. Appropriate mitigation actions and long-term management planning must be incorporated into the closure plan to prevent environmental issues in the future.

Closure Management

Closure cost adjustments should be made for the Fäboliden Mine and the Svartliden Mine as shown on **Table 13**. Dragon Mining's process for estimating the closure costs is reasonable. The closure costs are estimated in Euro (€) and are present in Dragon Mining's accounts. The accounts costs have been converted to USD using the exchange rate of the Valuation Date (1st June 2021).

Table 13 Closure Costs

Facility	Projected Closure Cost *(USD)*	Project Closure Cost *(€)*
Kaapelinkulma Mine	0.78M[1]	0.60M
Orivesi Mine	5.4M[3]	4.17M
Jokisivu Mine	5.3M[2]	4.11M
Vammala Plant	2.28M	1.75M

1 Based on the analysis done waste rock is classified as inert waste. Much of the material is projected for use as aggregate for building applications. Remaining waste rock dump is covered with till from mine site.

2 Closure estimate is based on 3rd party independent estimate presented in the permitting process. Waste rock is possibly acid forming.

3 Closure estimate is based on Jokisivu estimate due to similarity between mines.

Community

RPM reviewed available information and did not identify any high risks. There are a few areas of moderate concern:

- The sites use an ad hoc approach to social management and lack many good international industry practice (GIIP) policies and procedures. The ad hoc approach is currently working, but the lack of policies and procedures reduces the sites' ability to proactively engage with local community.

- The Finnish assets are situated near residential areas and have periodic community complaints related to noise and dust. It is likely that residents will continue to appeal approval of mining and processing permits, leading to project delays.

- The Swedish assets are situated in land that traditionally belongs to the Sami Indigenous people group. While there are occasionally tensions, the Company has a long history of engagement. It is possible that members of the Sami will appeal approval of mining permits to protect their traditional reindeer land, leading to project delays.

- Two NGOs, Friends of the Earth Finland and the Finnish Association for Nature Conservation, have conducted campaigns against the mines in the past. It is possible that the NGOs will attempt to create legal roadblocks for necessary permits, leading to project delays.

Risks

RPM believes the key risks are:

- There is a medium risk the remnant Mineral Resources for Orivesi and Svartliden may not be economically extractable if the mines remain closed for long periods.
- Fäboliden Mine may have further delays to receiving approvals to commence or possibly not gain approvals for mining.
- For many of the deposits, there is a low risk the Inferred Resource may decrease with further in-fill drilling due to the discontinuous nature of the mineralisation.
- There are no specific risks associated with processing at either processing operation.

Opportunities

RPM suggests that the following opportunities exist:

- Exploration in areas surrounding the Orivesi Gold Mine is continuing to define resources that may justify re-opening of the mine.
- Infill drilling and mapping of drives at Kujankallio is likely to result in upgrade of Indicated Resources.
- Fäboliden underground mining.
- Jokisivu resource may continue with depth further extending the mine life.
- Increased gold recovery at the Svartliden operation, and
- Sale of the Vammala flotation concentrate to a smelter or trading house, which would attract very good terms and improve revenues.

Valuation

RPM completed a review to support the Independent Technical Valuation of Dragon Mining's assets. The assets comprise one operating mine and one development project with Ore Reserves, as well as Mineral Resources, mining and exploration tenements, and process plant infrastructure.

This Valuation was prepared in accordance with the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("The VALMIN Code"). The ITER considered key documents and information related to the projects and provided opinions focussed on geology, exploration, tenements, mining, processing and environmental.

The Valuation Date for the assets is the 1st June 2021. The Valuation is based on US dollars using Federal Reserve foreign exchange rates as at 1st June 2021 for USD:SEK and USD:Euro.

As recommended by the VALMIN Code, RPM used a number of valuation approaches to determine individual values for Dragon Mining's assets.

The valuation methods selected are in accordance with recommendation by VALMIN in relation to the suitability of certain valuation approaches as a function of the maturity of projects. These methods included an Income-based approach (discounted cash flow analysis) and a Market approach (Comparable Transactions), with support from a Geoscientific approach (modified Kilburn method). An Appraised Value approach (Multiples of Exploration Expenditure (MEE)) was not possible for exploration tenements due to the lack of exploration expenditure in the last five years.

The Jokisivu underground mine, and ore and concentrate stocks were valued by the Jokisivu financial model. The Fäboliden open cut project and ore stocks were valued in the Fäboliden financial model. Comparable transactions using resource multiples were used as a secondary valuation method.

The Mineral Resources at Fäboliden (underground mineral resources) and the residual Mineral resources at Svartliden, Orivesi and Kaapalinkulma closed mines were valued using Comparable Transactions methods.

The exploration tenements were valued using area multiples from Comparable Transactions with a secondary check by the Geoscientific method.

Gold in-circuit stocks were valued using the gold price on the 1st of June 2021 (LMBA Gold Bullion price) less costs of processing, transport, refining and interest payment.

A salvage value was applied to the process plants.

Approaches used for each asset are noted on **Table 9.**

One of the key risks and uncertainties in the valuation of the assets is finding appropriate comparable transactions. Each mining lease has strategic value to Dragon Mining as a group of tenements supporting operations and this may not always be the case for comparable transactions examples.

RPM notes that transaction values may have increased since the middle of 2019, though due to the limited number of comparable transactions in Scandinavia this is difficult to support. Gold prices are forecast to remain strong in the short term; as a result RPM decided to use a market factor of 1.25 in its valuations.

Table 14 presents a summary of the valuation completed by RPM for the above-mentioned assets as at the Valuation Date (1st June 2021).

Table 14 Valuation Approaches Used for Each Asset

Tenement	DCF	Comparable Transactions Resource Multiples *($/oz)*	Comparable Transactions Area Multiples *($/Ha)*	Geoscientific	Value less cost	Salvage
Finland						
Orivesi		✓	✓			
Sarvisuo 1-2			✓	✓		
Sarvisuo 3			✓	✓		
Ori			✓	✓		
Jokisivu	✓	✓				
Jokisivu 2			✓	✓		
Jokisivu 3			✓	✓		
Jokisivu 4-5			✓	✓		
Jokisivu 7-8			✓	✓		
Jokisivu 10			✓	✓		
Kaapelinkulma		✓	✓			
Uunimäki 1			✓	✓		
Stormi (Vammala)						✓
Sweden						
Svartlidengruvan K nr 1		✓	✓			
Svartliden Plant						✓
Svartliden Plant GIC					✓	
Fäboliden Open Cut	✓	✓				
Fäboliden Underground		✓				
Fäboliden nr 11			✓	✓		

Dragon Mining Assets Valuation Summary

The valuation summary is presented on **Table 15**. The Vammala Production Area is valued in a range of USD10.1 M to USD22.8 M with a preferred value of USD14.3 M. The Svartliden Production Area is valued in a range of USD32.6 M to USD93.6 M with a preferred value of USD53.6 M.

Closure costs are USD13.6 M.

As at the Valuation Date (1st June 2021) the total Valuation for the Dragon Mining assets has a range of **USD29.1 M** to **USD102.8 M** with a preferred value of **USD54.2 M.**

Note, the required closure cost estimate from the CAB for the granting of the Fäboliden environmental permit is USD16.2 M. This is significantly higher than the closure cost estimate Dragon Mining have submitted (USD7.64 M) and is in the process of being negotiated by Dragon Mining. This represents a risk that the granting of the environmental permit may require a higher cost that that currently estimated and may have an impact on the valuation.

Table 15 Dragon Mining Assets – Valuation Summary as at 1st June 2021

	Preferred Valuation *(USD M)**		
Tenement	**Low**	**High**	**Preferred**
Finland			
Orivesi Mine	0.84	3.26	1.81
Sarvisuo 1-2	0.05	0.05	0.05
Sarvisuo 3	0.05	0.05	0.05
Ori	0.01	0.03	0.02
Jokisivu Mine*	7.77	16.76	10.47
Jokisivu 4-5	0.10	0.10	0.10
Jokisivu 7-8	0.02	0.02	0.02
Jokisivu 10	0.12	0.12	0.12
Kaapelinkulma	0.47	1.82	1.01
Uunimäki 1	0.05	0.05	0.05
Vammala Plant	0.58	0.58	0.58
	Low	*High*	*Preferred*
Sub-Total	*10.06*	*22.84*	*14.28*
Sweden			
Svartlidengruvan K nr 1	1.44	5.61	3.11
Fäboliden Open Cut	8.08	17.43	8.39
Fäboliden Underground	16.39	63.83	35.36
Fäboliden nr 11	0.96	0.96	0.96
Svartliden Plant	0.44	0.44	0.44
Svartliden Plant gold in-circuit stocks	5.29	5.29	5.29
	Low	*High*	*Preferred*
Sub-Total	*32.60*	*93.56*	*53.55*
Total	**42.66**	**116.40**	**67.83**

* *Note:* Includes Jokisivu 2 and 3.

RPM Qualification and Experience

RPM operates as an independent technical consultant providing resource evaluation, mining engineering and mine valuation services to the resources and financial services industries. This report was prepared on behalf of RPM by technical specialists, details of whose qualifications and experience are set out in **Section 1.7.2**. and **Appendix B**.

RPM has been paid, and has agreed to be paid, professional fees for its preparation of this report. Its remuneration is not dependent on the findings of this Report or the outcome of the any transaction.

Neither RPM, nor any of its directors, staff or sub-consultants who contributed to the preparation of this report have any economic or beneficial interest (present or contingent) in:

- the Company, securities of the Company or companies associated with the Company; or
- the Client, securities of the Client or companies associated with the Client; or
- The rights or options in the relevant Assets.

The work undertaken is an ITER and VALMIN valuation of the information provided by or on behalf of the Company, as well as information collected during site inspections completed by RPM as part of the ITER process. It specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements/contracts that Company may have entered into.

RPM does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

Drafts of this report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

In RPM's view, the data available was generally sufficient for RPM to complete the scope of work. The quality and quantity of data available and the cooperative assistance provided to RPM clearly demonstrated the Company's assistance in the ITER process.

All opinions, findings and conclusions expressed in the report are those of RPM and its specialist advisors.

Steve Hinde
Executive Consultant
RPMGlobal

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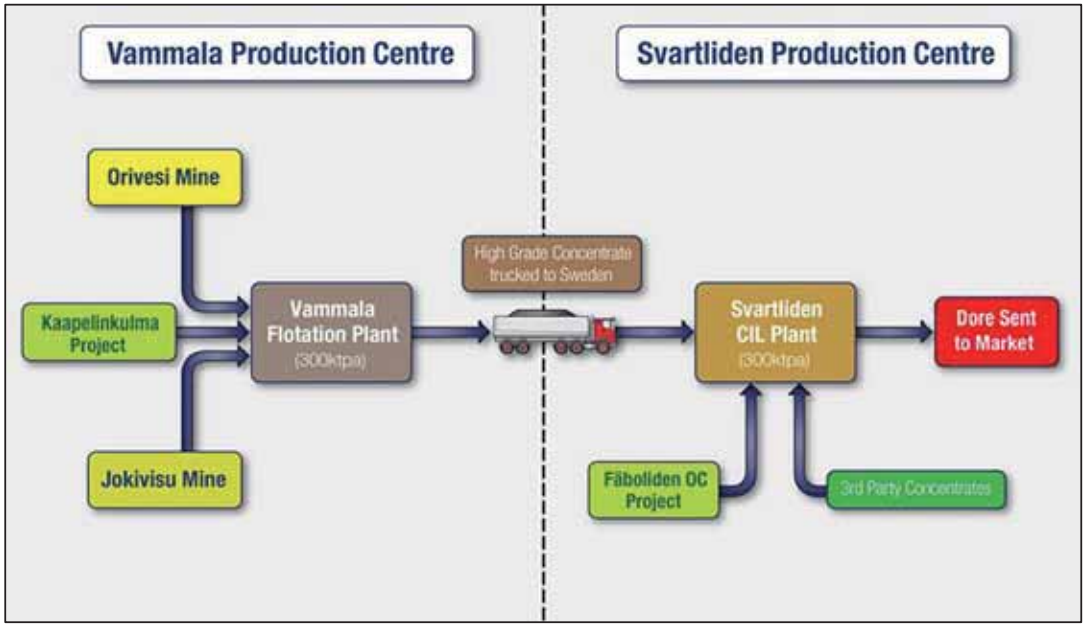
1. INTRODUCTION

RPM Advisory Services Pty Ltd ("RPM") was engaged to provide services to BDO Corporate Finance (WA) Pty Ltd ("BDO") on behalf of Dragon Mining Limited ("Dragon Mining" or the "Company") and the shareholders of Dragon Mining Limited (collectively the "Client"), regarding the compilation of an Independent Technical Valuation ("the Valuation") of Dragon Mining's Finnish and Swedish mineral assets (the "Assets").

The Assets consist of a number of small to medium scale epithermal and orogenic gold ("Au") deposits at various stages from advanced development to operating held in various mining or exploitation concessions or claims and associated exploration permits of licences and applications. Gold production has been ongoing for over 10 years from the Vammala Production Centre ("Vammala") and the Svartliden Production Centre ("Svartliden") located in Finland and Sweden, respectively. The Vammala flotation plant is fed ore from the Jokisivu mine, with the Orivesi mine closed and the Kaapelinkulma mine closed recently, with a high-grade Au concentrate transported to the Svartliden Carbon in Leach ("CIL") plant via a series of national highways and a public ferry. The Svartliden CIL plant has treated ore in the past from the Svartliden mine and some test mining ore from the Fäboliden open cut, however, currently treats Vammala concentrate to produce gold doré for market. Svartliden is proposed to treat Fäboliden open cut ore once the mine is running. The flow of ore and concentrate is summarised in **Figure 1-1**.

Figure 1-1 Current and Future Production Flow Sheet



RPM notes no third-party concentrate is currently being processed.

1.1 Relevant Assets

The Relevant Assets considered for the purposes of the ITER and Valuation are the Vammala Production Centre in Finland and the Svartliden Production Centre in Sweden as listed on **Table 1-1**.

Table 1-1 Dragon Mining Assets

Asset Name	Asset Type
Finland	
Orivesi	Mining Concession with Residual Mineral Resources
Sarvisuo 1-2	Exploration Permit
Sarvisuo 3	Exploration Permit Application
Ori	Reservation (Pre-exploration stage tenement)
Jokisivu	Operating Mine with Ore Reserves and Mineral Resources
Jokisivu 2	Mining Permit
Jokisivu 3	Mining Permit
Jokisivu 4-5	Exploration Licence
Jokisivu 7-8	Exploration Licence
Jokisivu 10	Exploration Licence Application
Kaapelinkulma	Residual Mineral Resources
Uunimäki 1	Exploration Licence Application
Stormi (Vammala)	Operating Process Plant
Sweden	
Svartlidengruvan K nr 1	Residual Mineral Resources
Svartliden Plant	Operating Process Plant
Fäboliden K nr 1	Open Cut Mine Pre- Development and Potential Underground Mineral Resources
Fäboliden nr 11	Exploration Permit

Two Production Centres are included in the Relevant Assets which support production from two operating underground mines. The Vammala Production Centre (gold only) is located in southern Finland while the Svartliden Production Centre (gold only) is located in northern Sweden. The Svartliden Production Centre supports the Vammala plant, treating gold concentrates and is planned to support Fäboliden pre-development project in the near future. The deposits are located in various exploration and mining tenements wholly owned by Dragon Mining's local subsidiaries, Dragon Mining AB (Sweden) and Dragon Mining OY (Finland).

1.2 Scope of Work

The Review scope of work ("SOW") involves the following:

1.2.1 Technical Review

The Independent Technical Review ("ITER" or the "Review") involved:

- A desktop review of the pertinent data as provided by the Company and from RPM's own files to guide the Valuation;
- A review of exploration data provided by the Company;
- Review of licence permitting including tenure of the licence area and current status of the licence;
- Review of environmental and other associated approvals which may impact on the valuation including rehabilitation bonds and other such liabilities; and
- review of the key input parameters to reflect RPM's own opinion ahead of undertaking the Technical Valuation.

1.2.2 Technical Valuation

This Independent Technical Valuation (the "Valuation") was prepared in accordance with the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("The VALMIN Code"). The Technical Valuation was conducted using at least two appropriate valuation methods after appraisal of information provided. These include an Income-based Approach (Discounted Cash Flow (DCF)), a Market Approach (Comparable Transactions), Appraised Value Approach (Multiples of Exploration Expenditure) (MEE)) and the Geoscientific Approach (modified Kilburn method). An explanation is provided if only one valuation method is used.

- A summary of the Valuation approaches employed for each of the Assets is outlined below:
- Dragon Mining's Finnish operations comprising:
  - The Vammala Production Centre primarily encompassing the Vammala Processing Plant and Jokisivu Gold Mine Ore Reserves using a DCF methodology, with residual resources from Kaapelinkulma Gold Mine and Orivesi Gold Mine to be included if deemed appropriate;
  - Residual resources in relation to the Company's Finnish operations (Mineral Resources and advanced and early-stage exploration assets) that are not captured in the DCF valuation above, on a general mineral asset valuation basis, and

  - Scrap value of the Vammala Processing Plant and equipment.

- Dragon Mining's Swedish operations comprising:

  - The Svartliden Production Centre encompassing the Svartliden Processing Plant and Fäboliden development project gold mine using a DCF methodology;

  - Residual resources in relation to the Company's Swedish operations (Mineral Resources and advanced and early-stage exploration assets) that are not captured in the DCF valuation above, on a general mineral asset valuation basis if deemed appropriate, and

  - Scrap value of the Svartliden Processing Plant and equipment.

- Any other exploration assets that RPMGlobal considered are likely to have material value.

1.3 Site Inspections

A number of site visits have been undertaken by RPM with initial site visits conducted by Mr. Aaron Green in June 2007, Mr. Paul Payne in May 2009, Mr. Trevor Stevenson and Mr. Joe McDiarmid in October 2013. As part of the detailed review RPM's Competent Persons (CP's) Mr. Jeremy Clark and Mr. Joe McDiarmid visited the assets in May, 2015. Drilling, logging, and sampling procedures, as well as mining practices, were viewed and it was concluded that these were being conducted to best industry practice. During the May 2015 site visit RPM inspected the mines, the ore processing plants, the tailings storage facilities, the water supply system, the power distribution system, and conducted general inspections of the Projects area. A further site visit was conducted by Mr. McDiarmid in November, 2016 and Mr. Clark visited the Finland assets in December, 2017. The visits were also used to gain a better understanding of the Projects' status. A site visit was undertaken to the Jokisivu Mine and Fäboliden Project by Mr. McDiarmid in November 2019 as part of a review of the operations.

During the site visits, RPM had open discussions with the Company's personnel on technical aspects of the projects. The Company's personnel were cooperative and open in facilitating RPM's work.

No site visits have subsequently been undertaken due to COVID-19 restrictions, however, there have been little changes to the assets other than depletion of some Mineral Resources and Ore Reserves through mining.

1.4 Information Sources

The contents of this Review have been created using data and information provided by Dragon Mining, from RPM's own records or from discussions with Dragon Mining personnel, as well as published announcements made to the Hong Kong Stock Exchange

(HKEX) by Dragon Mining. All documents considered are listed in **Appendix C** of this report. In RPM's opinion, the information provided was of good quality, but did not cover all aspects for all tenements. Where necessary RPM supplied opinions based on its experience and reasonable mining industry norms to address the requirements of the ITER.

Information generated by third parties, consultants or contractors to Dragon Mining has not been independently validated by RPM.

RPM accepts no liability for the accuracy or completeness of data and information provided to it by Dragon Mining, or any third parties, even if that data and information has been incorporated into or relied upon in creating this Review. The Review has been produced by RPM using information that was available to RPM up to the 18th of June 2021.

Whilst all due care and responsibility has been taken by RPM in completing its SOW, RPM notes that documentation from Dragon Mining for this Review was delayed which resulted in the Review having to be completed in a compressed time frame.

1.5 Information about this Document

This Review has been prepared by or on behalf of RPM solely for BDO on behalf of Dragon Mining and the shareholders of Dragon Mining. All copyright and other intellectual property rights in this Review are owned by and the property of RPM.

To the fullest extent permitted under law, use of or reliance on this Review by any third parties who have not entered into a reliance agreement with RPM, is at their sole risk and RPM will not be liable for any liability, loss or damage suffered by a third party relying on this report regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise. For the avoidance of doubt BDO, Dragon Mining and the shareholders of Dragon Mining are not third parties.

RPM makes no warranty, express or implied in respect of this Review, particularly with regard to any commercial investment decision made on the basis of this Review. This Review has been prepared without taking into account the objectives, financial situation or needs of any individual, entity or organization.

1.6 Limitations and Exclusions

RPM's review was based on various reports, plans and tabulations provided by Dragon Mining or the Company either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the Dragon Mining or the Company. Dragon Mining has not advised RPM of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code and VALMIN Code guidelines.

RPM has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. RPM strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Asset in the market, and the fundamentals of the gold market at large.

1.6.1 Limited Liability

This Report has been prepared by RPM for the purposes of BDO preparing an Independent Expert's Report for inclusion within a Circular to be provided to the shareholders of the Dragon Mining or the Company. RPM will not be liable for any loss or damage suffered by a third party relying on this report or any references or extracts therefrom contrary to the purpose (regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise) unless and to the extent that RPM has consented to such reliance or use.

1.6.2 Responsibility and Context of this Report

The contents of this Report have been based upon and created using data and information provided by or on behalf of Dragon Mining or the Company. RPM accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from Dragon Mining, the Company or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by RPM in good faith using information that was available to RPM as at the date stated on the cover page and is to be read in conjunction with the circular which has been prepared and forms part of the referenced transaction.

This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to RPM is inaccurate or is materially changed. RPM is under no obligation to update the information contained in the report.

Notwithstanding the above, in RPM's opinion, the data and information provided by or on behalf of Dragon Mining or the Company was reasonable and nothing discovered during the preparation of this Report suggests that there was a significant error or misrepresentation of such data or information.

1.6.3 Indemnification

BDO directly, as well as on behalf of Dragon Mining have indemnified and held harmless RPM and its subcontractors, consultants, agents, officers, directors, and employees from and against any and all claims, liabilities, damages, losses, and expenses (including lawyers' fees and other costs of litigation, arbitration or mediation) arising out of or in any way related to:

- RPM's reliance on any information provided by Dragon Mining; or
- RPM's services or materials; or
- Any use of or reliance on these services or material,

save and except in cases of death or personnel injury, property damage, claims by third parties for breach of intellectual property rights, gross negligence, wilful misconduct, fraud, fraudulent misrepresentation or the tort of deceit, or any other matter which be so limited or excluded as a matter of applicable law (including as a Competent Person under the Listing Rules), and regardless of any breach of contract or strict liability by RPM.

1.6.4 Inherent Mining Risks

Mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can identify the known risks and take measures to manage and mitigate those risks, there is still the possibility for unexpected and unpredictable events to occur. It is not possible therefore to totally remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

It is therefore not possible to state with certainty, forward-looking production and economic targets, as they are dependent on numerous factors that are beyond the control of RPM and cannot be fully anticipated by RPM. These factors include but are not limited to, site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner. Unforeseen changes in legislation and new industry developments could also substantially alter the performance of any mining operation.

1.6.5 Capability and Independence

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets of the Projects by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine

plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this Report were provided by BDO to Dragon Mining, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and/or has agreed to be paid, professional fees based on a schedule of rates fee estimated at AUD96,560 for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

None of RPM or its directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- the Projects, securities of the companies associated with the Projects or that of Dragon Mining; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This Valuation was compiled on behalf of RPM by the signatories to this Valuation, details of whose qualifications and experience are set out in **Appendix B** of this Valuation. The specialists who contributed to the findings within this Valuation have each consented to the matters based on their information in the form and context in which it appears.

This Review report was prepared by RPM for BDO on behalf of Dragon Mining. RPM operates as an independent technical consultant providing Mineral Resource evaluation, mining and processing engineering as well as mine technical valuation services to the resources and financial services industry. RPM believes its' independence has not been compromised in undertaking this Review.

RPM has agreed to be paid professional fees by Dragon Mining for the preparation of this report.

1.7 Study Team

The Study Team comprised professionals from RPM's Australian and Denver offices.

The Technical Engineering View has been reported taking into account the recommended guidelines of the JORC Code and the Valuation has been reported by a competent person under the VALMIN code.

1.7.1 Team Responsibilities

As part of the Team, members who have worked to compile this report include the following:

- Mr. Steve Hinde – Steve managed the project and was responsible for review of the exploration geological information, the tenement information and was responsible for the VALMIN valuation included in the report.

- Mr. David Allmark was responsible for the review of the Geology and Mineral Resources in the report.

- Mr. Igor Bojanic was responsible for the review of the Mining and Ore Reserves of the Fäboliden mine in the report, and other parts of the report.

- Mr. Blaine Bovee was responsible for the review of the Mining and Ore Reserves of the Jokisivu mine in the report.

- Dr. Andrew Newell was responsible for the review of the Mineral Processing and estimation of the salvage value in the report.

- Dr. Terry Brown was responsible for the review of the Environmental and Closure costs in the report.

- Mr. Luke Stephens was responsible for the review of the Social and Community in the report.

- Mr. Philippe Baudry was responsible for the review of the report as a member of RPM's Independent Public Reporting committee.

1.7.2 ITER Responsibility and VALMIN Valuation

The information in this report that relates to the technical review and to the VALMIN valuation is based on information compiled and reviewed by or under the direction of Mr. Steve Hinde, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is a full-time employee of RPM.

Mr. Hinde has sufficient experience that is relevant to the style of mineralization and types of mineral deposits under consideration, and to the activity he is undertaking, to qualify him as a Competent Person (as defined in the 2012 Edition of the JORC Code) and as a Specialist as defined under the VALMIN Code. Mr. Hinde has 40 years' experience in the mining industry and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" or "Specialist" under the definitions provided in the VALMIN Code. Mr Hinde has completed numerous mineral property valuations globally and is a qualified mineral property valuator under the VALMIN Code.

All signatories to this report have no interest whatsoever in the mining Assets reviewed and will gain no reward for the provision of this review. RPM will receive a professional fee for the preparation of this statement.

Steve Hinde BSc (Geology) (Hons), Masters Mineral Economics, MAusIMM, MAIG, CP/QP

2. ASSET OVERVIEW

The Assets are contained within a series of exploration and mining tenements which are concentrated in two areas, the operating Vammala and Svartliden Production Centres located in southern Finland and northern Sweden respectively (**Figure 2-1**). These two areas contain a number of small to medium scale, medium to very high grade epithermal and orogenic gold ("Au") deposits.

Figure 2-1 Dragon Mining Production Centres

Source: Dragon Mining Website

The Company has a long history of operating in Scandinavia with Dragon Mining commencing mining in 2004 at Svartliden initially through a medium scale open pit and subsequent underground operation which eventually closed in 2013. Ore was treated at the Svartliden process plant. The Fabiliden open cut and any possible underground ore is planned to be treated at the Svartliden plant.

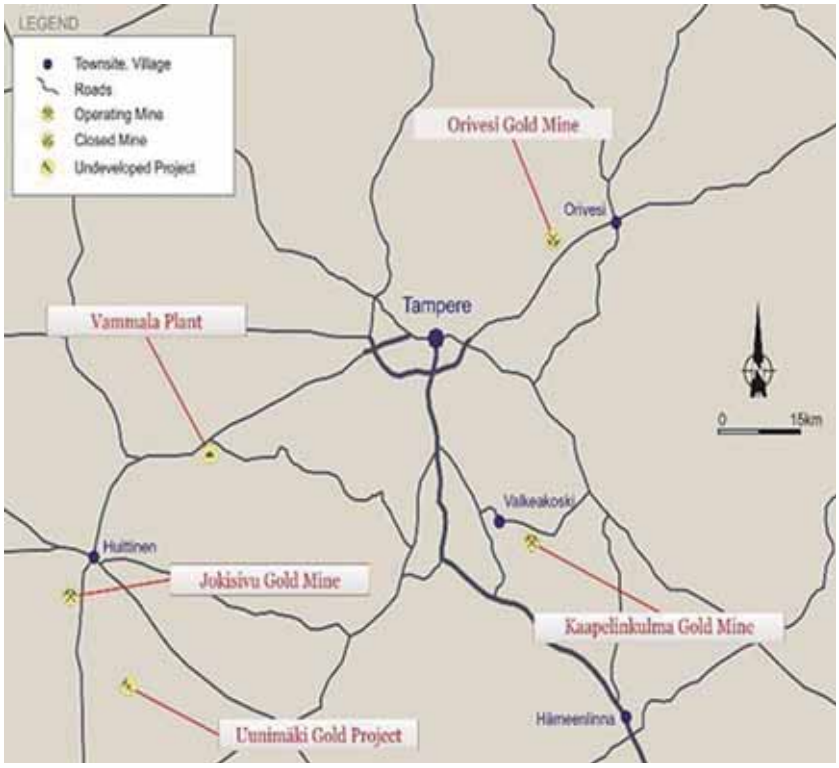
Mining operations in Finland commenced with underground production at Orivesi in 2007 which was supplemented with ore from Jokisivu in 2009 initially via open pit operations and subsequently underground operations in 2011. The Orivesi mine was completed in 2019 but was replaced by production from the Kaapalinkulma mine in 2019 until the latter was exhausted in April 2021. All current production is currently being sourced from the Jokisivu underground mine. Ore was, and is currently, treated at the Vammala plant which produces a concentrate shipped to Svartliden for further processing, and a minor amount of gravity gold concentrate for sale.

2.1 Vammala Production Centre

The Vammala Production Centre is located in the Tampere Region in southern Finland (**Figure 2-2**). Vammala consists of an operating 300k tonnes per annum (ktpa) flotation processing plant and the operating underground Jokisivu, and the inactive underground Orivesi and Kaapalinkulma mines. Vammala produces a gold-bearing sulphide concentrate and a minor amount of gravity gold, the former transported to the Svartliden plant by road and ferry for processing to produce gold doré.

The Vammala concentrate has previously been sold to third parties, and this represents a cover for any risk relating to capacity issues.

Figure 2-2 Vammala Production Centre Location



Source: Dragon Mining Website

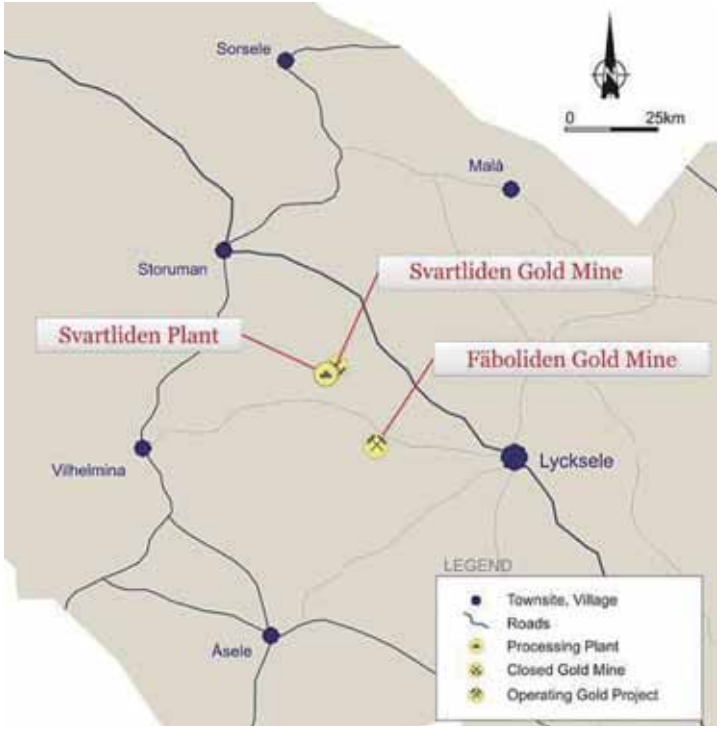
The Vammala Production Centre region is low undulating hills with freshwater lakes and rivers with pine and birch tree vegetation. The area has a continental /subarctic climate with cold winters averaging below 0°C with snow and mild summers above 10°C. The region has a small population of 470k and a strong engineering, communication and biotechnology, and a forestry/pulp and paper industry. There is significant power, water, and road and rail infrastructure.

2.2 Svartliden Production Centre

The Svartliden Production Centre is located in northern Sweden in the Skellefte Mining District (**Figure 2-3**). The process plant commenced operation in 2005 and is a carbon in leach (CIL) circuit with a 300 ktpa capacity. The plant has previously treated ore from the Svartliden mine, test ore from the Fäboliden open cut project and is currently treating concentrates from Vammala and at times third-party sources.

Svartliden is located in the Lycksele regional hub with good road and rail infrastructure. The region consists of low undulating hills with freshwater lakes forested with pine and birch trees. There is a subarctic climate with summers averaging below 20°C and winters of -15°C (5°F). Annual precipitation averages 440mm and occurs all year round. Local industry is subsistence farming and livestock rearing, with reindeer, sheep and poultry. There is large scale gold and base metal mining and processing in the Skellefte Mining District. The area has extensive power, water and transport infrastructure.

Figure 2-3 Svartliden Production Centre Location

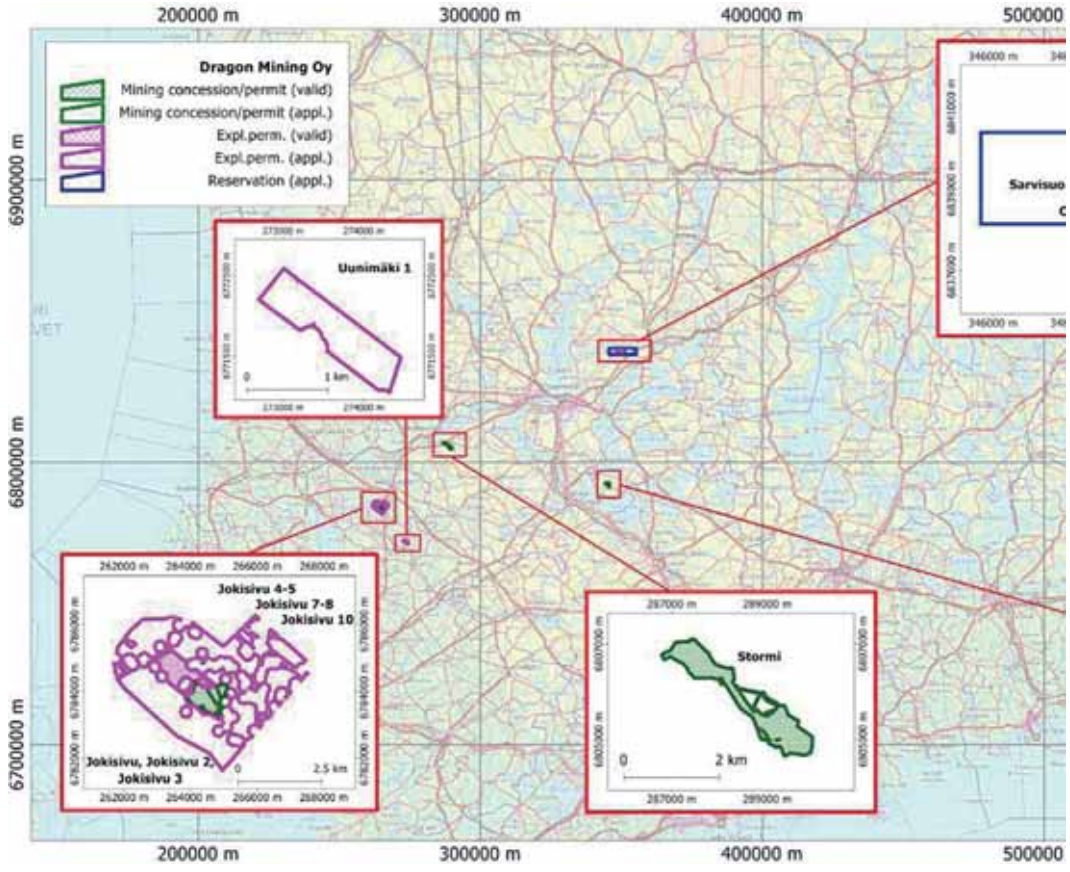


Source: Dragon Mining Website

3. LEASES, CONCESSIONS AND PERMITS

3.1 Mining and Exploration Permits

The Assets are contained within a series of exploration and mining tenements held by wholly owned subsidiaries of Dragon Mining, Dragon Mining (Sweden) AB and Dragon Mining OY (Finland). The Company possesses all of the mineral rights and surface rights necessary to operate both the Vammala and Svartliden plants and the Jokisivu mine, while the Environmental Permit for Fäboliden is under application. **Table 3-1** and **Figure 3-3** Dragon Mining Finland Tenements.



Source: Dragon Mining

Table 3-2 summarise the currently held mining and exploration rights of the Projects for Sweden and Finland respectively. Tenememnts are shown in **Figure 3-1**, **Figure 3-2** and **Figure 3-3**.

The tenements have been checked on both the Finnish Safety and Chemicals Agency (Tukes) website and the Mining Inspectorate of Sweden (Bergsstaten), and, apart from Tukes only recording the original applications, approvals, etc, all appears to be according to the information provided by Dragon Mining.

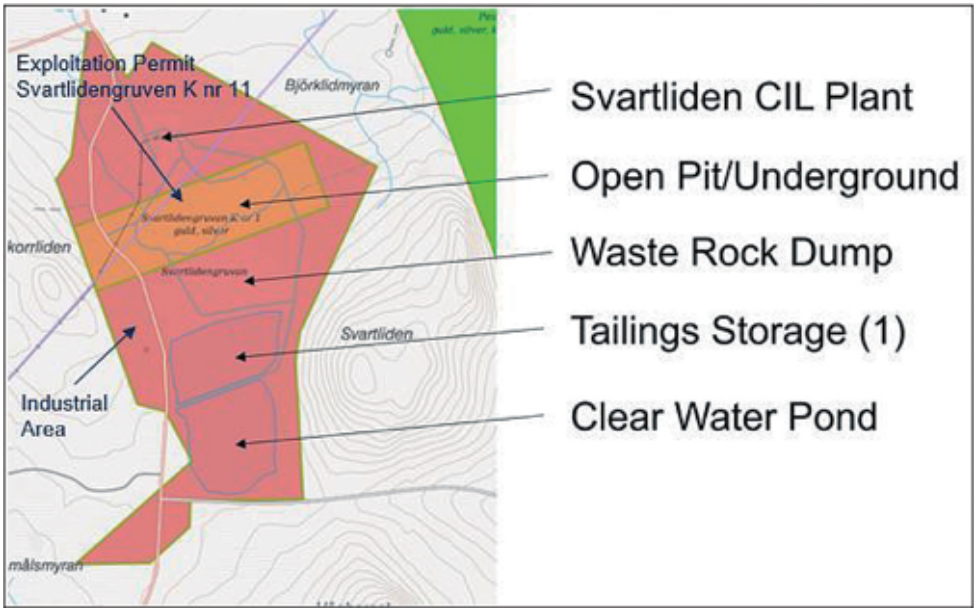
RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

Table 3-1 Swedish Mining and Exploration Assets

Area	Asset	Type	Area (Ha)	Date Granted	Expiry Date
Svartliden	Svartlidengruvan K nr 1	Exploitation Concession	87.54	10-Apr-02	10-Apr-27
Fäboliden	Fäboliden K nr 1	Exploitation Concession	122.00	3-Jun-04	3-Jun-29
Fäboliden	Fäboliden nr 11	Exploration Permit	836.26	4-Aug-16	4-Aug-23

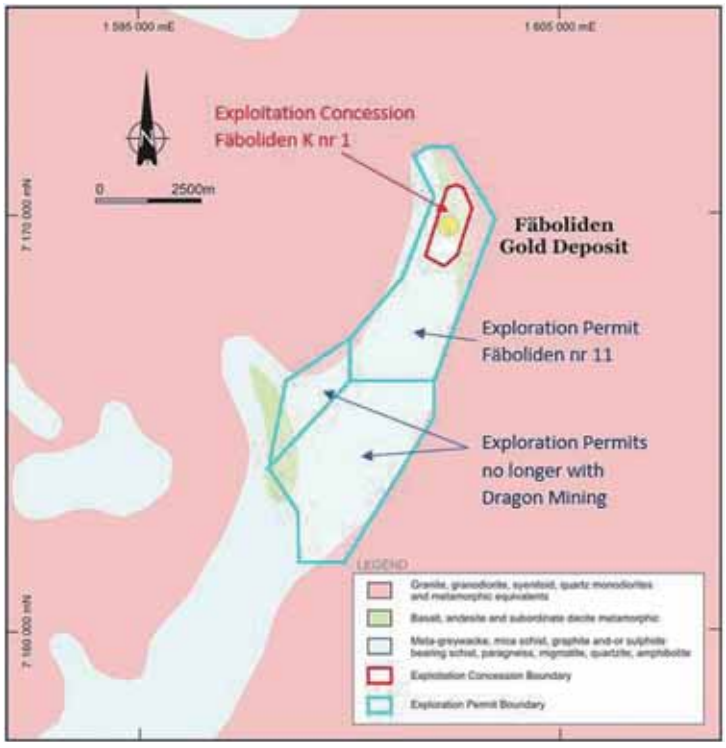
Source: Provided by the Client.

Figure 3-1 Sweden Svartliden Tenement and Surface Infrastructure Location



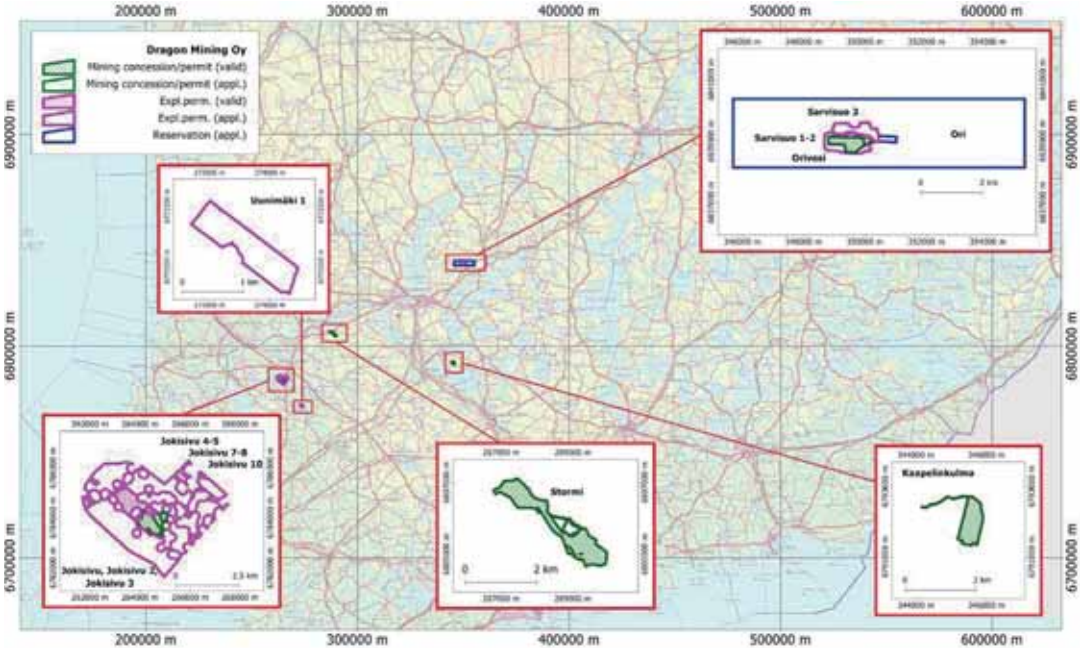
Source: Dragon Mining

Figure 3-2 Fäboliden Tenements



Source: RungePincockMinarco, 2018

Figure 3-3 Dragon Mining Finland Tenements



Source: Dragon Mining

Table 3-2 Finnish Mining and Exploration Assets

Asset	ID	Type[1]	Area (Ha)	Original Date[2] Arrival	Registration	Valid	Expiry	Extension Date[2] Arrival	Registration	Valid	Expiry
Orivesi											
Orivesi	2676	MC	39.82	21/06/1994	14/09/1994	29/10/1994	Valid until further notice[5]				
Sarvisuo 1-2[4]	ML2013:0006	EP	41.10	12/02/2013	17/04/2015	17/05/2015	19/05/2018	23/01/2018	4/09/2019		
Sarvisuo 3[4]	ML2015:0026	EPA	46.51	22/06/2015	2/06/2017	2/07/20174	3/07/2020	11/06/2020			
Ori	VA2020:0021	RES3	1,979.73	27/03/2020	20/05/2020	Not valid	26/03/2022				
Jokisivu											
Jokisivu	7244	MC	48.32	2/12/2003	9/01/2005	13/02/2005	Valid until further notice[5]				
Jokisivu 2	KL2015:0005	MP	21.30	16/04/2015	18/08/2015	18/09/2015	Valid until further notice[5]				
Jokisivu 3	KL2018:0010	MP	8.97	7/12/2018	29/04/2019	30/05/2019	Valid until further notice[5]				
Jokisivu 4-5	ML2012:0112	EP	85.76	4/06/2012	8/05/2014	8/06/2014	10/06/2017	7/04/2017	4/09/2019	5/10/2019	4/10/2022
Jokisivu 7-8	ML2017:0131	EP	18.60	20/12/2017	1/06/2018	3/07/2018	2/07/2021	28/05/2021			
Jokisivu 10	ML2018:0082	EPA	900.33	14/09/2018							
Kaapelinkulma											
Kaapelinkulma	K7094	MC	65.10	4/11/2008	24/10/2012	20/05/2016	Valid until further notice[5]				
Uunimäki											
Uunimäki 1	ML2020:0020	EPA	89.22	31/03/2020							
Stormi											
Stormi	1895	MC	157.53	20/08/1971	13/11/1972	28/12/1972	Valid until further notice[5]				

Source: Provided by the Client.

Note 1: MC (Mining Concession), MP (Mining Permit), EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).

Note 2: Arrival date is the date of lodgement of the application, registration date is the mining authorities is the date of approval. A tenement however does not become legally valid until such times as the appeals process has been completed.

Note 3: A reservation is a form of tenure that allows you to evaluate the merits of the area through "light" exploration. Essentially it provides you first/exclusive rights to apply for Exploration Licences within this area.

Note 4: With reference to Sarvisuo 1-2 and Sarvisuo 3, Exploration Licences not valid when applying for an extension.

Note 5: Mining permit/concession valid until further notice. Tukes (Mining Authority) reviews provisions of current mining permit at least every ten years.

3.2 Expenditure Commitments

Neither Tukes nor Bergsstaten, the mining authorities for Finland and Sweden respectively, stipulate a company has to define an expenditure commitment on applying for a tenement. However, it is expected that the tenement will advance through exploration expenditure while it is being held. Dragon Mining has no official expenditure commitments for its tenements, however, there is a risk of losing a tenement or being unable to obtain an extension if there is no exploration expenditure.

4. GEOLOGY

RPM has reviewed the geology within the Asset area, on both a regional and deposit scale, and considers that the geology is well understood and developed through the generation of geological maps, stratigraphic definitions (sedimentary sequence, dating and intrusive history), geological cross-sectional interpretations, and three-dimensional models.

RPM notes that the Jokisivu and Orivesi mines and the Kaapelinkulma project have previously been reported to JORC 2012 on both the HKEX and ASX by Dragon Mining, prior to Dragon Mining delisting from the ASX in 2018. A significant amount of information is therefore publically-available on the Company's website for further detail.

4.1 Vammala Production Centre

4.1.1 Regional Geology

RPM notes that the majority of the regional geology section was obtained from the 'Vammala Centre Feasibility Study' (Grönholm, Korteniemi & Sandberg, 2005).

The Vammala Production Centre and associated Projects are located within the continental island arc-type Tampere Schist Belt (TSB) and the Vammala Migmatite Zone (VMB) of the Palaeoproterozoic Svecofennian Domain of the Fennoscandian Shield (**Figure 4-1**). The Svecofennian Domain has generally been interpreted to represent predominantly juvenile crust formed in a rapid succession of igneous activity, uplift, erosion and redeposition between 1.9 – 1.85 Ga.

The east-west striking TSB lies between the 1.89 Ga Central Finland Granitoid Complex in the north and the Vammala Migmatite Zone in the south. The TSB is approximately 200km long and up to 20km wide, and is characterized by turbiditic metasediments and intermediate, alkaline and calc-alkaline metavolcanic rocks of mainly pyroclastic origin. Metamorphism has culminated in low-pressure, low-temperature amphibolite to transitional greenschist-amphibolite facies conditions (Kilpeläinen et al., 1994; Kilpeläinen, 1998).

The medium to high grade VMB forms approximately a 50km wide arcuate structure that can be traced across southern Finland. The migmatites are derived from pelitic and arenaceous metasediments with some graphitic, sulphidic, calcareous and mafic intercalations. The VMB is bound by the lower grade Tampere and Häme Schist Belts in the north and south, respectively.

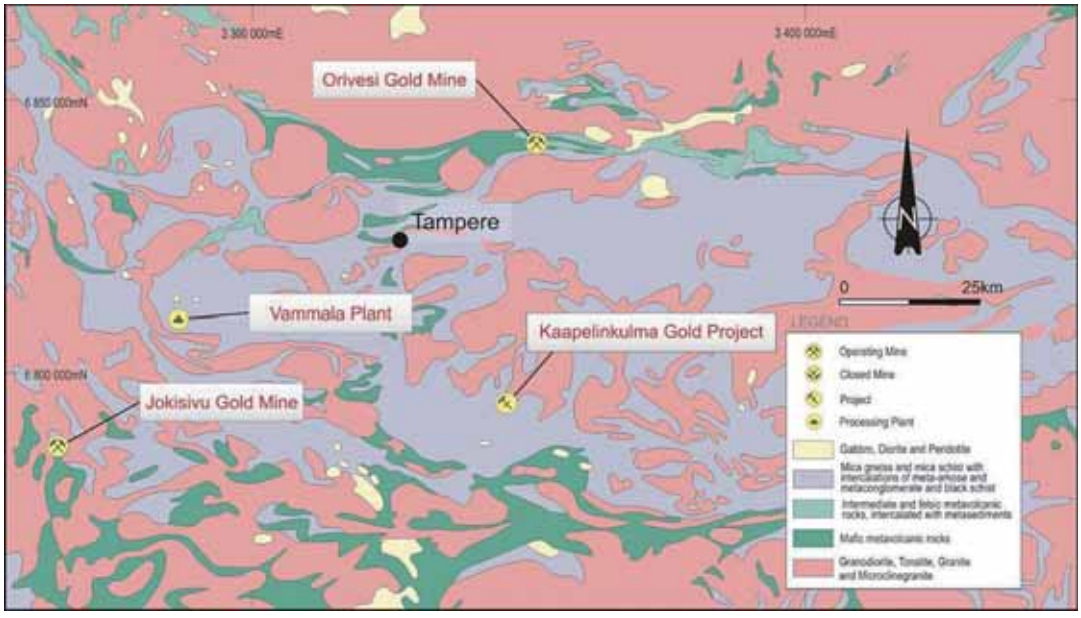
The Orivesi deposit is located in the north-eastern part of the Tampere Schist Belt (TSB) which is characterised by an east-west striking major isoclinal syncline with sub-horizontal fold axes and sub-vertical plane schistosity. The limbs of the syncline are composed of metavolcanic (felsic to mafic tuffs) and metasedimentary (greywackes and mudstones) rocks. The northern limb is dominated by metavolcanic rocks, while the

southern limb is rich in sedimentary rocks (Kähkönen, 1989, 1999). The hinge zone of the syncline is characterized by polymictic meta-conglomerate (**Figure 4-1**).

The Jokisivu deposit is located in the southwest portion of the VMB (**Figure 4-1**). The main rock types of this area are tonalitic and granodioritic gneisses, mica gneisses and migmatities as well as metavolcanic rocks of mainly intermediate and mafic composition. These are intruded by granitoids and diorites.

The Kaapelinkulma Project is located in the central portion of the VMB. The main rock types of this area are mica and veined gneisses, migmatites and synorogenic granitoids (**Figure 4-1**). The most common compositions of intrusions are tonalite, granodiorite, quartzdiorite and granite, but also smaller units of gabbros and peridotites have been mapped in the area.

Figure 4-1 Vammala Processing Centre Regional Geology



(Source: RungePincockMinarco, 2018)

4.1.2 Local Geology and Mineralisation

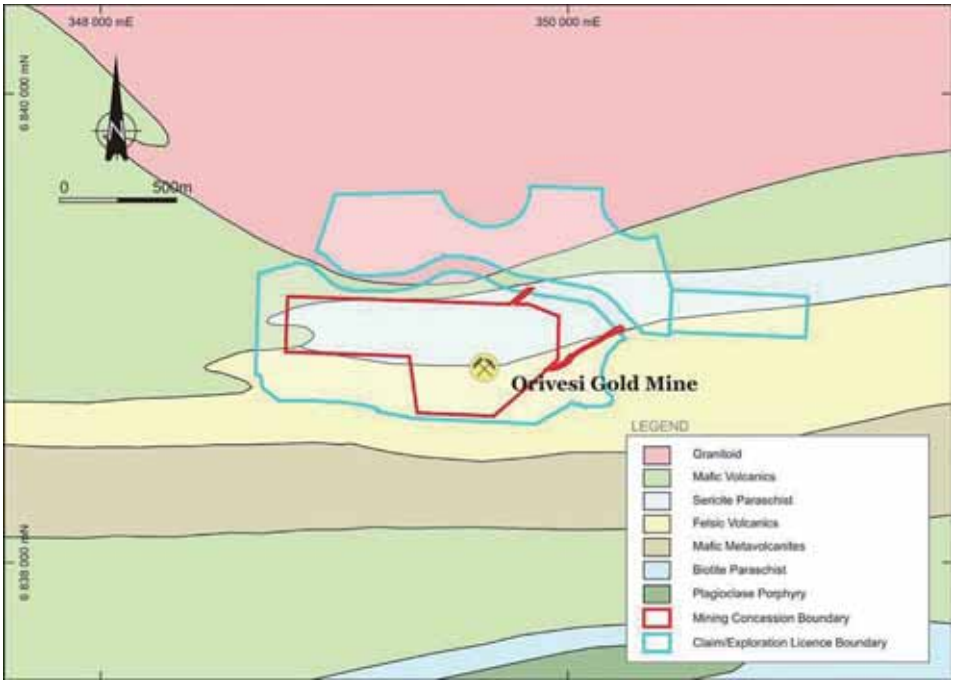
Orivesi Mine

The Orivesi area is dominated by intermediate metatuffs with lesser intercalations of felsic metavolcanic rocks. Highly mylonitized rocks representing the main shear zone of the Kutema area are located within a felsic interlayer (**Figure 4-2**). The 15km long and 1-2km wide post-mineralisation Pukala Tonalite intrusion is located a few hundred metres north of the mine.

Orivesi is a metamorphosed and deformed high-sulphidation epithermal gold deposit which is associated with the Kutema alteration zone of chlorite-sericite-quartz schist. The Orivesi Mine has two areas of mineralisation (Kutema and Sarvisuo) which are approximately 300m apart. The Kutema and Sarvisuo lodes occur as sub-vertical pipe-like structures with extensive vertical continuity and thickness. The deepest grade drill intersection in the Kutema area is well below 1,000m from surface.

Gold mineralisation is related to strongly deformed and silicified zones characterized by shearing, boudinaging, folding and quartz veining during syn- to late-stage deformation. Most of gold occurs as fine native gold, generally <60μm, along quartz grain boundaries and in late-stage fractures. A lesser amount of gold is carried by Au-Te tellurides, and electrum (Au, Ag). Pyrite, pyrrhotite, chalcopyrite and, less commonly, sphalerite are the most common sulphides associated with gold mineralisation. The highly silicified portions of the inner alteration zone are generally very poor in sulphides, and gold lodes may often contain more tellurides than sulphides.

Figure 4-2 Orivesi Local Geology



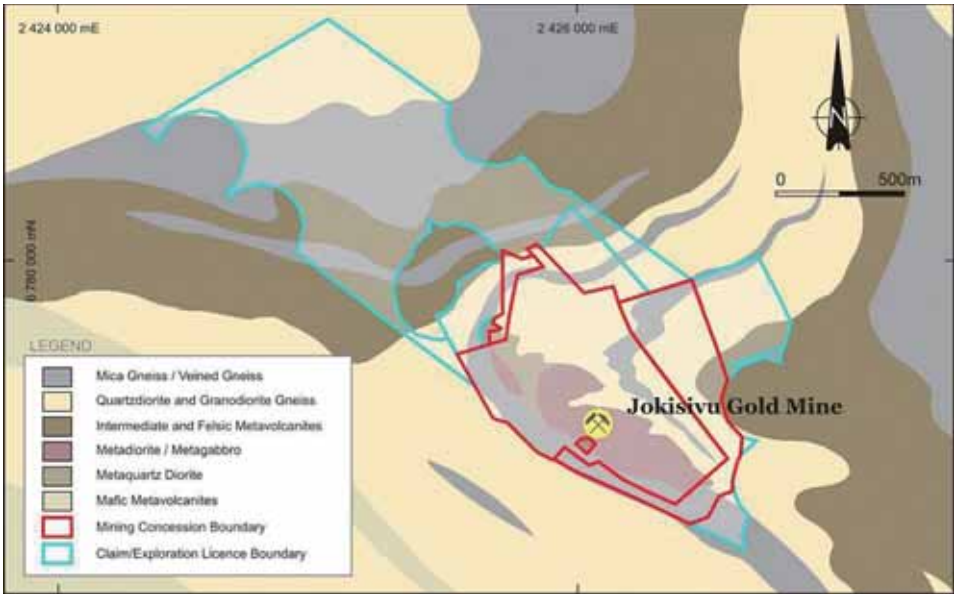
(Source: RungePincockMinarco, 2018)

Jokisivu Mine

The Jokisivu Mine has two areas of mineralisation (Kujankallio and Arpola) which are approximately 200m apart. The Jokisivu Mine is a Palaeoproterozoic orogenic gold deposit located in the Vammala Migmatite Belt. The deposit is controlled by a conjugate set of brittle-ductile shear zones between two major NW- trending shear zones in the Jokivisu metadiorite (**Figure 4-3**). The Jokisivu diorite is surrounded by mica gneisses, volcanogenic and arenitic metasedimentary gneisses and granitoids of tonalitic to granodioritic composition.

Mineralisation is hosted within relatively undeformed and unaltered diorite, in 1-5m wide shear zones characterised by laminated, pinching and swelling quartz veins and a well-developed moderately (50°) east- northeast plunging lineation. The Kujankallio vein sets have been shown by drilling to extend to at least 525m depth whereas Arpola has only been drilled to 200m. Gold occurs chiefly as free grains in quartz veins, locally related to arsenopyrite, loellingite, pyrrhotite and scheelite.

Figure 4-3 Jokisivu Local Geology



(Source: RungePincockMinarco, 2018)

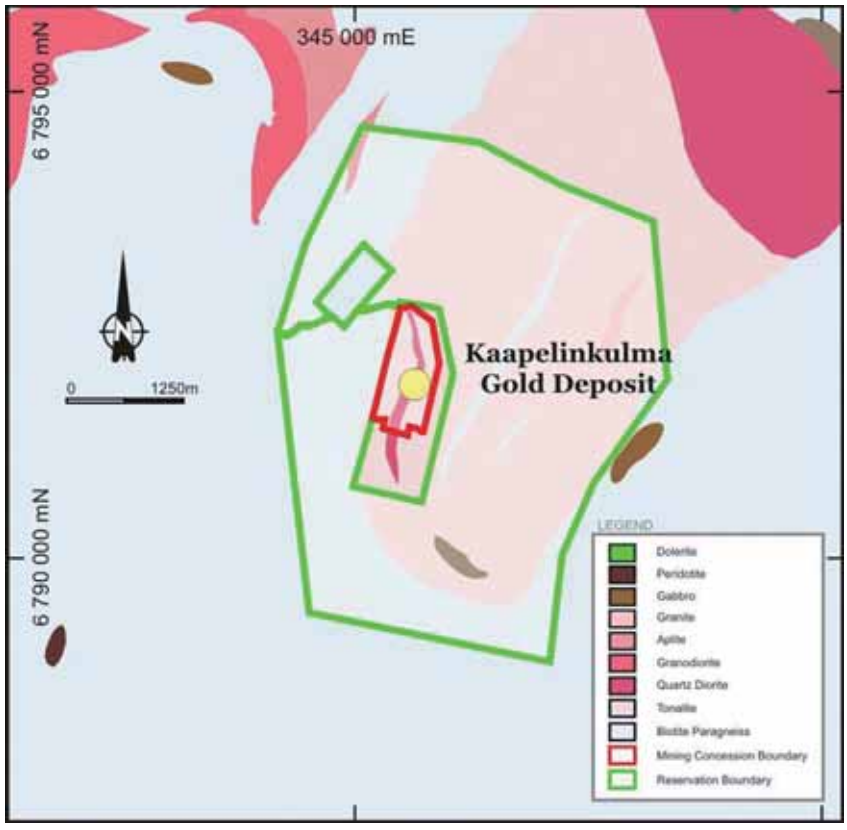
Kaapelinkulma Mine

At Kaapelinkulma, a 4km by 8km oval-shaped granitoid intrusion of tonalite and granodiorite composition is surrounded by mica and veined gneisses with graphitic and sulphidic interlayers. A boomerang-shaped, 1.8km long and 50-120m wide gently-dipping unit of quartz diorite occurs as a mega-inclusion in the western part of tonalite intrusion (**Figure 4-4**). The known quartz-diorite unit extends to the shallow levels, only 30- 120m below surface.

Kaapelinkulma is 50-100m wide and 1,800m long and is an orogenic-type gold deposit associated with the quartz diorite inclusion. Controlling structures are a set of narrow (0.1-5m), NNE and NE trending sinistral shear zones dipping at 35-40° to the ESE. Two zones of gold mineralisation have been identified associated with quartz veins in NNW-trending en echelon shear zones mainly near the western contact area of quartz diorite, which is strongly biotite-altered and quartz-veined.

Mineralised shear zones contain banded quartz veins and veinlets characterized by variable pyrrhotite, arsenopyrite, loellingite, pyrite, chalcopyrite, scheelite, tellurides, bismuth, maldonite and gold. Native free gold, often visible, is chiefly associated with quartz and some gold is associated with native bismuth and as inclusions in arsenopyrite.

Figure 4-4 Kaapalinkulma Local Geology



(Source: RungePincockMinarco, 2018)

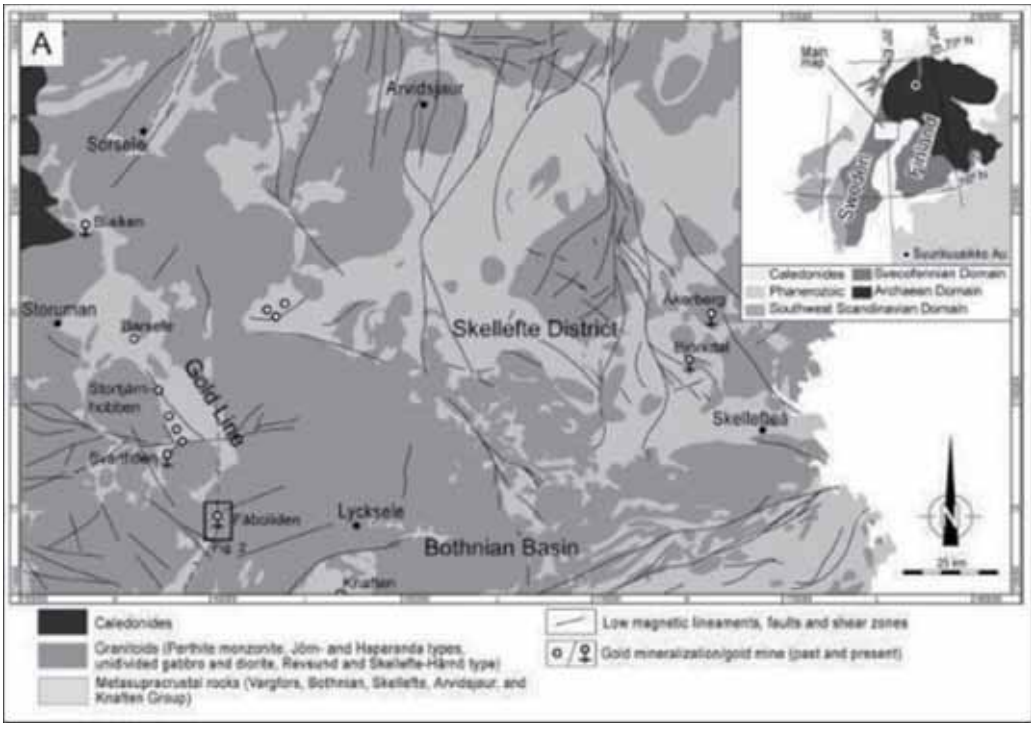
4.2 Svartliden Production Centre

4.2.1 Regional Geology

The Fäboliden Project is located within the Fennoscandian Shield, southwest of the Skellefte District, northern Sweden (**Figure 4-5**). Rifting of the Archeaen craton of the Fennoscandian Shield occurred in c.2.45-1.95 Ga, generating the Bosnian Basin in a fore-arc environment, which was filled mainly with thick sediment sequences and subordinate volcanic rocks to a depth of 10km.

The supracrustal rocks of the Lycksele-Storuman area are part of this sediment sequence and were intruded during the early stages of the 1.9 to 1.8 Ga Svecokarelian orogeny by calc-alkaline granitoids. During the late stages of the orogeny, the supracrustal rocks were intruded by c. 1.82 Ga S-type granites of the Skellefte-Hamo suite and by 1.81 to 1.77 Ga alkali-calcic granites of the Revsund suite.

Figure 4-5 Svartliden Processing Centre Regional Geology



(Source: Golders, 2010)

4.2.2 Local Geology and Mineralisation

Fäboliden Mine

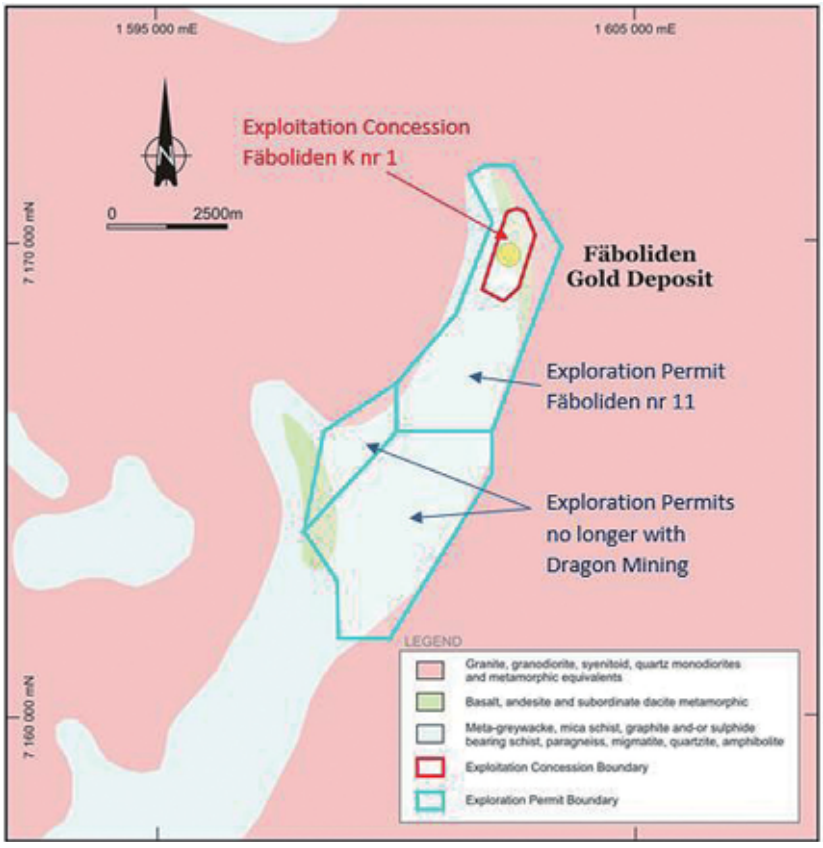
The Fäboliden deposit, like Svartliden, is hosted in a sequence of volcano-sedimentary packages in the Bothnian Basin (**Figure 4-6**). The metasediments and metavolcanic rocks are strongly foliated and biotite- rich argillites with lesser sandstones to coarse grain size. The Revsund granitoid is medium to coarse- grained with potassium feldspar porphyroblasts. The host stratigraphy strikes NNE-SSW and dips from approximately 50° to 70° east with the orientation steepening in the north.

Alteration associated with the mineralisation is pervasive diopside, calcic-amphibole and biotite with some silicification in the volcanics. In the sediments, light silicification is common with variable feldspar alteration, some sericitization and chlorite alteration, and variable diopside, calcic-amphibole alteration. More distal alteration is pervasive calcite, and diopside, calcic-amphibole and biotite in veins in the volcanics. The sediments show minor biotite and sericite.

Fäboliden has been classified as an orogenic gold deposit. The mineralisation is generally situated at or near the boundary between the lower sediments and the intermediate volcanics. The mineralisation is associated with small quartz or sulfide veins (less than 5 cm in thickness) where arsenopyrite is dominant. The gold is fine-grained and found in fractures and as inclusions within arsenopyrite-löllingite (Alvarez, J. and others,

2010 and Ylvén T., pers. comm.). Visible free gold has been observed in the silicate matrix in the proximity of quartz veins. The quartz veins are parallel to foliation and stratigraphy and are typically boudinaged. The mineralised zone spans at least 1.7km along strike with a gold halo up to 160m thick in places.

Figure 4-6 Fäboliden Local Geology

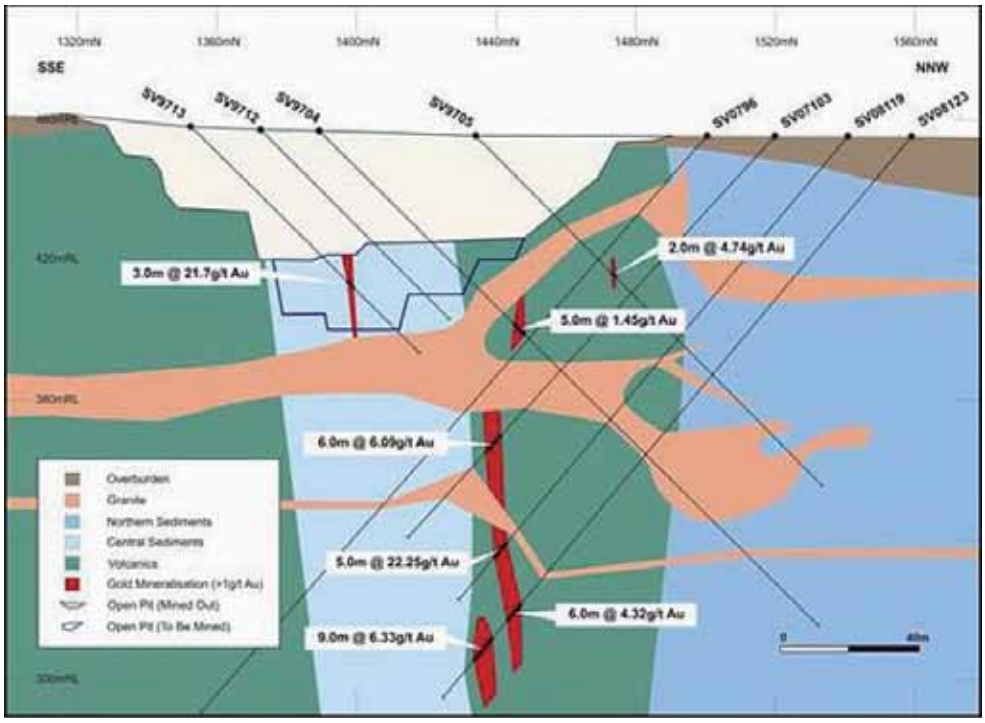


Source: RungePincockMinarco, 2018)

Svartliden Mine

The host geological or mine sequence at Svartliden consists of a 50-70m thick volcano-sedimentary package (**Figure 4-7**). This sequence strikes WSW-ENE with a near vertical dip and is metamorphosed to a mid-amphibolite facies. A 1m to 14m veneer of glacial till covers the entire area, limiting the presence of any surface outcrop. The volcano-sedimentary sequence has been intruded by a series of granitoid dykes and sills. which cause major disruption and stopping out of the mineralised zones. The deposit is oriented to ENE and forms a series of parallel lodes.

Figure 4-7 Svartliden Local Geology Cross-Section



(Source: Runge, 2010)

The gold mineralisation at Svartliden is epigenetic gold in hydrothermally altered ductile shear zones. The mineralization is hosted by a banded iron formation (BIF) located on the contact between a sediment and metabasalt. Gold is associated with arsenopyrite and pyrrhotite. Alteration is calc-silicate, silicification, plagioclase and biotite alteration with silicification proximal to the ore zones.

The ore zone is a sulphide skarn with complete host rock replacement to quartz, sulphides, Ca-amphiboles, Fe-diopside, pyrrhotite, arsenopyrite, graphite and Fe-rich biotite. Outside the ore zones there is moderate to intense biotite alteration and formation of skarn veins.

Tight folding followed by dextral shearing post-dates the mineralisation.

RPM Comment

The regional and local geology and mineralisation is well understood by Dragon Mining.

5. MINERAL RESOURCES

RPM has acted as Dragon Mining's Independent Competent Person for the estimation of Mineral Resources since 2007, whereby Dragon Mining's own technical team completes the resource estimates which are audited and revised by RPM, prior to RPM completing the classification under the recommended guidelines of JORC and sign off as Competent Person. On occasion RPM has also undertaken the resource estimates to assist Dragon Mining in meeting its reporting timelines.

5.1 Vammala Production Centre

5.1.1 Orivesi

The latest resource estimates were completed by Dragon Mining, audited and revised by RPM in November 2018, and then depleted for mining undertaken to the end of 2019. All data was sent for RPM to conduct the depletion of the block models and estimates, classify and report the Mineral Resource and provide Competent Person sign-off in line with the guidelines of JORC.

Data and Geological Interpretation

Drill holes used in the Mineral Resource estimate for Kutema included 737 diamond holes ("DDH") and 4,850 underground production ("sludge") holes for a total of 48,919m, while the Mineral Resource estimate for Sarvisuo included 409 surface and underground diamond holes, 2,160 underground sludge holes and two reverse circulation ("RC") holes for a total of 16,075m within the mineralisation wireframes.

Mineralisation wireframes were constructed by Dragon Mining using a nominal 0.6 to 1.0 g/t Au cut-off grade in conjunction with geological boundaries for the Kutema deposit and mostly a nominal 0.5 g/t Au cut-off grade for Sarvisuo. In some areas, for Sarvisuo, the cut-off grade was reduced to as low as 0.10 g/t Au to encompass all mineralisation and to capture the high-grade mineralisation, which is erratically distributed within the broader mineralised zones.

Statistical Analysis, Modelling and Estimation

Samples were composited to 1.5m and high grade cut values of 50 g/t Au were used for Kutema and 70 g/t Au for Sarvisuo. Surpac block models used block sizes of 5m NS by 10m EW by 10m vertical with sub- blocks of 1.25m by 2.5m by 2.5m for Kutema and 2m NS by 10m EW by 10m vertical with sub-blocks of 0.5m by 2.5m by 2.5m for Sarvisuo.

An Inverse Distance Squared (ID^2) interpolation with an oriented 'ellipsoid' search was used for both estimates. For Kutema a first pass radius of 25m, a second pass of 60m and a third pass of 200m was used. Sarvisuo used a first pass radius of 30m, 60m for the second pass and a third pass radius of 200m. A minimum number of samples of 10, 4 and

2 were used for the first, second and third passes, respectively, for both deposits, and a maximum of 20 samples was used for all passes and greater than 99% of the blocks were filled in the first two passes.

A bulk density value of 2.80 t/m^3 was assigned to all material (mineralisation and waste) based on 87 actual core measurements and almost 20 years of mining experience at the Orivesi Mine.

Model Validation and Resource Classification

The resource estimates were validated using industry standard approaches of comparing the average Au grades of the composite file inputs against the block model outputs; a check that the interpolation of the block model correctly honoured the drilling data and a reconciliation of resource model mined with production data for 2019. The results of the validation indicated that, overall, the trend of the modelled grades was consistent with the drill hole grades and that there is a good correlation between the composites and estimated grades with larger discrepancies for individual lodes resulting from clustering of high grades.

The Mineral Resources for Kutema and Sarvisuo were classified on the basis of sample spacing and continuity of the interpreted lodes. The Measured Resource incorporated the main mineralised lodes with underground level development and sludge drilling; Indicated Resource in areas of reasonably close-spaced diamond drilling (less than 30m by 30m); and the Inferred Resource included areas of the deposits where sampling was greater than 30m by 30m, small, isolated pods of mineralisation outside the main mineralised lodes and geologically complex zones. The extrapolation of the lodes along strike and down dip was limited to a distance of 25m for Kutema and 20m for Sarvisuo, or to half the drill spacing. Areas of extrapolation have been classified as Inferred Mineral Resource.

Mineral Resources

The Mineral Resource for the Orivesi Gold Mine is shown below on **Table 5-1** reported at a cut-off grade of 2.6 g/t Au and depleted for mining as of 31st December 2019.

Table 5-1 Orivesi Mine December 2019 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
Deposit	Quantity kt	Au g/t	Au koz	Quantity kt	Au g/t	Au koz	Quantity kt	Au g/t	Au koz	Quantity kt	Au g/t	Au koz
Kutema	59	4.5	9	61	5.1	10	13	4.4	2	130	4.8	20
Sarvisuo	34	5.7	6	47	7.0	11	58	4.9	9	140	5.8	26
Stockpiles	–	–	–	1	3.8	<1	–	–	–	1	3.8	<1
Total	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	47

Note:

5) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

6) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2019. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

7) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

8) The Mineral Resources have been reported at a gold cut-off grade of 2.6 g/t Au determined using a gold price of USD 1,770/troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of the nominal forecast gold price of USD 1,475/troy ounce as at 13th November, 2019, a mining cost of USD 88.48/t of ore for underground, a processing cost of USD 28.45/t of ore and a processing recovery of 85%.

5.1.2 Jokisivu

The latest resource estimates were completed by Dragon Mining, audited and revised by RPM in November 2020, and then depleted for mining undertaken to the end of December 2019. All data was sent for RPM to conduct the depletion of the block models and estimates, classify and report the Mineral Resource and provide Competent Person sign-off in line with the guidelines of JORC.

Data and Geological Interpretation

Drill holes used in the Mineral Resource estimate for Kujankallio included 688 diamond drill holes, 47 reverse circulation drill holes, 2,440 sludge holes, 312 percussion drill holes, 17 surface channels, and 14 mini drill holes for 19,738m intersecting the mineralised lodes. Drill holes used in the Mineral Resource estimate for Arpola included 315 diamond holes, 545 sludge holes, 79 reverse circulation holes, 1 mini-drill hole, 7 percussion holes and 22 surface trenches, for a total of 5,844m intersecting the mineralised lodes.

In general, a 1 g/t Au cut-off grade was used to delineate the mineralised zones for Kujankallio and 0.5 g/t Au for Arpola. The 2020 interpretation for Arpola utilised a 1.0 g/t Au cut-off, however grades as low as 0.2 g/t Au were included where known quartz veining, shearing and scheelite and arsenopyrite mineralisation warranted it. No minimum width was applied due to the pinch and swell nature of the ore body.

Statistical Analysis, Modelling and Estimation

Samples were composited to 1m intervals Top-cuts varied between 10g/t to 100g/t Au for Kujankallio and 4g/t to 80g/t for Arpola. Surpac block models were used for the estimates with block sizes of 2m NS by 5m EW by 5m vertical with sub-cells of 0.5m by

1.25m by 1.25m for Kujankallio, and 2m NS by 10m EW by 5m vertical with sub-cells of 0.5m by 2.5m by 1.25m for Arpola.

An OK grade interpolation used an oriented 'ellipsoid' search with a first pass radius of 45m, 60m for the second pass and 150m to 200m for the third pass for Kujankallio, and a first pass radius of 30m to 45m, 60m for the second pass and 90m for the third pass for Arpola. Greater than 90% of the blocks were filled in the first two passes for both deposits. IDW^2 was also carried out as a check on the OK method.

A bulk density value determined by Dragon Mining of $2.80t/m^3$ was used for fresh (both mineralised and waste) rock below the glacial till for both Kujankallio and Arpola, and a bulk density of $1.75t/m^3$ was used for glacial till material. These values are consistent with similar mineralisation styles and lithologies at other Dragon Mining operations in the area.

Model Validation and Resource Classification

The resource estimates were validated using industry standard approaches of comparing the average Au grades of the composite file inputs against the block model outputs; a check that the interpolation of the block model correctly honoured the drilling data and a reconciliation of resource model mined with production data for 2019. The results of the validation indicated that, overall, the trend of the modelled grades was consistent with the drill hole composite grades, however there is some divergence between the block model grades and composite grades in areas where the number of composite samples are low. RPM notes the comparison is close between the OK and IDW^2 average grades.

The Kujankallio Measured Mineral Resource has been defined by extensive open cut and underground grade control drilling (10m strike spacing), surface trenching and underground mapping. The Indicated Mineral Resource was defined within areas of reasonably close-spaced diamond drilling (less than 30m by 30m) due to the good continuity and predictability of the lode positions. The Inferred Mineral Resource included areas of the resource where sampling was greater than 30m by 30m, and small, isolated pods of mineralisation outside the main mineralised zones and geologically complex zones.

The Arpola Mineral Resource was classified on the basis of sample spacing and continuity of the interpreted zones. In general, any zone defined by surface trenching/drilling where drill hole spacing was up to 20m and good geological lode continuity was apparent (or confirmed by underground development drives) was classified as Measured Mineral Resource. Other zones where drill hole spacing was less than 30m by 30m and reasonable geological lode continuity was apparent were classified as Indicated Mineral Resource. Those zones where drill hole spacing was greater than 30m by 30m, or where the continuity and/or geometry were uncertain, were classified as Inferred Mineral Resource. Zones with less than four intersections were also classified as Inferred.

Mineral Resources

The Mineral Resource for the Jokisivu Gold Mine is shown below on **Table 5-2** reported at a cut-off grade of 1.3 g/t Au and depleted for mining as of 31st December 2020.

Table 5-2 Jokisivu Gold Mine December 2020 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
	Quantity			Quantity			Quantity			Quantity		
Deposit	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz
Kujankallio	0.5	5.0	79,000	0.9	3.4	100,000	0.1	2.9	13,000	1.6	3.8	190,000
Arpola	0.2	4.2	20,000	0.5	4.4	71,000	0.4	4.4	55,000	1.0	4.4	150,000
Stockpiles	–	–	–	<0.1	2.1	5,000	–	–	–	<0.1	2.1	5,000
Total	0.6	4.8	100,000	1.5	3.6	180,000	0.5	4.0	67,000	2.7	4.0	340,000

Note:

5) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

6) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

7) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

8) The Mineral Resources have been reported at a gold cut-off grade of 1.3 g/t Au determined using a gold price of US$1,890/troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of an average consensus forecast gold price of US$1,575/troy ounce that was generated from annual Consensus gold forecasts over the mine life period, a mining cost of US$39.50/t of ore for underground, a processing cost of US$25.54/t of ore and a processing recovery of 87%.

5.1.3 Kaapelinkulma

The latest Mineral Resources for the Kaapelinkulma Gold Mine were estimated and reported by RPM in 2021. The mineralisation interpretation was completed by Dragon Mining and then revised by RPM prior to RPM completing the estimate in December 2020. The model was depleted for mining undertaken to the end of December 2020. All data was sent for RPM to complete the block model and estimate, classify and report the Mineral Resource and provide Competent Person sign-off in line with the guidelines of JORC.

Data and Geological Interpretation

Drill holes used in the resource estimate included 153 surface diamond drill holes ("DD"), 66 reverse circulation ("RC") holes, 41 percussion holes and 13 sawed channels at surface trenches for a total of 1,186m within the wireframes.

Mineralisation wireframes were constructed by Dragon Mining using a nominal 0.5g/t gold cut-off grade. However, in some areas, the cut-off grade was reduced to as low as 0.3g/t gold to generate sensible geological shapes and to capture the high-grade mineralisation which is erratically distributed within the broader mineralised zones.

Statistical Analysis, Modelling and Estimation

Samples were composited to 1m intervals and high-grade cuts ranging from 12g/t to 50g/t gold were applied. A Surpac block model was used for the estimate with a block size of 10m NS by 2m EW by 5m vertical with sub-blocks of 2.5m by 0.5m by 1.25m.

Inverse Distance Squared (ID^2) interpolation with an oriented 'ellipsoid' search was used for the estimate. The ellipsoid was oriented to the average strike, plunge and dip of the mineralised zones. An 'isotropic' search ellipsoid was used for the final estimation pass for all objects. For the major objects, a first pass radius of 40m and a second pass of 80m were used with a minimum number of samples of 10 and a maximum of 40. For the minor objects, a first pass radius of 25m and a second pass of 50m were used with a minimum number of samples of 10 and a maximum of 40. A third pass search radius of 100m was used with one minimum sample to fill the model. Greater than 80% of the blocks were filled in the first two passes.

A bulk density value of 2.83 t/m^3 was assigned to all material (mineralisation and waste) below the till based on 630 core measurements and a bulk density of 1.8t/m^3 was used for the till material. These values are consistent with similar mineralisation styles and lithologies.

Model Validation and Resource Classification

The resource estimates were validated using industry standard approaches of comparing the average Au grades of the composite file inputs against the block model outputs; a check that the interpolation of the block model correctly honoured the drilling data and a reconciliation of resource model mined with production data for 2019. The results of the validation indicated that, overall, the trend of the modelled grades was consistent with the drill hole composite grades, however there were some larger differences between composite and block model grades which were found to be due to clustering of higher-grade values.

The Mineral Resource was classified on the basis of drill hole spacing and continuity of the interpreted lodes. The Measured Mineral Resource was defined only in seven of the main lodes (objects 9, 10, 12 and 37 to 40) within areas of channel sampling, close-spaced diamond drilling and RC drilling (less than 10m by 10m spacing) due to the strong mineralised continuity and predictability of the lode positions. The Indicated Mineral Resource was defined within areas of channel sampling, close-spaced diamond drilling and RC drilling where the spacing was 10m to 20m by 10m to 20m where there was sufficient mineralised continuity and predictability of the lode positions. Those zones where drill hole spacing was greater than 20m by 20m, or where the continuity and/or geometry were uncertain were classified as Inferred Mineral Resource. The newly defined lodes at depth beneath the South deposit have also been classified as Inferred Mineral

Resource as it is likely additional exploration between this area and the other South deposit lodes would result in additional mineralisation being defined, however a mining study would be required to determine economic viability.

Mineral Resources

The Mineral Resource for the Kaapelinkulma Gold Mine reported at a cut-off grade of 0.7 g/t Au based on actual mining and processing costs and recoveries and depleted for mining as at 31st December 2020 is shown below on **Table 5-3**.

Table 5-3 Kaapelinkulma Gold Mine December 2020 Mineral Resource Estimate

	Measured			Indicated			Inferred			Total		
	Quantity		Au Quantity			Au Quantity			Au Quantity			Au
Type	t	Au g/t	Ounces	t	Au g/t	Ounces	t	Au g/t	Ounces	t	Au g/t	Ounces
Oxide	–	–	–	–	–	–	–	–	–	–	–	–
Transitional	–	–	–	–	–	–	–	–	–	–	–	–
Fresh	26,000	2.3	2,000	72,000	3.3	8,000	174,000	2.6	14,000	272,000	2.7	24,000
Stockpiles	–	–	–	8,000	2.9	1,000	–	–	–	8,000	2.9	1,000
Total	26,000	2.3	2,000	79,000	3.2	8,000	174,000	2.6	14,000	279,000	2.7	24,000

Note:

1) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

2) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

4) The Mineral Resources have been reported at a gold cut-off grade of 0.7 g/t Au determined using a gold price of US$2,250 per troy ounce which was extrapolated for the potential economic extraction of the resource at a level approximating 120% of the short term Consensus forecast gold price of US$1,880 per troy ounce, a mining cost of € 16.59 /bcm of ore and waste for open pit mining, a processing cost of € 25.20/t of ore and a processing recovery of 83%. An exchange rate of USD1.00 = EUR0.84 was utilised as provided by Dragon Mining and checked by RPM.

RPM Comment

The geological interpretation methodologies are reasonable based on known occurrences of mineralisation from drilling together with gold assays. In addition, the erratic distribution of the high-grade mineralised zones within the Orivesi deposits necessitated using variable interpretation gold cut-off grades.

The statistical analysis, modelling and estimation has been carried out according to international best practice. For Orivesi RPM recommends trialling variography for the larger objects and an Ordinary Kriging ("OK") estimate for comparison with the ID2 estimate.

The validation methodologies used and results are reasonable and as expected for these styles of deposits.

The Mineral Resources have been estimated using acceptable procedures for interpretation, statistical analysis, block modelling, grade estimation, validation and classification according to the JORC Code (2012).

5.2 Svartliden Production Centre

5.2.1 Svartliden

The Mineral Resources for the Svartliden Gold Mine were estimated and last reported by RPM in April 2014. The mineralisation interpretation was completed by Dragon Mining and then revised by RPM prior to RPM completing the resource model. The model was depleted for mining undertaken to the end of December 2013. All data was sent for RPM to complete the block model and estimate, classify and report the Mineral Resource and provide Competent Person sign-off in line with the guidelines of JORC. The Svartliden Gold Mine is currently not in production and has been on care and maintenance since 2014.

Data and Geological Interpretation

A total of 2,731 holes were included in the Mineral Resource estimate; 279 exploration holes and 2,452 grade control holes, the majority of which lie within the mined portion of the deposit.

Wireframes were constructed by extending those generated by Dragon Mining mine geologists using grade control drilling. In the deeper portions of the deposit, cross-sectional interpretations were based on mineralised envelopes constructed at a 1.3g/t Au cut-off grade. Some lower grade mineralisation was included to maintain continuity of the lodes.

Statistical Analysis, Modelling and Estimation

Samples were composited to 1m intervals and a high grade cut of 60g/t Au was required to limit the influence of erratic high grade values. In the area defined as the open pit resource, a high grade cut of 30g/t was used to be consistent with mine geology practices which were supported by good reconciliation with gold production. A Surpac block model used a block size of 2m NS by 10m EW by 10m vertical with sub-cells of 0.5m by 2.5m by 2.5m.

OK grade interpolation used a search ellipse oriented to the plane of mineralisation. For the open pit Mineral Resources a first pass radius of 25m or 80m was used with a

minimum number of samples of 10 and a maximum of 30. A second pass with a search radius of 50m or 160m was used to fill un-estimated blocks. A third pass with a search radius of 75m or 160m was used to fill un-estimated blocks. Approximately 84% of blocks were filled in the first pass and 95% by the second pass.

A bulk density value of 3.08t/m^3 was assigned to all lithologies based on historic test work and four years of mining experience at the deposit.

Model Validation and Resource Classification

The resource estimates were validated using industry standard approaches of comparing the average Au grades of the composite file inputs against the block model outputs; a check that the interpolation of the block model correctly honoured the drilling data and a reconciliation of resource model mined with production data for 2019. The results of the validation indicated that, overall, the trend of the modelled grades was consistent with the drill hole composite grades.

The resource was classified on the basis of geological and grade continuity and drill hole spacing. The portions of the resource defined by close spaced grade control drilling were classified as Measured Mineral Resource. Due to the consistency of geometry of the mineralised zones, the well-spaced quality core drilling, and the support provided by the open pit mining, much of the remainder of the deposit has been classified as Indicated Mineral Resource. Poorly defined extensions at depth and small zones with limited sample support were classified as Inferred Mineral Resource.

Mineral Resources

The Mineral Resource for the Svartliden Gold Mine reported at a cut-off grade of 1.3 g/t Au for open pit material and 3.0 g/t Au for underground material and depleted for mining as at 30th April 2014 is shown below on **Table 5-4**.

Table 5-4 Svartliden Gold Mine April 2014 Mineral Resource Estimate

	Measured		Indicated		Inferred		Total		
	Quantity		Quantity		Quantity		Quantity		
Type	kt	Au g/t	kt	Au g/t	kt	Au g/t	kt	Au g/t	Au koz
Stockpiles	411	2.2					411	2.2	29.6
Open Pit	77	3.2	150	3.1			228	3.2	23.1
Underground	20	5.9	96	5.9	39	4.9	155	5.7	28.2
Total	508	2.5	246	4.2	39	4.9	794	3.2	80.9

Note:

3) Totals may differ due to rounding.

4) Exclusive of Mineral Reserves reported in Svartliden stockpiles.

5.2.2 Fäboliden

The Mineral Resources for the Fäboliden Gold Mine were estimated and reported by RPM in 2021. The mineralisation interpretation was completed by Dragon Mining and then revised by RPM prior to RPM completing the resource model in December 2020. The model was depleted for mining undertaken to the end of December 2020. All data was sent for RPM to complete the block model and estimate, classify and report the Mineral Resource and provide Competent Person sign-off in line with the guidelines of JORC.

Data and Geological Interpretation

Drill holes used in the Mineral Resource estimate included 68 RC holes and 364 DD holes for a total of 63,972m within the wireframes. Mineralisation wireframes were constructed by Dragon Mining using a nominal 0.5g/t gold cut-off grade. However, in some areas, the cut-off grade was reduced to as low as 0.3g/t gold to generate sensible geological shapes and to capture the high-grade mineralisation which is erratically distributed within the broader mineralised zones.

Statistical Analysis, Modelling and Estimation

Samples were composited to 1m intervals. High grade cuts of 15g/t and 40g/t gold were applied and high-grade cuts were also applied to Ag. A Surpac 2019 block model was used for the estimate with a block size of 10m NS by 5m EW by 5m vertical with sub-blocks of 1.25m by 1.25m by 1.25m. For the grade control area, the parent block size was set to 5m NS by 2.5m EW by 2.5m vertical.

Ordinary Kriging ("OK") grade interpolation was used for the estimate, constrained by Mineral Resource outlines based on mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade for low grade and 1.0g/t to 1.3g/t for high grade, with a minimum down-hole length of 2m. Three passes were used to estimate the blocks in the model and more than 95% of blocks were filled in the first two passes.

Bulk densities ranging between 1.8t/m^3 and 2.97t/m^3 were assigned in the block model dependent on lithology and weathering.

Model Validation and Resource Classification

The resource estimates were validated using industry standard approaches of comparing mean grades of blocks to mean grades of input data (composites), swath plots to check estimated grades against the drill hole grades, and a visual qualitative comparison of the block estimates to the composites. The review indicates that, while variation globally can be seen, there is good correlation between block estimates and composite grades further supported by visual inspection.

Reconciliation was completed for the test pit mining conducted to date. The comparison shows a 27% reduction in tonnes and a 12.5% increase in grade resulting in a 17% reduction in gold metal in the in situ grade control model compared to the resource

model. An explanation for the large differences in total quantities could be that higher grade material was selectively mined, as the quantity of material greater than 2.0 g/t Au in the mined open pit part of the model is comparable to the reconciliation data in terms of quantity, grade and metal content.

The Mineral Resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was defined within areas of grade control RC and DD of less than 10m by 6m drill spacing in the test mining area. The Indicated Mineral Resource was defined within areas of close-spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m, where small, isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

Mineral Resources

The Mineral Resource for the Fäboliden Gold Mine reported at a cut-off grade of 1.1 g/t Au for open pit material above a revenue factor 1.2 optimised pit shell and at a cut-off grade of 2.0 g/t Au for underground material below the revenue factor 1.2 optimised pit shell depleted for mining as at 31st December 2020 is shown below on **Table 5-5**.

Table 5-5 Fäboliden Deposit December 2020 Mineral Resource Estimate

	Au	Measured			Indicated			Inferred			Total		
	Cut-Off	Quantity			Quantity			Quantity			Quantity		
Material	g/t	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz	Mt	Au g/t	Au oz
Open Pit	1.1	0.10	3.4	11,000	3.0	2.9	280,000	0.62	2.4	48,000	3.7	2.8	340,000
Underground	2.0	–	–	–	1.3	3.0	130,000	5.2	3.4	560,000	6.5	3.3	690,000
Stockpiles	–	–	–	–	<0.1	1.8	1,600	–	–	–	<0.1	1.8	1,600
Total		0.10	3.4	11,000	4.3	2.9	410,000	5.8	3.3	610,000	10	3.1	1,000,000

Note:

5) The Mineral Resources has been compiled under the supervision of Mr. David Allmark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

6) All Mineral Resources figures reported in the table above represent estimates at 31st December, 2020. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

7) Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

8) The Mineral Resources have been reported at gold cut-off grades and above and below a revenue factor 1.2 optimised pit shell determined using a gold price of US$1,740 per troy ounce (extrapolated for the

potential economic extraction of the resource at a level approximating 120% of the long term Consensus forecast gold price as at January 2021 of USD 1,450/oz), a mining cost of US$14.76/t of ore for open pit; and US$38.02/t of ore for underground, a processing cost of US$34.30/t of ore and a processing recovery of 82%.

RPM Comment

The geological interpretation methodology was reasonable and based on information from the mine geologists on-site.

The statistical analysis, modelling and estimation has been carried out according to international best practice.

The validation methodologies used and results are reasonable and as expected for this style of deposit. The basis upon which the resources were classified is acceptable and in line with international best practice.

The Mineral Resources for the Fäboliden and Svartliden Gold Mines have been estimated using acceptable procedures for interpretation, statistical analysis, block modelling, grade estimation, validation and classification according to the JORC Code (2012).

6. ORE RESERVES AND MINING

6.1 Vammala Production Centre

6.1.1 Orivesi

The Orivesi mine ceased production in 2019 and has no current Ore Reserves. There are residual Mineral Resources.

6.1.2 Jokisivu

Approach

For the purpose of the valuation, RPM completed a high-level review of the Ore Reserves and mining, with a particular focus on:

- Study status to meet the requirements of the JORC Code.
- Mining methods and mine design.
- Estimation of the ore cut-off grade.
- Life-of-mine (LOM) schedule.
- Derivation of mining costs.
- Estimation of Ore Reserves.

Each of these aspects are discussed below.

Study Status

A life-of-mine (LOM) plan to a pre-feasibility study (PFS) level of accuracy has been prepared in order to support the declaration of an Ore Reserves estimate. The purpose of the mine plan was to assess if the Ore Reserves are technically achievable and economically viable.

RPM Comment

The JORC Code requires that the minimum level of service to support the estimation of an Ore Reserve is a PFS. RPM reviewed the overall approach and considered the mine planning completed on the Jokisivu underground mine meets the requirements of a PFS. The mining costs are understood to be based on actual mining operating costs. The processing and overhead costs are understood to be actual historical costs associated with the Vammala and Svartliden plants. The level of mine planning meets the requirements of a PFS for this style of mine and includes confirming mining methods and mine design, LOM scheduling and financial modelling.

Mining Method and Mine Design

The mining method at Jokisivu is long-hole open stoping (LHOS) with rockfill and is applied in an overhand manner. Mining advances from the bottom upwards in approximately 80m high mining panels leaving a sill pillar between the panels. Backfill material can be either waste rock from development or waste rock from the surface depending on the availability of material. Access drives from the main decline to mining areas are developed at 15 to 20m vertical sub-level intervals.

Underground mining of both lode systems is by means of trackless diesel/electric powered equipment such as drill jumbos, front end loaders and trucks. Open stopes are developed over varying heights with floor pillars left at regular intervals. These floor pillars are then extracted at a later time. The mines production rate is 240,000 tpa with the ore being truck hauled over public roads to the processing plant at Vammala.

Table 6-1 sets out the stope optimisation parameters used for the Jokisivu deposit.

Table 6-1 Stope Optimisation Parameters

Mining Method	**Units**	**LHOS**
Bottom up/Top down extraction	Top/Bottom	Bottom Up
Default density	t/m^3	2.80
Stope length (along strike)	m	5
Sub level interval	m	15
Minimum stope width	m	3
Maximum stope width	m	12

Outlying and impractical stopes (such as those too close to existing open voids) were removed from the results in order to create a final selection to use in the mine design process. Centrelines for operating and capital development were then created based on the selected stope shapes and supplied site layouts. **Table 6-2** and **Table 6-3** summarise the design parameters used for the underground layout.

Table 6-2 Underground Design Criteria

Design Criteria	Unit	Value
Slope of decline	1:	7
Transverse/Longitudinal	Trans/Long	Long
Number of declines	#	1
Decline minimum stand-off from orebody	m	30
Decline minimum radius	m	23
Footwall drive standoff from orebody	m	20
Level Spacing	m	15
Minimum distance between oredrives	m	5
Minimum Sill Pillar Thickness	m	5
Minimum Rib Pillar Thickness	m	5

Table 6-3 Underground Design Drive Sizes

Drive Sizes	Unit	Width	Height
Decline	m	6.1	5.2
Access Drive	m	5.0	5.4
Ore Drive	m	4.2	5.1
Vent Drive	m	5.0	5.1
Vent Rise	m	3.0	

RPM Comment

The mining method is reasonable for the style and characteristics of the deposit. It has been largely applied since the inception of the underground mine and has a track record of being successfully applied. The design criteria underpinning the approach to underground mining is reasonable and again reflects current operations.

Mining Modifying Factors

The mining modifying factors are those parameters applied to the mineable in situ ore to enable conversion to ROM ore. The key mining modifying factors are the ore loss and waste rock dilution. The ore loss and waste rock dilution is largely a function of the characteristics of the ore body and the mining method. The mining modifying factors are dependent on the mining method and characteristics of the deposit.

Dilution estimates for Jokisivu as applied in the PFS are set out on **Table 6-4** and aim to account for:

- Over-break into the hanging or footwall material from drilling and blasting operations;
- rock failure (wall slough) from adjacent walls to the stope boundaries due to weak rock mass characteristics, and
- bogging dilution from the floors.

Of note, the mining dilution estimates are reportedly based on operational experience and in-situ to ROM ore reconciliations.

Table 6-4 Mining Dilution

		Dilution	
Mine Zone	**Unit**	**Stope**	**Development**
Kujankallio	%	30	5
Arpola	%	30	5

The PFS estimate for mining recovery is set out on **Table 6-5** and accounts for mining-related ore losses due to:

- broken mineralisation not recovered from the stope;
- in-stope support pillars;
- stope under break and unrecoverable bridging;
- misclassification of material resulting in mineralised material hauled to the waste dump (by accident), and
- abandoned mineralised material due to excessive dilution from stope wall failures (waste or backfill). Mining recovery has also been estimated based on on-site operational experience and reconciliation data.

Table 6-5 Mining Recovery

		Recovery	
Mine Zone	**Unit**	**Stope**	**Development**
Kujankallio	%	90	95
Arpola	%	90	95

RPM Comment

In RPM's opinion the approach to estimating mining modifying factors is reasonable as it is based on reconciliation against actual operational performance.

Marginal Cut-off Grade

The marginal cut-off grade (COG) defines the lowest grade of rock which can be mined and still pay for itself. The cut-off grade was modified based on a variable gold price ranging from USD1,699 per troy ounce gold in the short term to USD1,443 per troy ounce gold in the long term. The cut-off grade also accounted for mining factors, metallurgical factors and costs described in the following sections.

The Project COG includes direct underground capital and operating costs. The Operating COG includes all the operating costs inclusive of ore development and hence provides an indicator of whether an entire level is economically viable to be mined.

The stoping COG includes the operating cost without ore development. That is, the average grade that a stope must be above for it to be economically viable to mine. It assumes stope access development has been completed for the level.

The Ore Development COG assumes that all mining costs have been otherwise included and hence provides and an indicator whether that development is economically viable to mill and refine.

The cut-off grades that have been determined for the Jokisivu mine for the purpose of mine planning and estimation of Reserves are set out on **Table 6-6**.

Table 6-6 Jokisivu Underground Cut-off (g/t Au) at USD1,699/oz

Area	Project	Operating	Stoping	Ore Dev
Kujankallio In Situ Au Grade (g/t) Arpola In Situ Au Grade (g/t)	3.2	2.3	1.6	0.9

The stoping cut-off grade at the long-term price is 1.8g/t Au.

RPM Comment

RPM has reviewed the estimation of the marginal cut-off grade and confirms it to be reasonable and accurate.

Identification of Underground Mining Limits

The PFS did not identify any physical constraints to mining within the lease area. No property, infrastructure or environmental issues are known to exist which may limit the extent of mining. Jokisivu received an Environmental Permit in 2006, which was renewed in 2010 and again in February 2021. The operation continues to meet all of its permit conditions.

The mine does have some fauna protection requirements with the presence of a flying squirrel population in the Jokisivu area. The endangered flying squirrel is protected by the European Union´s Habitats Directive and the Finnish Nature Conversation Act. A routine investigation into the protected species was conducted in the Jokisivu district during the second quarter of 2018. The results of the investigation indicated the flying squirrel population in the district is exceptionally dense and lively, due to the good nesting and nourishment opportunities on the mine site and surrounding areas. Dragon Mining continues to consider the flying squirrel and its habitat in its everyday activities.

Stope designs were generated for the selected mining methods (LHOS with rockfill) using the breakeven COG's described above to target material for inclusion. Stope shapes were generated using the Vulcan Mine Stope Optimiser (MSO) software. The mining limit optimisation process was restricted to only Measured and Indicated Mineral Resources. Inferred Resources were assigned a grade of zero for the purposes of the analysis and are hence considered waste rock.

Outlying and impractical stopes (such as those too close to existing open voids) were removed from the results in order to create a final selection to use in the mine design process. Centrelines for operating and capital development were then created based on the selected stope shapes and supplied site layouts.

Practical mining areas were designed based on the mining method approach and the current design and planning criteria.

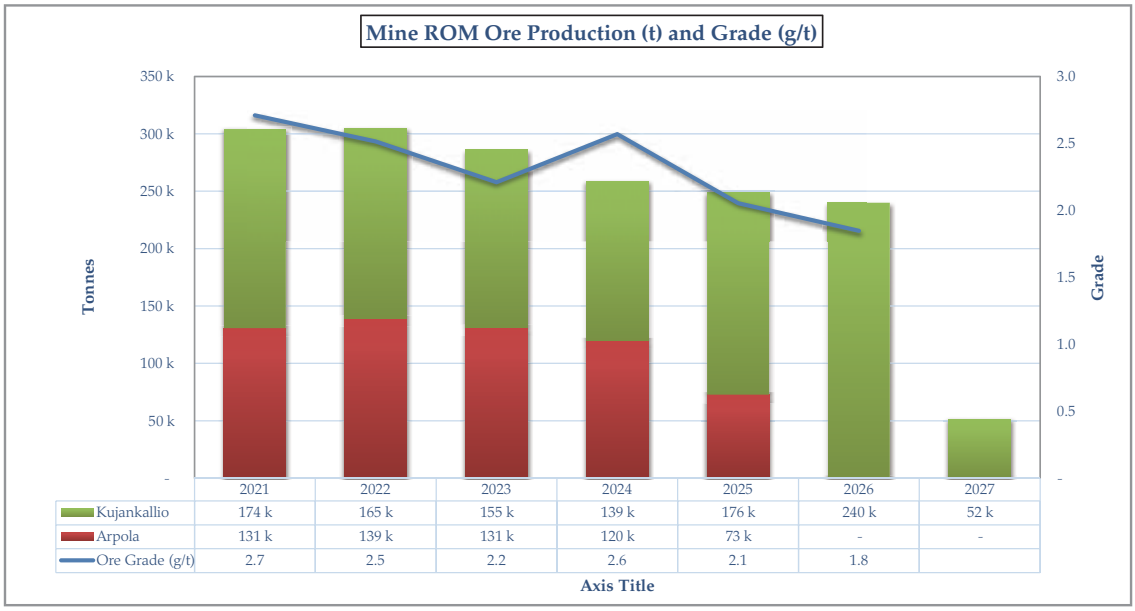
RPM Comment

The approach to estimating economic mining limits using the MSO software follows accepted industry practices. In RPM's opinion the approach is reasonable.

Life-of-Mine Schedule

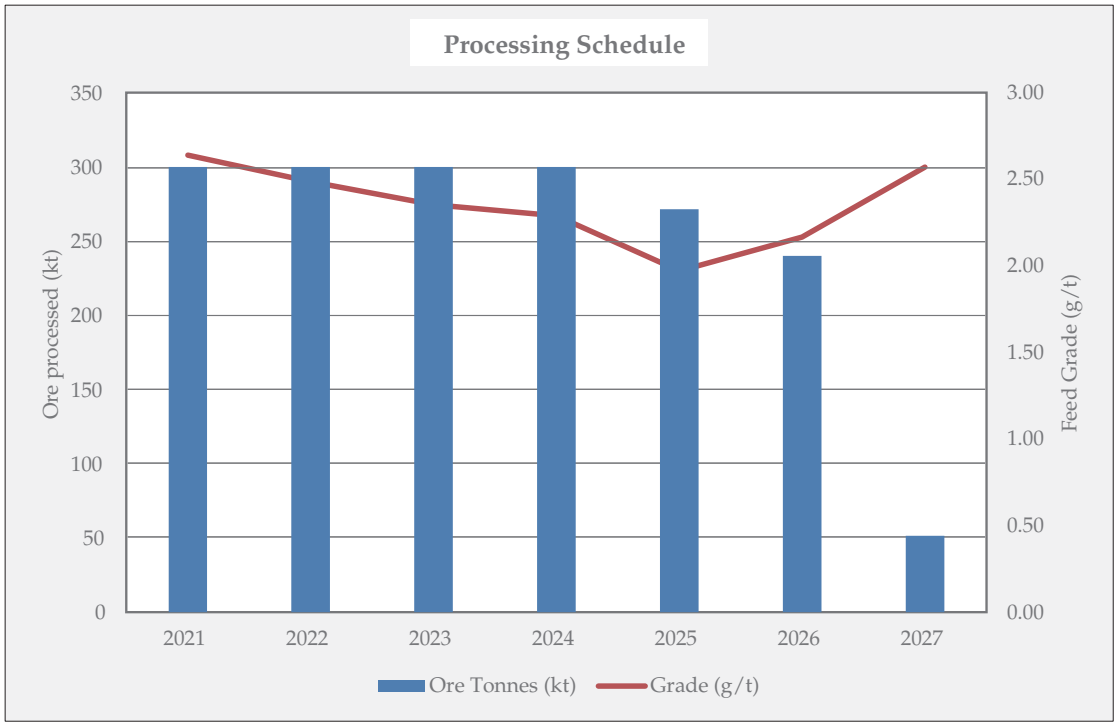
A life-of-mine schedule was prepared for underground ore extraction as illustrated in **Figure 6-1**. The results indicate that the target production of 300kt per year is achieved to 2023, reducing to 250kt per year as the Kujankallio Mine winds down and ceases. Arpola ends operations in 2027.

Figure 6-1 Underground LOM Schedule



The ore processing schedule is illustrated in **Figure 6-2**. It indicates that the target production of 300ktpa feed is achieved to 2024 with support of stockpiled before reducing as production at Kujankallio reduces.

Figure 6-2 LOM Ore Processing Schedule



RPM Comment

In RPM's opinion the LOM underground schedule appears reasonable and should be achievable.

Mining Costs

The mining costs as set out on **Table 6-7** are understood to be based on an actual operation costs.

Table 6-7 Jokisivu Mining Operating Costs

Cost Centre	Item	Units	Value (USD)
U/G Development Cost	Capex Development	$/m	2,767
	Opex Development	$/m	2,216
U/ G Mining	Ore Dev.	$/ t ore	20.23
	U/G Stoping Costs	$/ t ore	9.11
	U/G Opex Fixed Cost	$/ t ore	9.91
	U/G Backfill Cost	$/ t ore	1.22
Total Variable Cost		$/ t ore	40.47

For the purposes of estimating cut-off grades, the non-mining costs applied are set out on **Table 6-8**.

Table 6-8 Jokisivu Non- Mining Operating Costs

Cost Centre	Item	Units	Value (USD)
Processing & Admin	Milling Costs	$/t ore	26.17
	ROM to mill transport	$/t ore	5.79
	Labour	$/t ore	5.24
	External labour	$/t ore	3.26
	Power	$/t ore	2.57
	Maintenance materials	$/t ore	1.57
	Reagents and consumables	$/t ore	2.52
	Miscellaneous (less rehandle)	$/t ore	0.80
	Admin (G&A)	$/t ore	4.42
Selling Costs	Transport Vammala to Svartliden	$/dmt conc	70
	Miscellaneous (less rehandle)	$/dmt conc	90
	Total Cost Svartliden	$/dmt conc	250
	Refining Conc. Cost	$/dmt conc	410

RPM Comment

In RPM's opinion, an average variable mining cost of USD40/t ore and the mining development costs are reasonable based on our experience with similar small-scale gold mines. Given they are based on actual operational results increases the confidence in the outcomes.

Ore Reserves

RPM has prepared an Ore Reserve Statement on behalf of Dragon Mining dated 31 December 2020. The Statement was prepared in compliance with the requirements of the reporting guidelines of the JORC Code.

The "Statement of Ore Reserves for the Jokisivu Gold Mine" is based on information compiled and reviewed by the Competent Person, Mr. Joe McDiarmid. Mr. McDiarmid is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy, and at the time was a full-time employee of RPM.

The Measured and Indicated Mineral Resources have been converted to Ore Reserves by means of the PFS study discussed above. The marginal cut-off grade applied for ore was 1.36 g/t gold for mined material and 1.07 g/t for stockpiled material.

The Ore Reserves estimated as of 31 December 2020 is set out on Table 6-9.

Table 6-9 Summary of Jokisivu Gold Mine Ore Reserves as at 31 December 2020

		2020 Reserves		
Zone	**Category**	**kt**	**g/t**	**koz**
ARP	Proved	108	2	7
	Probable	486	2.4	37
	Total	594	2.3	44
KUJ	Proved	381	2.7	33
	Probable	719	2.2	51
	Total	1,100	2.4	84
Stockpiles	Probable	69	2.1	5
TOTAL	Proved	490	2.5	40
	Probable	1,273	2.3	93
	Total	1,763	2.3	132

Notes:

1. The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Joe McDiarmid who is a full-time Manager – Metals Consulting Australasia employed by RPM and is a Member of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code;

2. Tonnages are dry metric tonnes;

3. The economic in-situ ore cut-off grades were determined based on a variable gold price ranging from USD1,699 per troy ounce in the short term to USD1,443 per troy ounce long term, and historical costs and metallurgical modifying factors.

   Kujankallio stope cut-off grade of 1.6 g/t Au.
   Arpola stope cut-off grade of 1.6 g/t Au.

4. Ore Reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to reflect the relative uncertainty of the estimate.

Mineral Resources are reported inclusive of Ore Reserves (that is, Ore Reserves are not additional to Mineral Resources).

RPM Comment

In RPM's opinion the estimate of Ore Reserves is reasonable and meets the requirements of the JORC Code. The estimate is suitable to support the valuation of the asset.

6.1.3 Kaapalinkulma

The Kaapalinkulma open cut mine ceased production recently in April 2021 and has no current Ore Reserves. There are residual Mineral Resources.

6.2 Svartliden Production Centre

6.2.1 Fäboliden

Approach

For the purpose of the valuation, RPM completed a high-level review of the Ore Reserves and mining, with a particular focus on:

- Study status to meet the requirements of the JORC Code.
- Identification of open cut mining limits.
- Pit design parameters and overall pit slope angles.
- Estimation of the ore cut-off grade.

- Life-of-mine (LOM) schedule.
- Derivation of mining costs.
- Estimation of Ore Reserves.

Each of these aspects as discussed below.

Study Status

A life-of-mine (LOM) plan to a pre-feasibility study (PFS) level of accuracy has been prepared in order to support the declaration of an Ore Reserves estimate. The purpose of the mine plan was to assess if the Ore Reserves are technically achievable and economically viable.

RPM Comment

The JORC Code requires that the minimum level of service to support the estimation of an ore Reserve is a PFS. RPM reviewed the overall approach and considers the mine planning completed on the Fäboliden open cut mine meets the requirements of a PFS. The mining costs are understood to be based on actual mining contractor costings. The processing and overhead costs are understood to be actual historical costs associated with the Svartliden plant. The level of mine planning meets the requirements of a PFS for this style of mine and includes confirming open pit limits, preparing a detailed ultimate pit design, LOM scheduling and financial modelling.

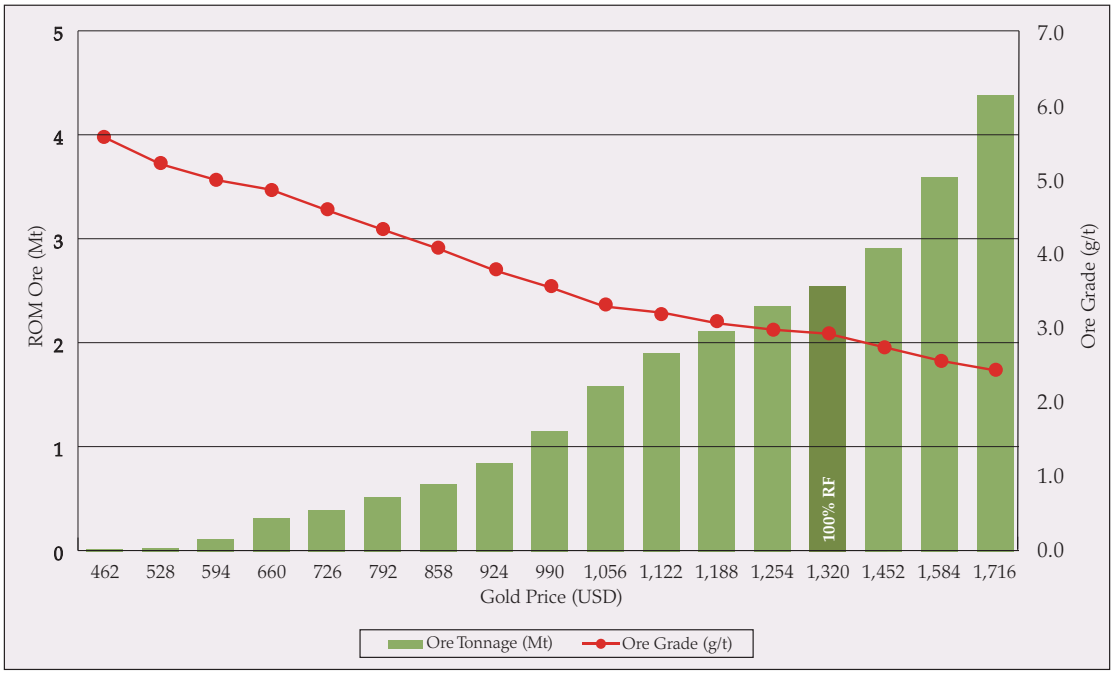
Identification of Open Pit Limits

The pit limits were defined by considering the physical constraints to mining, which for Fäboliden, is the Exploitation Concession area as discussed in **Section 3**. RPM is not aware of any other physical constraints to mining within the concession area such as property, infrastructure or environmental issues.

RPM used the Geovia Whittle 4X software to identify the open cut mining limits. Key inputs to the pit limit optimisation process included the Resource model, geotechnical parameters, metallurgical modifying factors and historical or forecast operating costs. This study was completed with revenue generated only by Measured and Indicated Resources. That is, no value was allocated to Inferred Resources and hence it was considered by the analysis as waste rock.

A sensitivity analysis to gold price was completed on metal prices ranging from USD462 per ounce to USD1,716 per ounce. The change in mineable quantities, that is, the open pit shell, is driven by the characteristics of the deposit and the costs and modifying factors applied. The ROM ore tonnage and grade results are presented in Figure 6-3.

Figure 6-3 Price Sensitivity – ROM Ore Tonnage and Grade



The economic mining limit was determined using Whittle 4X pit optimisation software at a gold price of USD1,320 per ounce and a processing recovery of 82% as of 31 December 2019. At the time, the 100% revenue factor (100% RF) pit shell was selected to guide detailed design of the ultimate pit.

For the 2020 Ore Reserve estimate, the updated mining costs and metal prices were compared to the 2019 inputs and it was considered that the ultimate pit design prepared in 2019 was still relevant, if not conservative due to improved long term gold price forecasts. Where in 2019 a base price of USD1,320/oz. was applied, in 2020 the long-term price was USD1,450/oz.

RPM Comment

In RPM's experience the selection of an ultimate pit is commonly associated with revenue factors in the order of 70% to 100%. The 2019 selected pit shell is likely to be approximately equivalent to the 90% revenue factor shell and hence is acceptable to use for open pit limits.

Open Pit Ultimate Pit Design

The pit design parameters are based on the geotechnical study undertaken by Intra Tech and was confirmed during the PFS process through consultation with Dragon Mining. Dump design parameters were provided by Dragon Mining.

The pit wall design criteria as recommended by Infra Tech Consulting Pty Ltd are set out on Table 6-10.

Table 6-10 Geotechnical Parameters

Deposit	Domain	Wall Type	Weathering Profile	Design Sector	Batter Angle (°)	Berm Width (m)	Inter-Ramp Batter Height (m)	Inter-Ramp Slope Angle (°)	Pit Depth m
Fäboliden	Footwall	Final	Fresh	West	60	5.5	20	50	100
	Hangingwall/ Mineralised	Final/Interim	Fresh	East/South	75	7.5	20	57	100

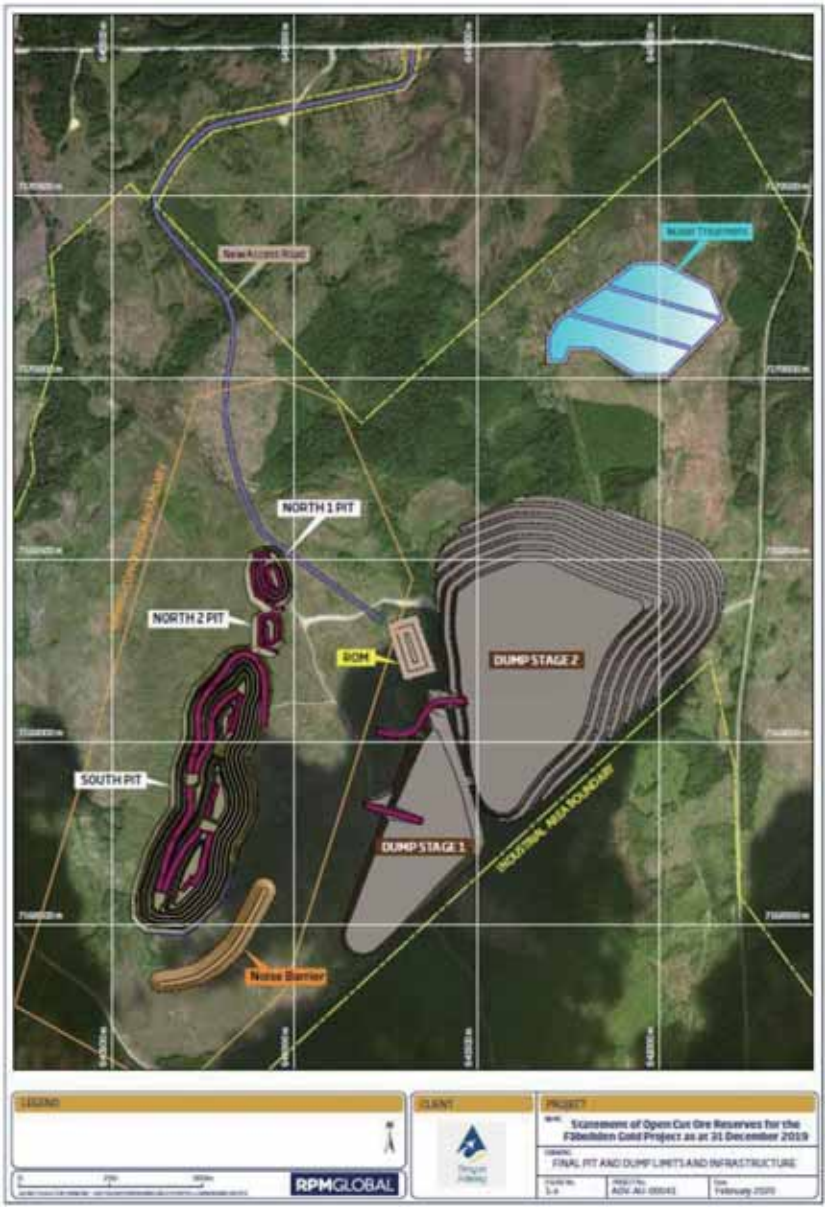
Till material was not included in the assessment completed by Infra Tech. Based on discussion with Dragon Mining a till slope angle of 1:3 (18.4°) was selected. Pit ramps have been designed for the current Cat 775 truck fleet and are range from 10 m (for single lane) to 16 m (for dual lane).

The ultimate pit design and final waste dump location is shown in **Figure 6-4.**

RPM Comment

In RPM's opinion the ultimate pit design appears practical and achievable. Sufficient detailed design has been completed to support the estimation of mineable quantities. The design of waste dumps is reasonable and should support the estimation of mining costs.

Figure 6-4 Pit and Dump Design



Mining Modifying Factors

The mining modifying factors are those parameters applied to the mineable in situ ore to enable conversion to ROM ore. The key mining modifying factors are the ore loss and waste rock dilution. The ore loss and waste rock dilution are largely a function of the characteristics of the ore body and the mining method.

The mining modifying factors are dependent on the mining method and characteristics of the deposit. The mining method is selective mining by hydraulic excavators mining in 2.5m flitches loading standard off-highway rear dump trucks hauling to surface ore stockpiles and waste disposal dumps. These would be supported by front-end loaders for stockpile rehandle.

Mining loss and dilution is estimated by modifying the geological block model to the selective mining unit (SMU) size reflective of the mining method. The SMU defines the size of material that can be selectively excavated based on the mining parameters.

An ore loss and dilution analysis was completed, and based on the structure of the mineralisation, and proposed mining method, the SMU selected for this study was 5m NS by 2.5m EW by 2.5m vertical. At the ore-waste boundary a 0.4m digging accuracy, with 0.2m over-dig and 0.2m under-dig, was applied to the SMU blocks, to create a ROM model that was used in-pit optimisation and subsequent planning. The ROM model was calculated to have a global ore loss of 13% and dilution of 23%.

RPM Comment

In RPM's opinion the approach to estimating mining modifying factors follows accepted industry practice and is reasonable.

Marginal Cut-off Grade

Mineralised rock with metal grades higher than the marginal cut-off grade is considered economic to be processed. The data inputs to estimate the marginal cut-off grade is set out on **Table 6-11**.

Table 6-11 Marginal Cut-Off Grade Inputs

Item	Units (USD)	Value
Metal Recovery	%	82.0%
Incremental Ore Cost	$/t feed	9.39
Processing Cost	$/t feed	33.13
Admin/Other Cost	$/t feed	1.18
Rehandle	$/t feed	0.00
Ore Haulage	$/t feed	5.94
Refining Cost	$/oz metal	5.00
Royalty	%	0.00
Gold Price	$/oz metal	$1,450

It is understood that the parameters were largely based on historical performance of the trial mining and ore processing phase in 2019.

On the basis of these parameters the marginal cut-off grade is estimated at 1.36 g/t Au for Fresh Rock. No oxide or transition rock is present. This cut-off grade is based on a USD1,450/oz gold price. A marginal processing cut-off grade for stockpiled ore is estimated at 1.07 g/t Au and is also based on USD1,450/oz gold price. The gold price is based on the long-term gold price within the Energy and Metals Consensus publication dated December 2020.

RPM Comment

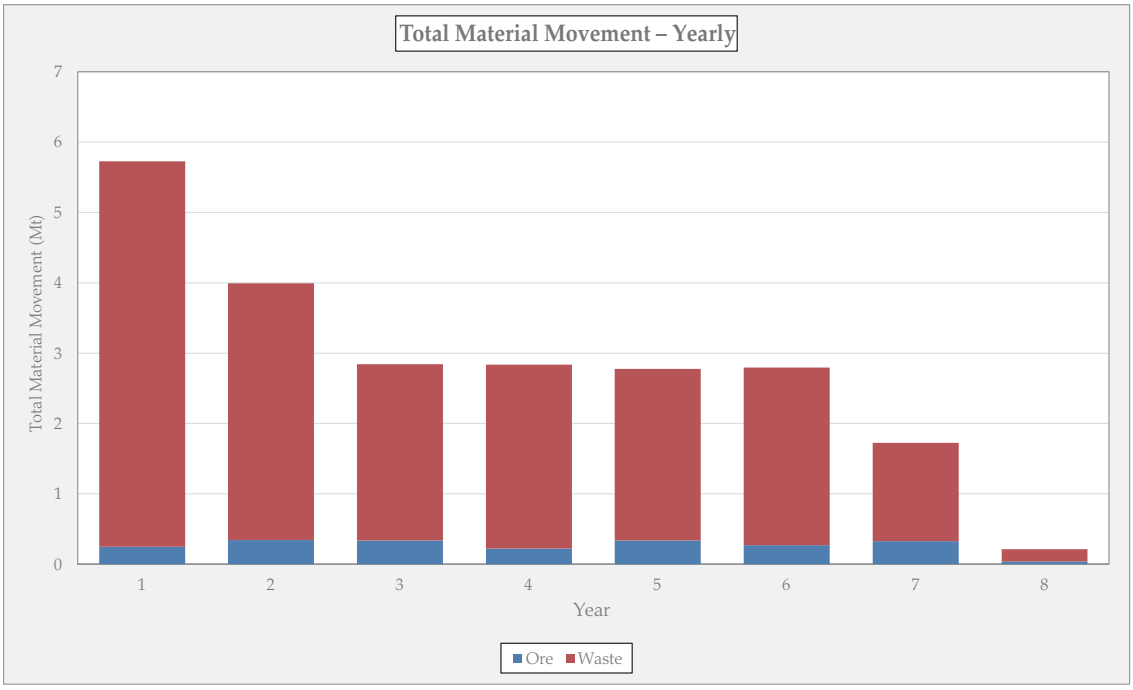
RPM has reviewed the estimation of the marginal cut-off grade and confirms it to be reasonable and accurate.

Life-of-Mine Schedule

A life-of-mine schedule was prepared using RPM's Open Pit Metals Solution (OPMS) software. The categorisation of "ore" and "waste" rock was based on the above marginal cut-off grades.

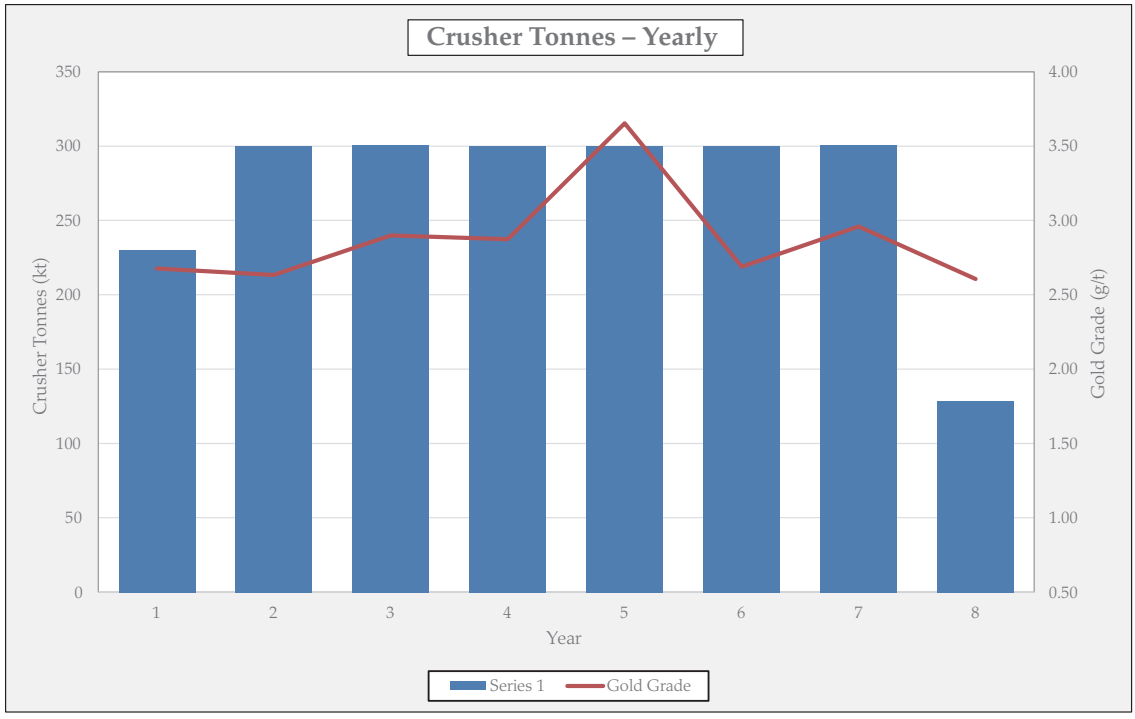
The total material movements of ore and waste are illustrated in **Figure 6-5**. The results indicate a high pre-strip is required in Year 1 and 2, followed by steady-state mining for four years. Remnant ore is mined out in Year 8.

Figure 6-5 LOM Schedule Total Material Movement



The ore processing schedule is illustrated in **Figure 6-6**. It indicates that the target production of 300ktpa feed is achieved from Year 2 and continues to Year 7. Remnant processing of ore occurs in Year 8.

Figure 6-6 LOM Ore Processing Schedule



RPM Comment

In RPM's opinion the LOM schedule appears reasonable and should be achievable. Further detailed scheduling may alter the pre-strip strategy, however, overall, it should not materially impact the estimation of Ore Reserves.

Mining Costs

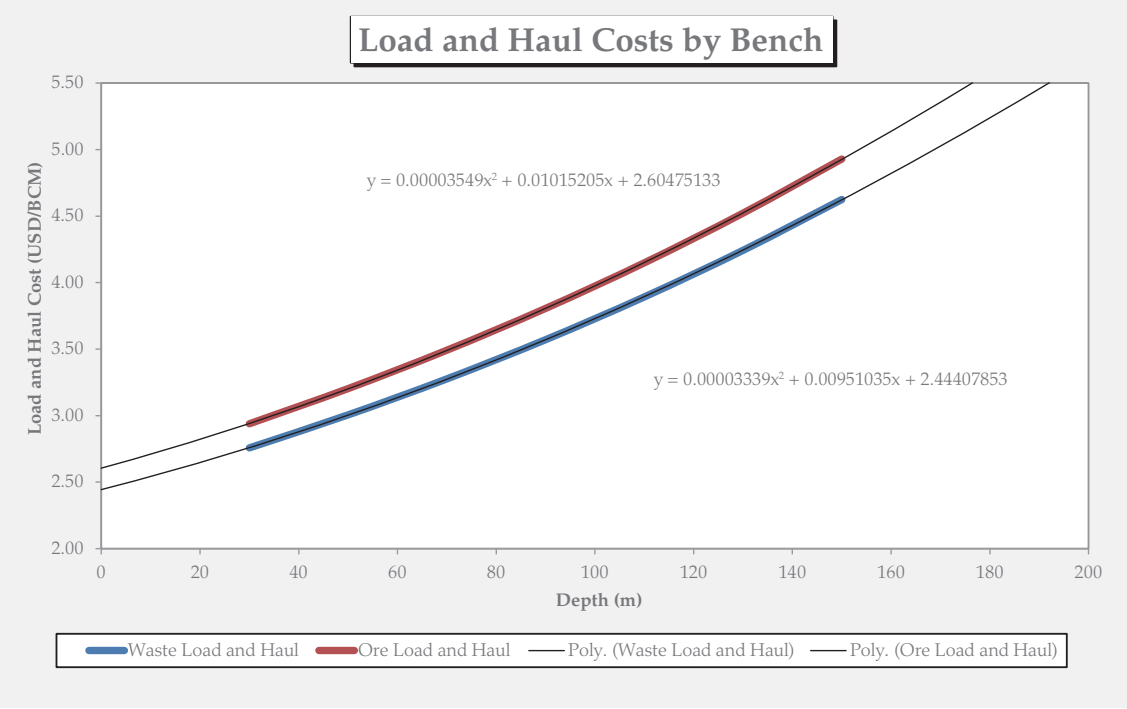
The mining costs are understood to be based on an actual cost estimate by a local mining contractor. The load and haul costs for "Fresh" rock changes with depth as illustrated in **Figure 6-7**. The loose overburden till is assumed to be a constant load and haul cost of USD2.12/bcm.

In addition to the load and haul costs, other mining costs are:

- Drill and blast:
  - Till: USD0.12/bcm.
  - Fresh: USD3.04/bcm.
- Fuel cost of USD2.00/bcm.
- In addition to the mining contractor's costs, historical cost estimates of:
- Mine site Admin: USD1.90/t ore.

- Grade Control: USD3.61/t ore.
- Service Costs: USD3.89/t ore.

Figure 6-7 Fresh Rock Load and Haul Mining Costs



RPM Comment

The average mining cost over the LOM period averages USD3.50/t. In RPM's opinion, this average mining cost is on the low side for a small-scale gold mine. Also, though the load and haul costs are based on an actual mining contract estimate, no mining is currently being undertaken, and any future activity will likely be based on an adjusted contract that will be based on inflated costs.

For the purposes of the cash flow model, RPM recommends that the mining activity cost be increased by 5%.

Ore Reserves

RPM has prepared an Open Cut Ore Reserve Statement on behalf of Dragon Mining dated 31 December 2020. The Statement was prepared in compliance with the requirements of the reporting guidelines of the JORC Code.

The "Statement of Open Cut Ore Reserves for the Fäboliden Gold Mine" is based on information compiled and reviewed by the Competent Person, Mr. Joe McDiarmid. Mr.

McDiarmid is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy, and at the time was a full-time employee of RPM.

The Measured and Indicated Mineral Resources have been converted to Ore Reserves by means of the PFS study discussed above. The marginal cut-off grade applied for ore was 1.36 g/t gold for mined material and 1.07 g/t gold for stockpiled material.

The Open Cut Ore Reserves estimated as of 31 December 2020 is set out on **Table 6-12**.

Table 6-12 Summary of Fäboliden Gold Mine Open Cut Ore Reserves as at 31 December 2020

Proved Reserves			Probable Reserves			Proved + Probable Reserves		
Quantity	**Grade**	**Gold**	**Quantity**	**Grade**	**Gold**	**Quantity**	**Grade**	**Gold**
kt	*Au g/t*	*'000 Oz*	*kt*	*Au g/t*	*'000 Oz*	*kt*	*Au g/t*	*'000 Oz*
110	3.0	11	2,000	2.9	190	2,100	2.9	200

Notes:

1. The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Joe McDiarmid who is a full-time Manager – Metals Consulting Australasia employed by RPM and is a Member of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code;

2. Tonnages are metric tonnes;

3. Gold price USD1,450/oz;

4. Figures reported are rounded to the second significant figures which may result in small tabulation errors. Ore Reserves have been estimated under the 2012 Edition of the JORC Code;

5. The Inferred Mineral Resource is considered as waste;

6. Fäboliden ore stockpile as at 31st December 2020 of 11 kt at a grade of 2.7 g/t gold is considered as Probable Reserves, and

7. Ore marginal stockpile as at 31st December 2020 of 17 kt at a grade of 1.2 g/t gold is considered as Probable Reserves.

Mineral Resources are reported inclusive of Ore Reserves (that is, Ore Reserves are not additional to Mineral Resources).

RPM Comment

In RPM's opinion the estimate of Ore Reserves is reasonable and meets the requirements of the JORC Code. The estimate is suitable to support the valuation of the asset.

7. METALLURGY AND ORE PROCESSING

7.1 Vammala Plant – Finland

7.1.1 Background

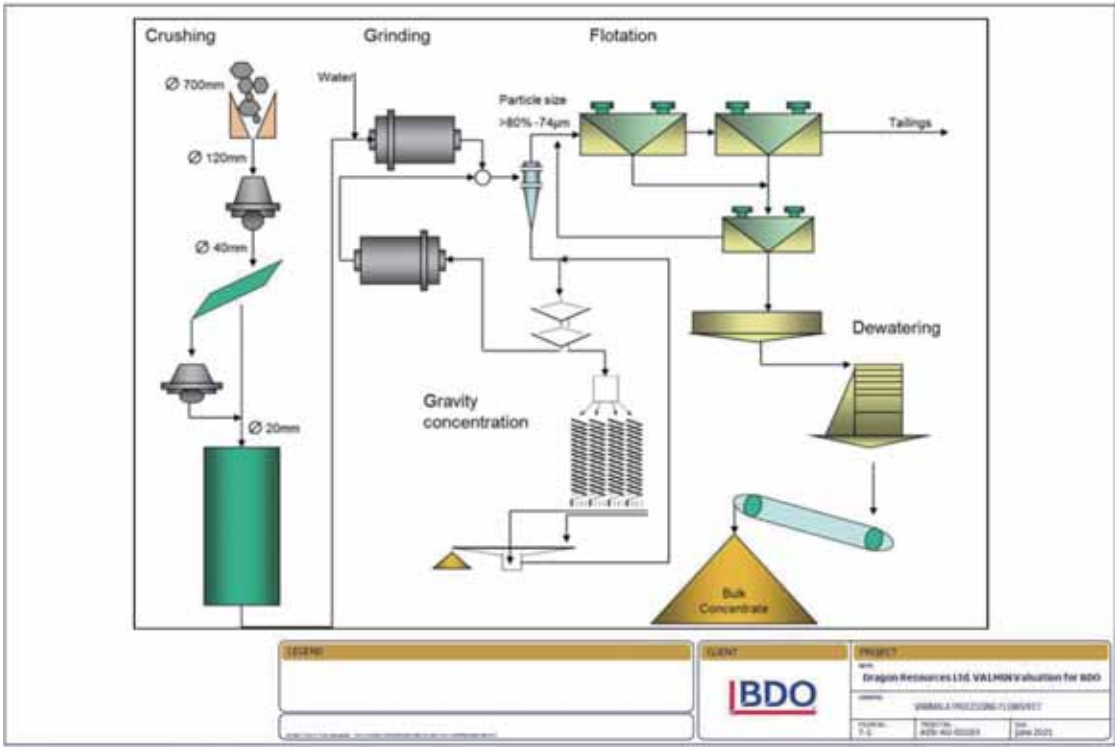
The Vammala processing plant is a well-established facility based on a conventional gold recovery flowsheet, consisting of crushing, grinding, gravity and flotation circuits with concentrate dewatering and tailings pumping to a Tailings Storage Facility (TSF) as shown on **Figure 7-1**.

The operation has a design throughput capacity of 300ktpa which has been consistently exceeded over the last five years, averaging 312ktpa. The 2021 production rate up to May was equivalent to 302ktpa.

The processing plant is treating Jokisivu ores, where the gold is predominantly present in pyrite and recovered to the flotation concentrate. A small quantity of the gold is free and recovered by gravity.

The flotation concentrate is transported to the Svartliden operation in Sweden for further treatment while the gravity gold concentrate, typically 99.3% gold, is sold separately.

Figure 7-1 Vammala Processing Flowsheet



7.1.2 Financial Model Inputs

The processing Financial Model inputs are mainly based on historical processing records and where necessary, mass balance calculations.

Processing Feed Throughput and Feed Grade

This information has been based on the mine schedule as provided by Dragon Mining. It assumes that the only ore source is Jokivisu, with throughput falling away in 2025 and the last feed to the processing plant in 2027.

Gold Recoveries

The future gravity, flotation and overall gold recoveries were based on production records for the last five years. Gold feed grade-gold recovery relationships were prepared and formulae extracted for estimating the gold recovery based on the gold feed grade.

In summary, these relationships are:

- Gravity Gold Recovery (%) = $-0.0268 \times (\text{gold feed grade [g/t]})^2 + 0.1594 \times (\text{gold feed grade [g/t]}) - 0.1444$

- Flotation Gold Recovery (%) = $-0.0997 \times (\text{gold feed grade [g/t]})^2 + 0.6135 \times (\text{gold feed grade [g/t]}) - 0.1482$

- Overall Gold Recovery (%) = $-0.1265 \times (\text{gold feed grade [g/t]})^2 + 0.7729 \times (\text{gold feed grade [g/t]}) - 0.2927$

Overall gold recovery is naturally the sum of gravity gold recovery and flotation gold recovery, and this was used to check the estimates.

As noted in the following Svartliden section, the flotation concentrate is leached with sodium cyanide to recover typically 94.9% of the contained gold.

Thus, the net gold recovery for Jokisivu ores would be calculated as follows:

- Net Gold Recovery (%) = Gravity Gold Recovery (%) + Flotation Concentrate Gold Recovery (%) x Svartliden Processing Plant Gold Recovery (%)

  = Gravity Gold Recovery (%) + 0.949 x Flotation Concentrate Gold Recovery (%)

Concentrates

Gravity

Production data over the last five years shows that the gravity concentrate averaged 99.3% gold and, not unsurprisingly, is sold directly.

Flotation

Concentrate Grade

The future flotation concentrate grades were estimated from historical production records by developing a gold feed grade-flotation concentrate gold grade relationship. The relationship employed was as follows:

- Flotation Concentrate Gold Grade (g/t) = 26.103 x natural logarithm (gold feed grade [g/t]) + 101.97

Concentrate Quantities

Although historical production records provide details of flotation concentrate production quantities, a concentrate mass recovery relationship was not developed since it would introduce errors into the Financial Model calculations.

Flotation concentrate production quantities were calculated by mass balance equations using the flotation gold recovery, the throughput and feed gold grade as well as the flotation concentrate gold grade as follows:

- Flotation concentrate quantity (dmt/a) = Throughput (dmt/a) x Gold Feed Grade(g/t) x Gold Flotation Recovery (%) / Flotation Concentrate Gold Grade (g/t)

Capital and Sustaining Capital Costs

The Financial Model shows a capital expenditure of USD2.68 M (€2.2 M), including a 10% contingency, in 2021, based on a Tailings Facility Storage lift, 'Horvelo' ditch project, rod mill linings and replacing a crusher. Although a breakdown of the individual cost centres was not provided, RPM considers that the proposed capital expenditure is reasonable. The contingency is reasonable considering the likely basis of the estimates.

A sustaining capital cost based on 5% of the proposed to be installed capital expenditure is considered inadequate; the sustaining capital cost should be based on the combined installed capital of existing equipment and offices as well.

Consequently, RPM would recommend an allowance of USD0.25 M per annum (USD0.83/milled tonne) including the proposed sustaining capital for the proposed capital expenditure.

Process Operating Costs

RPM considers that USD26.17/milled tonne is a reasonable processing cost for the Vammala processing plant based on historical data.

Concentrate Treatment Costs

The Financial Model records a 'selling cost' of USD410.12/dmt concentrate. The 'selling cost' consists of the concentrate transport and shipping costs to deliver the concentrate from site to the Svartliden processing plant as well as the process operating costs incurred at Svartliden.

RPM considers that this cost is reasonable based on historical data.

RPM considers that both the nature and application of concentrate terms to the flotation concentrate in the Financial Model is inappropriate and recommends that it is removed from the revenue calculations.

Concentrate terms are offered by smelters or trading houses and not between two operations owned by the same company.

Moreover, based on current gold-bearing concentrate terms, the Vammala concentrate would be considered very attractive and rewarded with some great terms, such as 96-97% gold payability, USD45/dmt treatment cost and, most likely, Free On Board (FOB) for shipping.

7.1.3 Processing Plant Salvage Value

The salvage value of the Vammala processing plant has been estimated based on either assigning a second hand (typically equipment) or scrap metal value (typically structural steel, copper wires, etc.) to each part of the processing operation.

The assigned values are based on RPM's estimates for secondhand equipment prices and scrap metal in the current market. The estimates are necessarily high level and incorporate a number of assumptions, such the condition of equipment at the end of the operation, no changes to the current equipment portfolio as well as the quantities of scrap material.

For the Vammela processing operation, a salvage value of around USD0.61 M has been determined, as broken down in **Table 7-1**.

Table 7-1 Salvage Value Breakdown for the Vammala Processing Plant

Section	Item	Comment	Value *('000 USD)*
Crushing Circuit	Jaw crusher	Second hand value	27.1
	Gyratory crusher	Second hand value	34.9
	Cone crusher	Second hand value	27.1
	Conveyor belts	Second hand value	2.7
	Screen	Second hand value	1.4
	Structure	Scrap metal	15.5
	Electrics		
	MCC, instrumentation	Second hand value	5.8
	Wiring	Scrap metal	4.7
Milling Circuit	Fine Ore Bin	Scrap metal	11.6
	Rod mill	Second hand value	58.1
	Ball mill	Second hand value	69.8
	Hydrocyclones	Second hand value	3.5
	Reichert Cones	Second hand value	1.2
	Spirals	Second hand value	1.9
	Shaking table	Second hand value	0.6
	Pumps	Second hand value	5.8
	Hoppers, structure	Scrap metal	19.4
	Piping, valves	Scrap metal	4.3
	Electrics		
	MCCs, instrumentation	Second hand value	6.2
	Wiring	Scrap metal	4.7
Flotation & Dewatering Circuits	Flotation cells	Second hand value	7.8
	Agitators	Second hand value	0.6
	Concentrate Thickener	Second hand value	5.8
	Filter	Second hand value	7.8
	Pumps (including TSF & return water)	Second hand value	3.5
	Tanks, piping, structure	Scrap metal	15.5
	Electrics		
	MCCs, instrumentation	Second hand value	3.9
	Wiring	Scrap metal	2.7

Section	Item	Comment	Value ('000 USD)
Infrastructure	Blower	Second hand value	2.7
	Air Compressor	Second hand value	4.3
	Electrics		
	Lighting	Scrap metal	2.7
	Transformers, MCCs	Second hand value	17.4
	Wiring	Scrap metal	6.2
	Reagents		
	Agitators	Second hand value	0.8
	Tanks, structure	Scrap metal	4.7
	Pumps	Second hand value	1.0
	Buildings		
	Processing	Scrap metal	46.5
	Processing Control Room	Scrap metal	3.9
	Instrumentation, controllers	Second hand value	5.8
	Wiring	Scrap metal	1.6
	Changeroom	Scrap metal	11.6
	Heaters	Second hand value	5.8
	Warehouse	Scrap metal	11.6
	Spares	Second hand value	34.9
	Maintenance	Scrap metal	15.5
	Tools	Second hand value	11.6
	Offices	Scrap metal	7.8
	Furniture	Second hand value	3.1
	Laboratory	Scrap metal	3.9
	Equipment	Second hand value	2.7
	Other	Second hand value	1.2
	Reagent Storage	Scrap metal	3.9
	Racking	Second hand value	7.4
	Water		
	Pumps	Second hand value	1.9
	Tanks, piping	Scrap metal	4.7
Other	Vehicles (transport, forklift, crane)	Second hand value	27.1
	Miscellaneous	Second hand value	3.9
	Total		610.0

Note: Total may differ due to rounding.

In summary, the salvage value for the Vammala plant is USD0.61M.

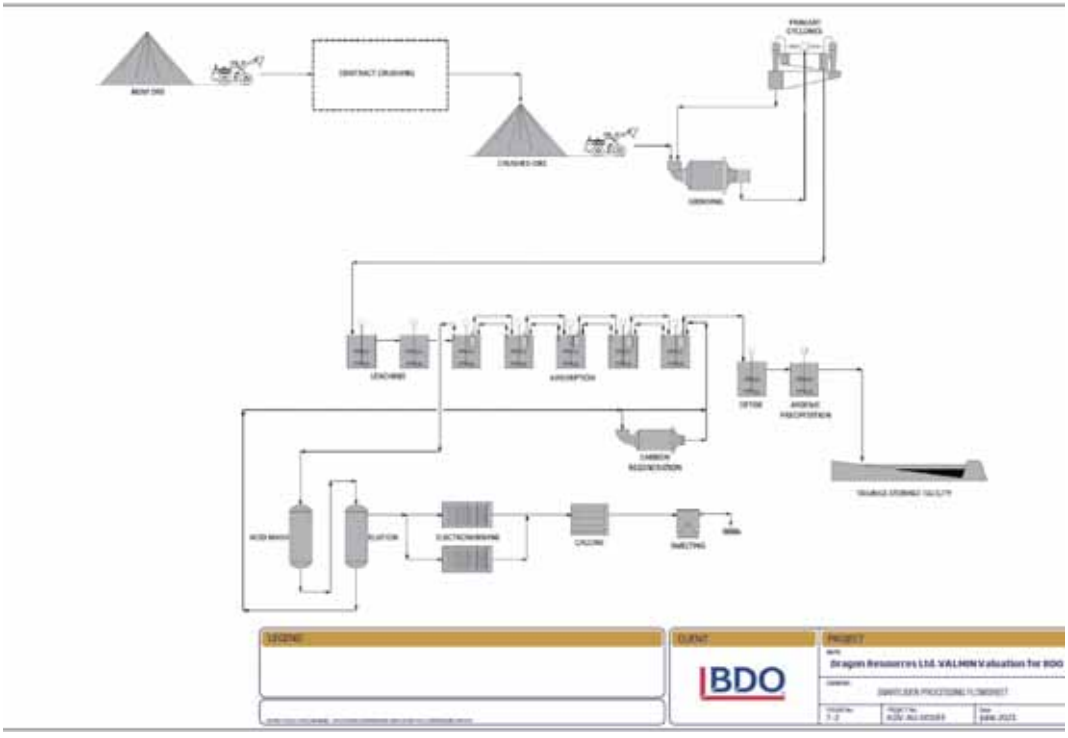
7.2 Svartliden Processing Plant – Sweden

7.2.1 Background

The Svartliden processing plant is also a well-established facility based on a conventional gold recovery flowsheet, consisting of crushing, grinding, leaching, gold recovery and detoxification circuits with tailings pumping to Tailings Storage Facility (TSF) as shown in **Figure 7-2**.

The operation has a design throughput capacity of 300ktpa with the mine schedule proposing to deliver this amount of plant feed.

Figure 7-2 Svartliden Processing Flowsheet



7.2.2 Financial Model Inputs

The processing Financial Model inputs are based on a combination of test work, historical processing records and site operating experience.

Processing Feed Throughput and Feed Grade

The Svartliden processing plant does not currently process any locally mined ores. RPM has assumed that permission will be granted for the resumption of the mining of the open cut resource and that the mine schedule provided by Dragon Mining is accurate.

RPM assumes that mining would commence in January 2022 and ramp-up to approximately 300,000tpa, with treatment rates declining to 128ktpa in the last year of operation (Year 8).

Assuming that the Financial Model is based on a full calendar year, the proposed ramp-up schedule for 2021 shows that 76% of the typical production would be achieved. RPM finds this reasonable since it is an existing operation, assuming similar ore properties (ore hardness). Under this scenario, full throughput would be achieved in month 8.

It is noted that feed grades are high for an open cut, ranging between 2.63g/t and 3.65g/t, averaging 2.90g/t over the life of mine.

Gold Recovery

Gold processing recovery is pegged at 80%, which is similar to that achieved for a plant trial conducted with 1,000 tonnes of open cut material assaying 3.22g/t Au. A similar gold recovery was achieved in test work.

RPM is comfortable with this gold recovery.

Capital and Sustaining Capital Costs

The Financial Model shows a capital expenditure is USD0.54 M over two years for the treatment of water. RPM considers that this a reasonable estimate.

Sustaining capital costs have been included in the Financial Model. RPM would recommend an allowance of USD0.2 M per annum (USD0.68/milled tonne).

Process Operating Costs

RPM considers that USD44.39/milled tonne is a reasonable estimate for the processing operating costs at the Svartliden processing plant based on historical data.

It should be noted that this operating cost includes a ROM to Mill Transport cost (USD6.244/milled tonne) as well as an Administration (G&A) cost (UAS1.24/milled tonne).

7.2.3 Processing Plant Salvage Value

The salvage value of the Svartliden processing plant has been estimated based on either assigning a second-hand (typically equipment) or scrap metal value (typically structural steel, copper wires, etc.) to each part of the processing operation.

The assigned values are based on RPM's estimates for second-hand equipment prices and scrap metal in the current market. The estimates are necessarily high level and incorporate a number of assumptions, such as the condition of equipment at the end of the operation, no changes to the current equipment portfolio as well as the quantities of scrap material.

Note that the crushing circuit has not been included in the estimate, since it was assumed that this circuit was owned by the crushing contractors.

For the Svartliden processing operation, a salvage value of around USD0.46 M has been determined, as broken down on **Table 7-2**.

Table 7-2 Salvage Value Breakdown for the Svartliden Processing Plant

Section	Item	Comment	Value *('000 USD)*
Crushing Circuit	Electrics		
	MCCs	Second hand value	1.6
	Wiring	Scrap metal	1.2
Milling Circuit	Ball mill	Second hand value	93.0
	Regrind mill	Second hand value	23.2
	Hydrocyclones	Second hand value	2.7
	Pumps	Second hand value	3.9
	Hoppers, structure	Scrap metal	19.4
	Piping, valves	Scrap metal	4.3
	Electrics		
	MCCs, instrumentation	Second hand value	6.2
	Wiring	Scrap metal	4.7
Leaching Circuit	Screens		
	Trash, safety	Second hand value	1.6
	Interstage (SS)	Second hand value	7.8
	Pumps (including TSF & return water)	Second hand value	2.3
	Agitators	Second hand value	3.9
	Tanks, piping, structure	Scrap metal	19.4
	Detoxification		
	Agitators	Second hand value	0.6
	Pumps	Second hand value	0.6
	Tanks, piping, structure	Scrap metal	5.8
	Electrics		
	MCCs, instrumentation	Second hand value	5.4
	Wiring	Scrap metal	2.7
Gold Recovery	Elution columns	Second hand value	3.9
	Heat exchangers	Second hand value	1.9
	Electrowinning Cells	Second hand value	1.9
	Furnace, ovens	Second hand value	0.9

Section	Item	Comment	Value ('000 USD)
	Pumps	Second hand value	1.6
	Tanks, piping, structure	Scrap metal	5.8
	Electrics		
	MCCs, instrumentation	Second hand value	2.7
	Wiring	Scrap metal	2.3
Infrastructure	Air Compressor	Second hand value	4.3
	Electrics		
	Lighting	Scrap metal	2.7
	Transformers, MCCs	Second hand value	13.6
	Wiring	Scrap metal	4.7
	Reagents		
	Agitators	Second hand value	0.8
	Tanks, piping, structure	Scrap metal	4.7
	Pumps	Second hand value	1.0
	Buildings		
	Processing	Scrap metal	46.5
	Control Room	Scrap metal	3.9
	Instrumentation, controllers	Second hand value	3.9
	Wiring	Scrap metal	1.4
	Changeroom	Scrap metal	11.6
	Heaters	Second hand value	5.8
	Warehouse	Scrap metal	11.6
	Spares	Second hand value	27.1
	Maintenance	Scrap metal	11.6
	Tools	Second hand value	15.5
	Offices	Scrap metal	7.8
	Furniture	Second hand value	3.1
	Laboratory	Scrap metal	3.9
	Equipment	Second hand value	2.7
	Other	Second hand value	1.2
	Reagent Storage	Scrap metal	1.9
	Racking	Second hand value	5.8
	Water		
	Pumps	Second hand value	1.9
	Tanks, piping	Scrap metal	4.7
Other	Vehicles (transport, forklift, crane)	Second hand value	23.3
	Miscellaneous	Second hand value	3.9
	Total		461.8

Note: Total may differ due to rounding.

In summary, the salvage value for the Fäboliden plant is USD0.46M.

Recommendations

RPM makes the following recommendations:

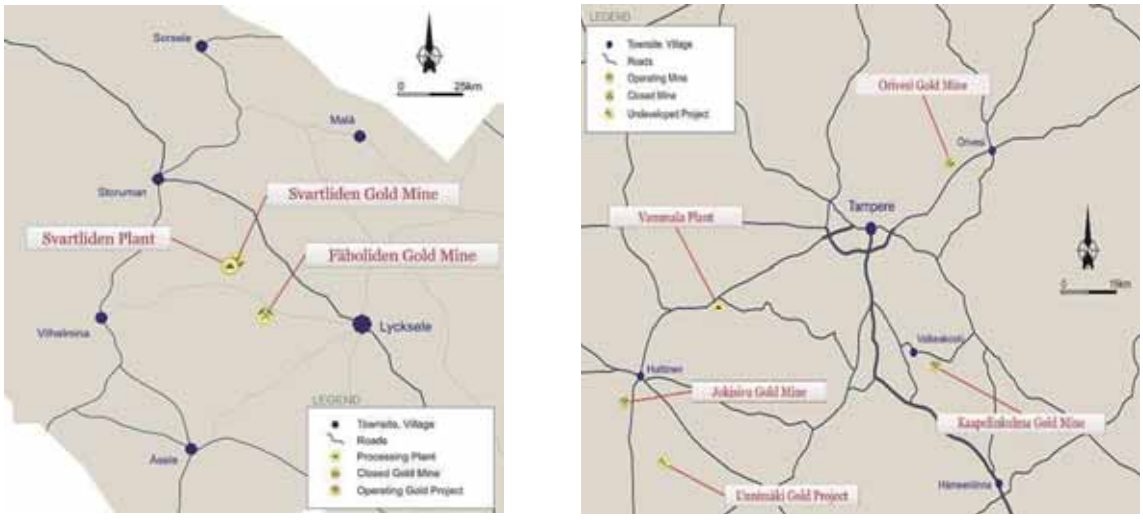
- Conduct test work on Fäboliden open cut ores to determine the potential for improved gold recoveries, and
- Test the market for the sale of Vammala flotation concentrates.

8. EXPLORATION PERMIT REVIEW

The general locations of the exploration permits are shown in **Figure 8-1** and **Figure 8-2**.

Figure 8-1 Dragon Mining Production Centres

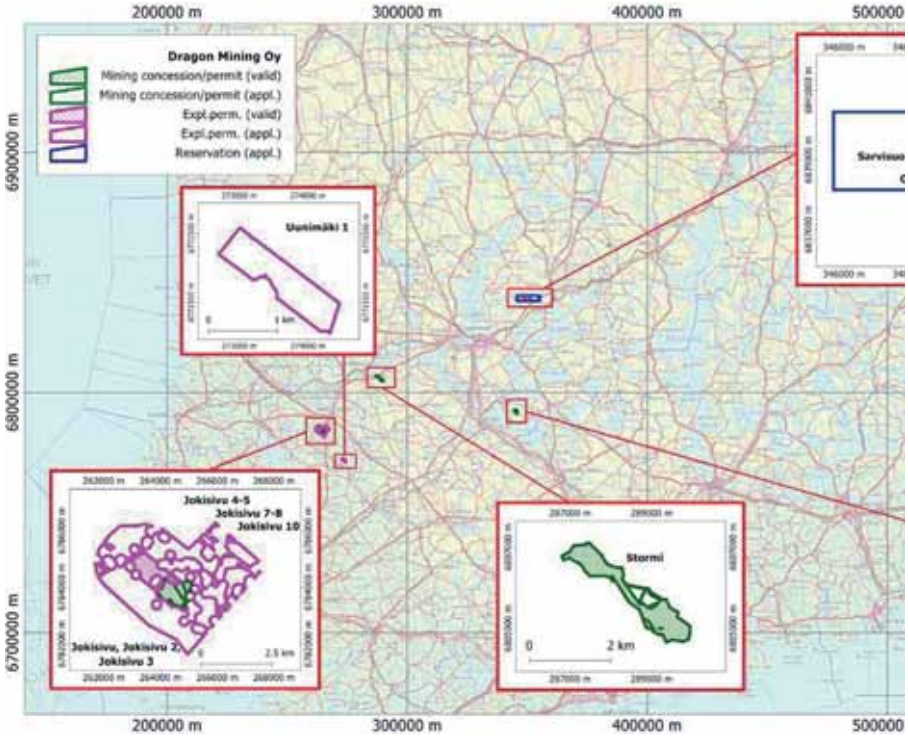
Figure 8-2 Dragon Mining Tenement Locations



Source: Dragon Mining Website

8.1 Vammala Production Centre

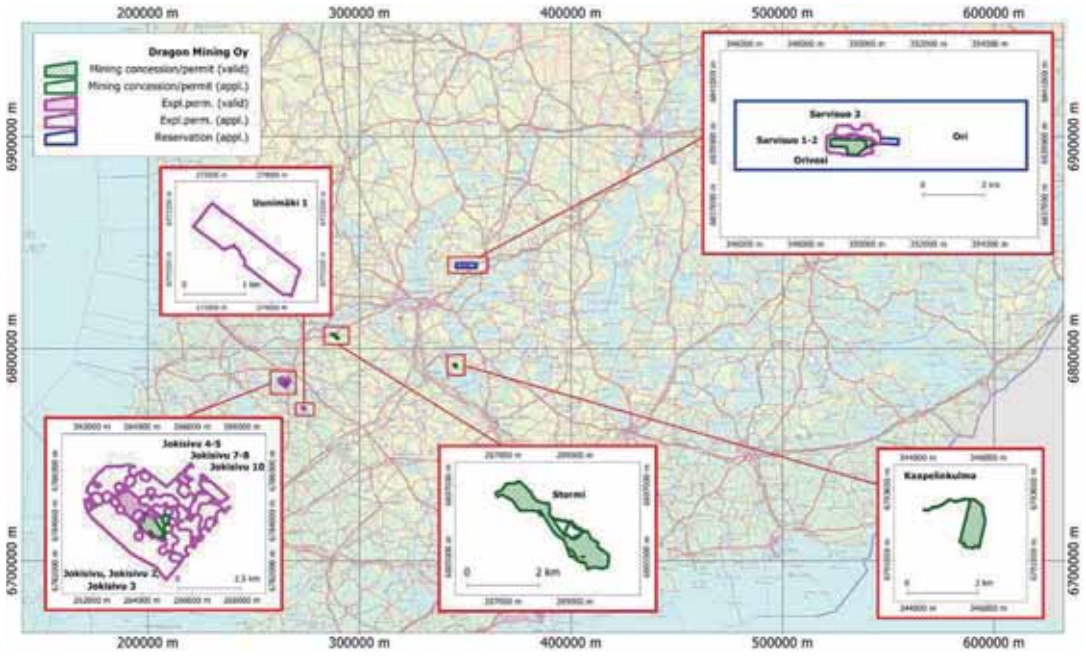
The Vammala Production Centre has exploration tenements as noted on **Figure 3-3** Dragon Mining Finland Tenements.



Source: Dragon Mining

Table 3-2 and shown in **Figure 8-3**. Limited information was provided for the exploration tenements as very little exploration has been carried out due to the focus defining mineral resources on the operating assets. In addition, there is no requirement for formal annual reporting to the mining authorities.

Figure 8-3 Vammala Production Centre Tenement General Locations

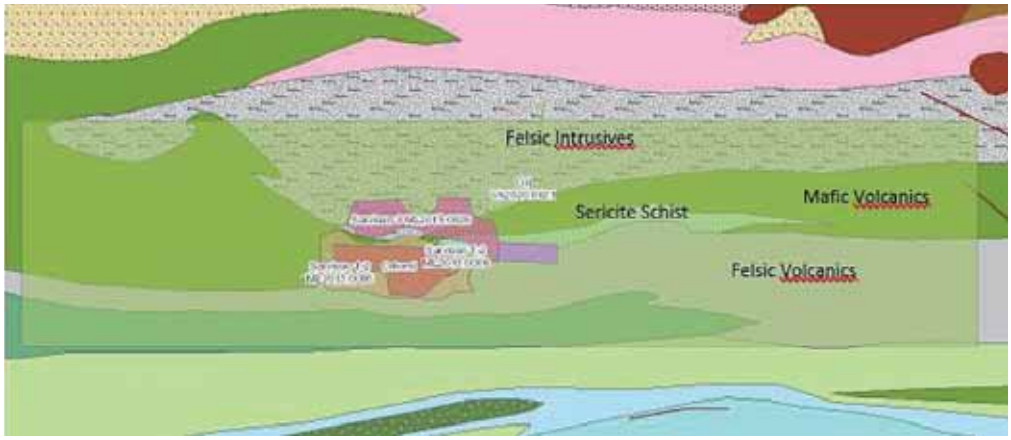


Source: Dragon Mining

8.1.1 Orivesi

There are two exploration permits and one Reservation associated with the Orivesi operation. The tenements cover Proterozoic sericite schist, mafic and felsic volcanic, and felsic intrusives running east- west. **Figure 8-4** shows the large Reservation tenement with respect to local geology. **Figure 4-2** shows a larger scale view of the smaller tenements.

Figure 8-4 Regional Geology and Orivesi Tenements



Source: Tukes website.

The Sarvisuo 1-2 and Sarvisuo 3 Exploration Permits have essentially been used to allow deep drilling of the Orisevi mine. Exploration over the last five years has included drilling 1,461m for exploration of the Orivesi Mineral Resource and minor geophysics.

The Ori Reservation is a pre-curser to an exploration permit which allows evaluation through light exploration and provides first/exclusive rights to apply for exploration licences within the area. Approval of the Reservation raised a series of appeals, though this does not stop Dragon Mining reviewing historic geophysical and geochemical information to determine if exploration licences are required. Limited review has occurred to date and minimal expenditure has been incurred. Based on the regional geology RPM anticipates that only 20% of the Reservation will be undergo application for Exploration Permits.

8.1.2 Jokivisu

The mineralisation is associated with Proterozoic intrusives. The mineralised horizon strikes northwest to southeast and passes through most of the tenements. **Figure 8-5** shows the local geology with respect to the tenements, with a more detailed view in **Figure 8-6**.

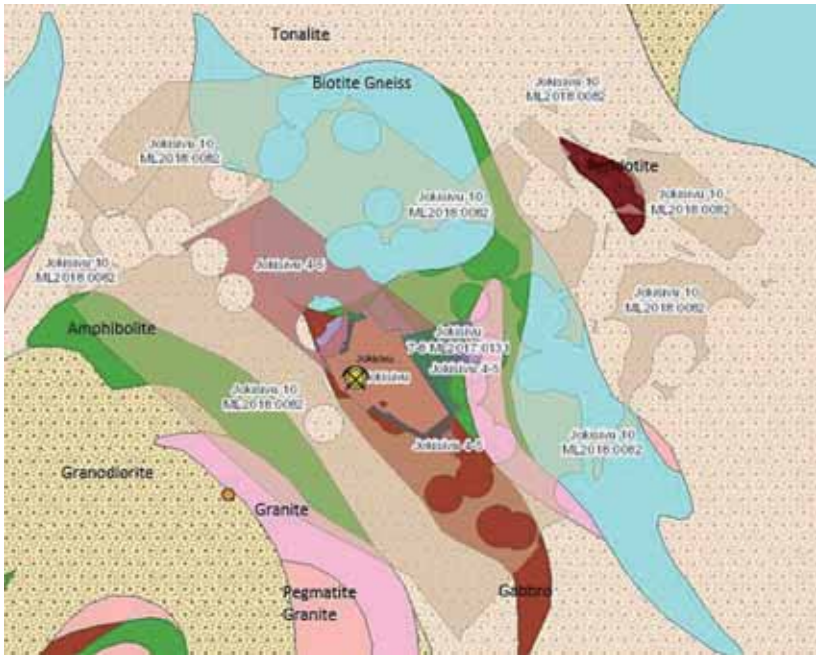
Jokisivu 2 and 3 are mining claims closely associated with the Jokisivu mining claim and mining operation and are only valued under the Jokisivu DCF analysis.

Jokisivu 4-5 is along strike from the Jokisivu mine to the northwest.

Jokisivu 7-8 sits directly to the east of the Jokisivu mine.

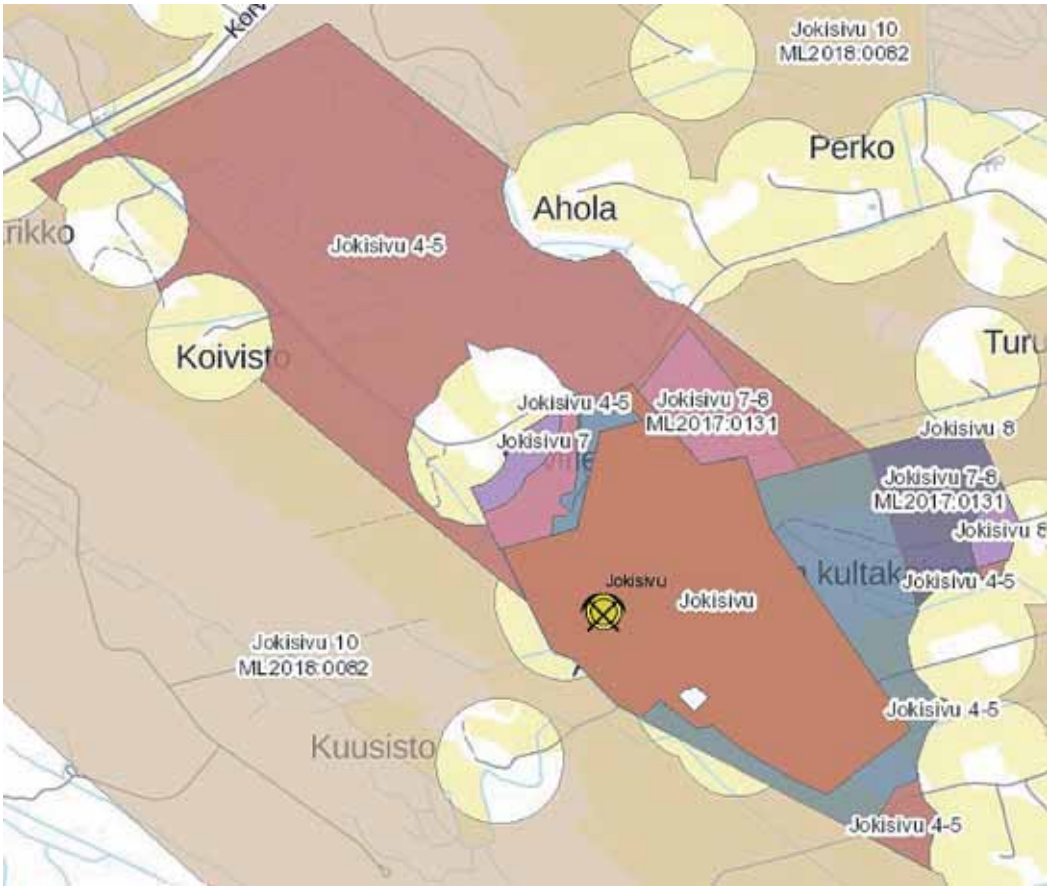
Jokisivu 10 encompasses all other tenements and has strike continuation of the Jokisivu mine geology to both the northwest and southeast. Not all of area is likely to be prospective.

Figure 8-5 Jokivisu Tenements and Local Geology



Source: Tukes website.

Figure 8-6 Detailed Tenements on Local Geology



Source: Tukes website.

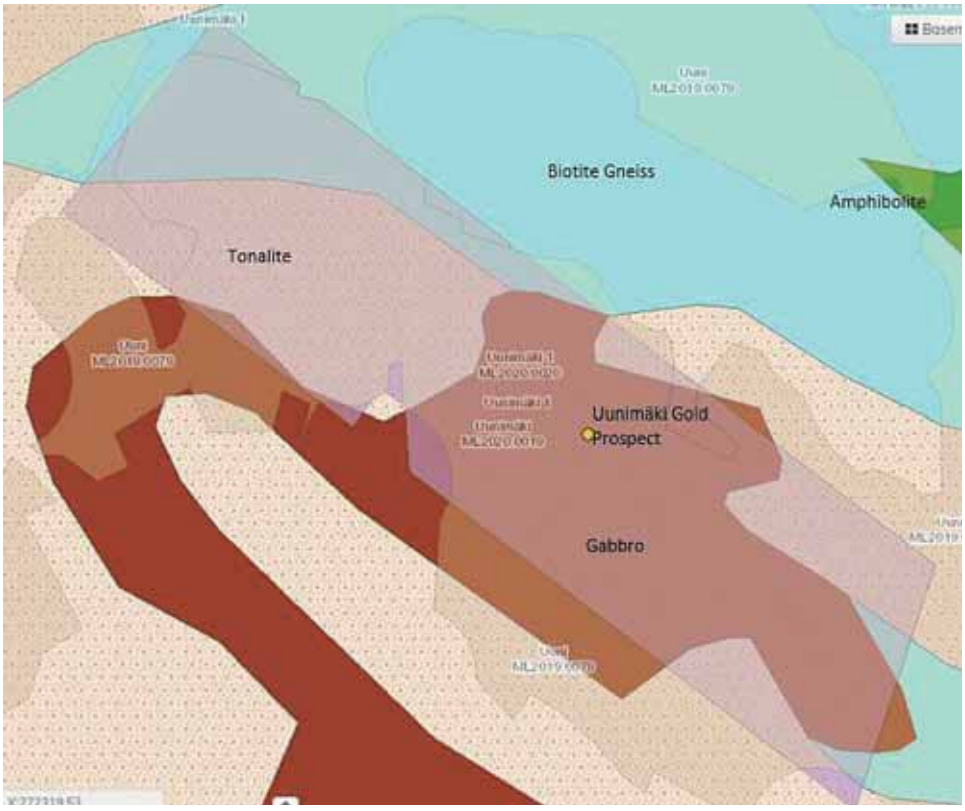
8.1.3 Uunimäki

The Uunimäki 1 tenement is an exploration permit application 15km to the southeast of the Jokisivu mine. It contains one gold prospect associated with Proterozoic gabbro (**Figure 8-7**).

The Uunimäki project has historic drilling which is planned to be reviewed by Dragon Mining.

Only 50% of this tenement appears to have prospective geology and therefore the tenement area is factored by 50% in the area multiples and Geoscientific valuation methods.

Figure 8-7 Uunimäki 1 Tenement and Local Geology



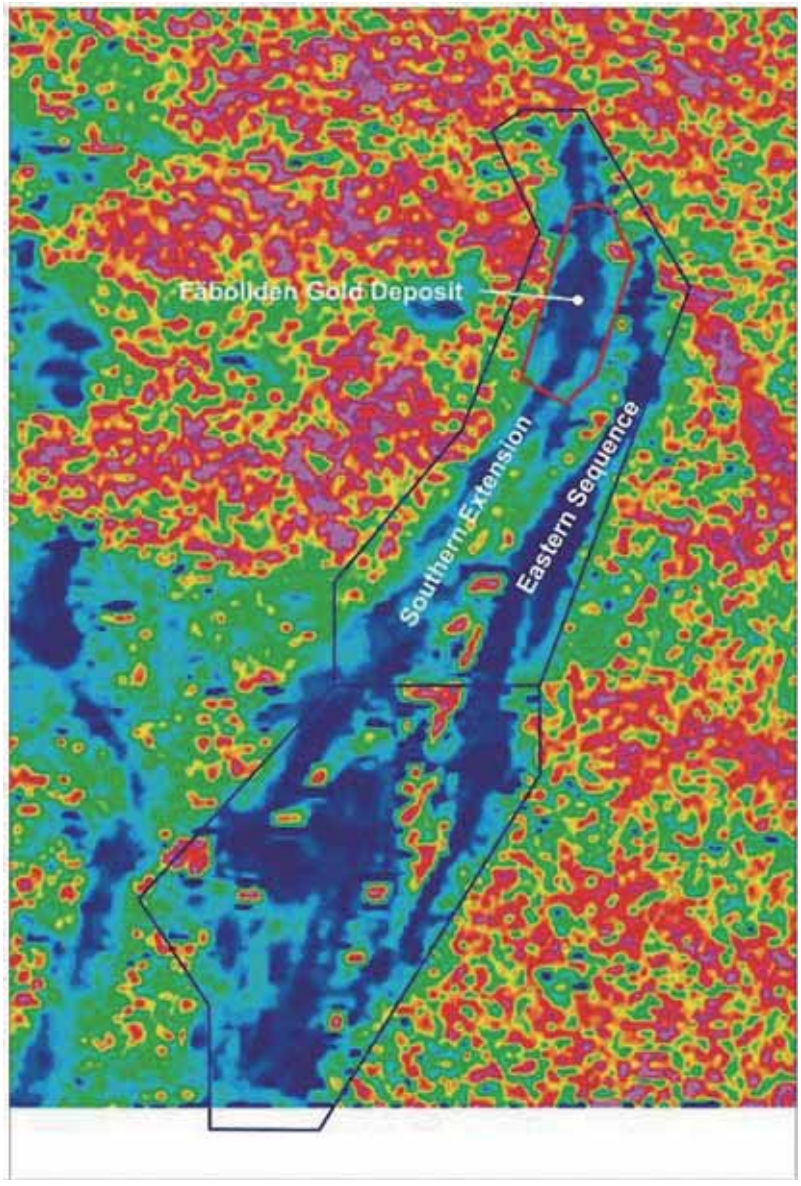
Source: Tukes website.

8.2 Svartliden Production Centre

Dragon holds only one exploration tenement in Sweden, which is the Exploration Permit Fäboliden nr 11. The permit is situated along strike to the southwest from the Fäboliden deposit which contains Ore Reserves.

The Fäboliden tenements are covered by a detailed airborne survey (**Figure 8-8**) which shows continuation of the mine lithologies and structures to the southwest of the mine into the Fäboliden nr 11 Exploration Permit. A parallel magnetic feature to the east (Eastern Sequence) is also present which is anomalous in gold (**Figure 8-9**).

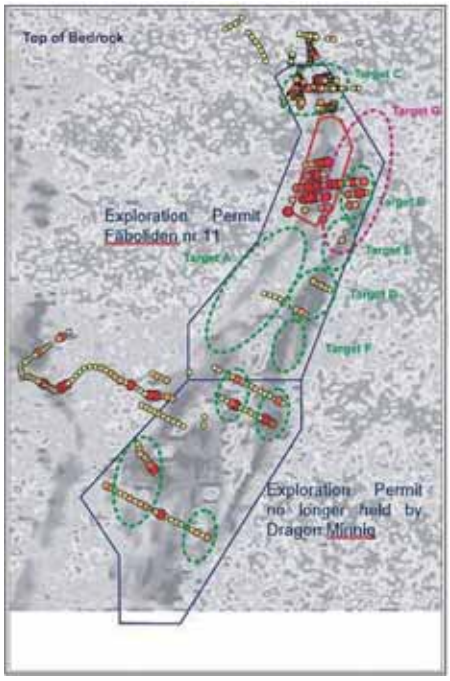
Figure 8-8 Aeromagnetics of Fäboliden Tenements



Source: Dragon Mining Fäboliden nr 11 ppt

Bedrock geochemical sampling has defined eight (8) anomalies, A-G (**Figure 8-9**). Target G represents the depth potential of the Fäboliden deposit and contains the Mineral Resources defined outside the pit shell at depth. Targets B and E have been drilled and sterilised and are to be covered by waste from the open cut. Target A is along strike from the Fäboliden deposit.

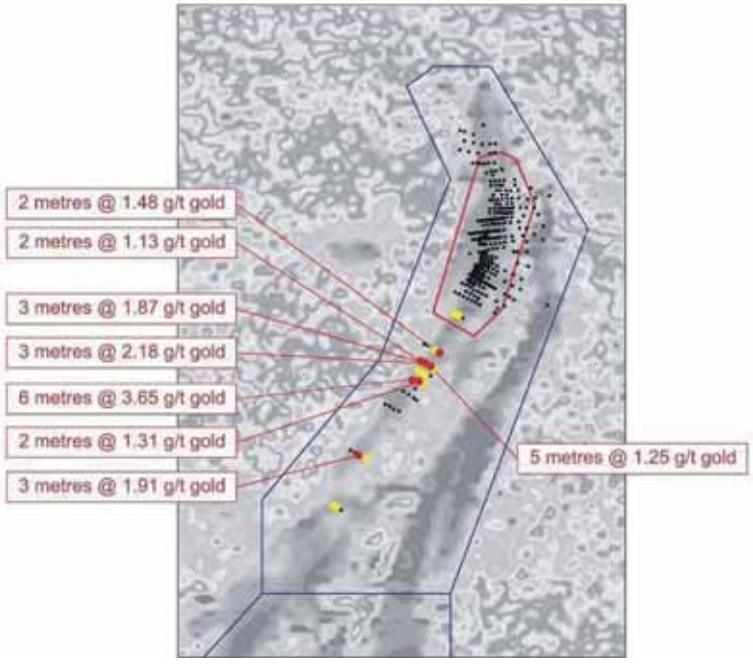
Figure 8-9 Bedrock Geochemistry



Source: Dragon Mining Fäboliden nr 11 ppt

Some drilling has been carried out with encouraging drill hole intercepts including a best intercept of 6m @ 3.85 g/t Au (**Figure 8-10**).

Figure 8-10 Drilling on Exploration Permit Fäboliden nr 11



Source: Dragon Mining Fäboliden nr 11 ppt

9. ENVIRONMENTAL MANAGEMENT

Dragon Mining's respective operations in Finland and Sweden are headed by Site Managers. Each asset has a local management team, supervising Environment, Health and Safety (EHS). Dragon Mining is generally aware of the environmental requirements applicable to their operations through their interactions with relevant authorities dealing with permitting and compliance actions.

9.1 Site Inspections

An initial site inspection of Dragon Mining operational assets in Finland and Sweden was undertaken by Mr. Henri de Branche and Mr. Jussi Kuusola on 9 to 13 December 2015. Interviews with site managers of the mine and collection and review of available information were conducted during the site visit. A follow-up site visit was conducted by Mr. Henri de Branche at Svartliden Production Centre on 15 February 2017 and interviews with selected Dragon Mining Sweden and Finland representatives took place in February 2017. RPM is unaware of any further visits relating to Permitting, Environmental, Social and Community.

9.2 Svartliden Production Centre – Sweden

9.2.1 Fäboliden Mine (Full Scale Operation)

Environmental Impact Assessment and Permitting Approvals

The Environmental Code is the principal environmental law dealing with mining in Sweden. The Environmental Code is closely tied to the Minerals Act, which, is applicable to all exploration and exploitation on land. Two types of rights are granted under the Minerals Act – exploration permits and exploitation concessions. The Mining Inspectorate grants these rights. To conduct mining operations an exploitation concession and a permit under the Environmental Code must be acquired. With respect to mining operations, permits under the Environmental Code are granted by the Land and Environmental Court.

The Mining Inspectorate hears applications for exploitation concessions, in consultation with the County Administrative Board (CAB), which examines whether the site is acceptable from an environmental point of view. Supervision of compliance with the environmental conditions is usually carried out by the CAB and by the municipality's Environment Health Board.

On 23 November 2017, CAB granted Dragon Mining a Permit for test mining operations at Fäboliden. This operation was completed meeting the permit requirements.

Dragon Mining submitted a Permit application for full-scale mining at Fäboliden to the Land and Environment Court 4 July 2018. The company is currently working with the Court providing information required to meet the expectations of the stakeholders including the CAB.

During the initial review of the Project, CAB decided the Fäboliden Project was not expected to cause significant environmental impact. As a result, the permitting process was initiated with an expectation of a 30 month approval process. CAB completed their review of the EIA and developed conditions required for the Project to mitigate potential environmental impacts caused by the Project. A number of conditions were included in the Permit Final Decision issued by CAB including air quality, noise and vibration, traffic, etc. The primary conditions required to allow operations to be able to coexist with opposing interests include the following:

- Arsenic and uranium may exceed limits at the end of the mixing zone and likely will require water treatment;
- Reindeer herding: protection measures required are required as the Sami community (Indigenous Peoples) have special consideration, compensation may be part of the resolution;
- Capping of WRSF to reduce water infiltration and resulting seepage;
- Biodiversity issues related to Natura 2000 testing including protected species, critical habitats and protected areas;
- Increased closure costs to account for capping of WRD for a total SEK135M. The CAB also has a condition that the total amount of closure costs must be made available prior to issuing the permit.

The Company is trying to change many of the conditions through the Environmental and Land Court system.

An Environmental Test Permit was issued to mine ore from the Fäboliden Mine and process it at the Svartliden Processing Plant. The permit was issued March 8, 2017 with an exploration determined as the test completion date.

RPM Comment

For valuation to be carried out the Project is projected by RPM for start-up in the initial part of 2022. However, a more realistic view is that permit acquisition may extend to the middle to latter part of 2022. Environmental lawsuits are also common in Sweden, which poses the potential for more delays.

Status of Environmental Components

Air Quality Management

The company goal is to minimize air quality impacts caused by the mining operations on local communities and the environment. Equipment and operational practices are modified where needed to minimize air pollutants. Potential emissions are continuously monitored to identify mining activity responsible for airborne emissions.

Soils Management

Surface soils are removed prior to site construction or use and stockpiled for reuse in closure. Detailed studies of the suitability of stockpiled soils for reclamation will be conducted. Reclaimed areas will be re-vegetated with local species.

Water Resources Management

Surface Water Management

Diversions will be construction around the mining area to minimise inflow of unaffected water to the mining area. This will minimize the volume of affected water to be collected and treated.

Potentially affected water flows included in the water management system include drainage from the open pit and underground mine as well as leachate from ore storage and waste rock storage areas. Collected water will be process by the treatment plant before discharged to the environment. The water management system will be expanded gradually, in step with the expansion of the various facilities. The system's capacity will be governed by the size of the open pit and waste rock storage, and water from the underground mine.

Leachate from waste rock storage and ore storage will be conveyed to the water treatment plant using ditches, while mining water will flow to the plant using pipes. Physically, the water treatment plants are located downstream on the north side of the waste rock storage. Collected leachate from the waste rock storage will flow to a collection basin that acts as a flow equalizer while enhancing precipitation of aluminium and iron hydroxides, and suspended particles. Water flows from the pond to the water treatment plant.

Leachate from waste rock characterization studies trials were used to develop the water treatment system. The treatment process will remove arsenic and metals using the addition of ferrous sulphate followed by sedimentation. After precipitation with ferrous sulphate, the water pH will be adjusted forming metal hydroxides precipitates. The sludge will be dewatered in geotubes that are placed in a separate landfill located within the water treatment area directly adjacent to, and upstream of, the sedimentation basins. Water removed from the geotubes will be returned to the water treatment system.

RPM Comment

Surface water management should not cause unforeseen issues. Water treatment capacity is an important aspect of management during operations and the post-closure project phases.

Groundwater Management

Characterization work has developed a good understanding of potential impacts of the Project on groundwater in the area of influence. The project area is not within, or

directly adjacent to, any designated groundwater body. The groundwater impact resulting from the mining operations is of a local nature and is mainly groundwater lowering. The impact is reversible because the groundwater levels are restored as the mine is filled with water after closure. No groundwater abstraction occurs downstream of the Project within the calculated area of influence.

RPM Comment

No groundwater issues are expected.

Waste Rock Management

Waste rock characterization shows most of the material as potentially acid forming (PAG). Collecting ditches and water treatment will be used to minimize impact. Treated discharged water will be tested for pH, metals, nitrogen, etc. The control program will also include monitoring of water quality in the downstream waters.

Waste rock will be stored in an area of about 47 ha. The facility will not be lined to prevent any build-up of water that could cause stability issues as the waste dump becomes large. A series of catchment ditches and diversions will be construction to collect and transport seepage to the water treatment facility. At closure, the facility will be capped to restrict oxygen and water flow into the facility to slow sulfide oxidation and decrease seepage.

RPM Comment

Seepage from the waste rock storage facility is expected to generate ARD with leachable elements detrimental to water quality. A groundwater and surface water monitoring program should be installed to provide early detection of water quality impacts. Implementation of appropriate mitigation actions may be required if impacts are found.

Biodiversity Management Plan

Biodiversity actions may become a major issue delaying the issuance of the mining permit. The CAB has issued serious concerns that the Company must conduct a Natura 2000 investigation. The entire watercourse from the source area to the mouth of Örefjärden, including tributaries, is designated as a Natura 2000 area called Öreälven (Swedish Environmental Protection Agency 2018). Four habitat types and five species were identified in the Species and Habitats Directive (Council of the European Union 2006) that would be protected in this area.

The project is projected to cause habitat loss of about 280 ha that could affect the conservation status of populations. The potential impact to a number of fauna and flora species including a protected orchid is the primary concern. Investigations related to impacts of the operation on water quality and habitats must be considered. The potential negative impacts on the typical fish species and benthic fauna within the mixing zone is also a concern.

As inventories will not be able to be carried out before the court hearing associated with the permitting action, the CAB is requiring acquisition of a Species Protection Exemption. The details of the Exemption are not known, but it appears it would include conditions supporting biodiversity protection. The CAB indicated that a permit cannot be issued before a species protection exemption has been granted. The alternative result would be not to grant the permit until a satisfactory species protection inventory was conducted.

RPM Comment

Resolution of the species protection issue is critical for the project to acquire the mining permit in a timely manner without disruption to the project timeline.

9.2.2 Svartliden Mine and Processing Facility

The Svartliden mine and processing facility consists of open pits, waste rock storage facilities, crushing plant, concentrator, sand reservoirs, clarification dust, water treatment plants, laboratory and office space. No mining has taken place during 2020, neither in open pit nor underground. Enriched ore from the company's mines in Finland has been processed in Svartliden in in accordance with notified activities to the CAB. Test mining in Fäboliden was conducted in accordance with the test permit during May through September. The ore was transported to Svartliden for crushing and enrichment in Svartliden's processing plant based on a permit issued on May 8, 2017.

Authorization and Permitting Approvals

In December 2012, a new Operating Permit was received by Dragon Mining for the Svartliden Operation. The permit included underground mining, tailings disposal in the completed open pit and adjusted discharge conditions. The permit is valid without expiration. Permitting actions required for the processing plant appear to be in place.

RPM Comment

No permitting issues for the Svartliden Mine and Processing plant are apparent.

Environmental Management

Air Quality Management

The company goal is to minimize air quality impacts caused by the mining operations on local communities and the environment. Equipment and operational practices are modified where needed to minimize air pollutants. Potential emissions are continuously monitored to identify activities responsible for airborne emissions.

RPM Comment

Best management practices are in place to control air emissions.

Soils Management

Topsoil is salvaged and stockpiled for reuse during closure. Detailed studies of the suitability of stockpiled soils for reclamation have not been completed.

Surface Water Management

Surface water management consists of preventing water from entering the project area using bypass diversions. The water collected from the project area is collected and used for dust control or treated and sent to the processing plant.

The primary issues with surface water management is associated with the collection of seepage from the waste rock storage facilities and the tailings facility. These waters are pumped to containment ponds and treated for use to discharged once the water quality criteria are met. An apparent issue relates to waters not contained, that seep into the surface water downgradient of the facility. As long as the water quality meets the stream baseline at Sediment Pond F13 no issues exist. Data collected exceeds water quality requirements occasionally but meets the permit criteria, which allows a certain number of exceedances annually.

The Company is currently developing a water management and purification system for water streams from ore processing, drainage water from the open pit, collected leachate from the waste rock storage and water from the tailings storage facility.

RPM Comment

Maintaining water quality of receiving streams appears an ongoing challenge. Management programs must continue to be a priority with implementation of best management practices to deal with issues as through operations and the post-closure phases of the project. The water management purification system should improve water quality conditions.

Groundwater Management

Groundwater in the Project area is near the surface and likely interacts with the many wetlands located in the area. The mining and processing facilities have the potential to impact the groundwater system, but the current conditions of the system are not known. It is not apparent that groundwater quality is monitored as no monitoring wells were identified in the documentation provided.

However, the Company used the best available technology to reduce groundwater pollution including the techniques listed below:

- Sealed drainage systems;
- Storage tanks with double hull or permanent embankments;
- Impermeable and acid-resistant floors; and

- Automatic level control for reaction vessels.

RPM Comment

Groundwater contamination is an issue of concern. Seepage of contaminated solutions from the tailings storage area (mine pit) through cracks, waste rock storage areas, collections ponds and other facilities is likely occurring. A program should be installed to monitor potential areas of concern. If required, appropriate mitigation measures should be implemented.

Waste Rock Management

Most waste rock generated during mining and construction was characterized with a low acid generating potential with limited quantities of leachable elements potentially influencing water quality. The potentially acid generating rock, about 1.7M tonnes, was placed in areas thought to have limited leaching potential. Arsenic was noted as an element of concern in these materials.

Seepage from waste rock storage facilities is collected and analysed to determine quality. The water is treated, if required, and used to support the project or likely discharged.

RPM Comment

Seepage from the waste storage facility is likely impacting surface water and groundwater quality. A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented.

Capping the waste rock storage facilities at closure will reduce water infiltration and reduce seepage into the receiving streams and groundwater.

Tailings Management

Tailings generated from the processing activities is stored in the open pit. The material will be covered with a column of water and is not expected to oxidize. However, the tailings are characterized with low levels of cyanide and leachable elements potentially detrimental to water quality.

RPM Comment

Seepage from tailings storage, through cracks in the pit wall, is likely impacting surface water and groundwater quality downgradient. A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented.

Biodiversity Management Plan

No documentation was provided for biodiversity management at the time of writing the report.

9.2.3 Project Closure

Closure Management

The goal of project closure of the Fäboliden and Svartliden Mines and the processing facility at Svartliden is to establish pre-mining conditions. Infrastructure, including roads, buildings, ponds, etc., will be removed and the waste rock storage areas will be capped to meet regulatory requirements for oxygen diffusion and water infiltration. The tailings storage facility will not be covered but access to the mine pit will be controlled using appropriate blockades and signs.

Closure and Post-Closure Costs

Closure Cost Projections for the Fäboliden and Svartliden Mines and the processing facility at Svartliden are shown in **Table 9-1**.

Dragon Mining's process for estimating the closure costs is reasonable. The closure costs are estimated in Swedish Kroner (SEK) and are present in Dragon Mining's accounts, except for the Fäboliden mine which has not been recognised in the accounts as it has not yet been approved. The accounts costs have been converted to USD using the exchange rate of the Valuation Date (1st June 2021). The Fäboliden mine cost has been back calculated from USD to SEK using the same exchange rate.

Table 9-1 Closure Costs for the Sweden Mining and Processing Operations

Facility	Projected Closure Cost (USD)	Projected Closure Cost (SEK)
Fäboliden Mine	7.64M (16.2M[1])	63.4M
Fäboliden Mine Test Project	0.53M[2]	6.2M
Svartliden Mine and Plant	5.1M	42.0M

[1] *Amount required by the County Administration Board (CAB) in recommended conditions, includes costs for capping the WRSF required by CAB. The Project is in the permitting stage, so the USD16.2M condition has not been finalized.*

[2] *Projected closure costs for the mine test project are covered in the costs associated with the proposed Fäboliden Mine project. If the Fäboliden Mine is not permitted, the closure costs for the test project would stand.*

9.3 Vammala Production Centre – Finland

9.3.1 Kaapelinkulma Mine

Authorization and Permitting Approvals

The Kaapelinkulma Gold Mine is operating under a permit issued August 31, 2014. A revision permit was issued October 14, 2015 to make a few modifications including a monitoring program.

The Project is now planning to expand the mining project. The expansion will require a new environmental permit. The application process was initiated but the status is unknown.

Air Quality Management

Mining dust consists of large-sized, over-diameter 30 μm, but the dust also contains some respirable particulate matter (PM 10) with a diameter of less than 10 μm. Dusting is monitored and, if necessary, prevented by irrigation of roads, disturbed areas and stockpiled material. Drilling rigs are equipped with a collection system to reduce dust emissions. Dusting from exposed areas will be reduced by establishing vegetation cover.

The operation will increase the airborne dust content somewhat in the vicinity of the mine. The effects of the dust will be limited to a distance of 200m from the extraction site and further than 500m the dust concentrations decrease sharply. The transport of fine particles harmful to health in populated areas are unlikely to be affected by distance and prevailing wind conditions.

RPM Comment

Mitigation measures used to control dust from the mining operation are expected to be adequate to meet applicable regulatory requirements.

Soils Management

The natural soil in the mine area contains arsenic levels exceeding the lower guideline value of 50 mg/kg according to the PIMA regulation. Therefore, an arsenic concentration of 50 mg/kg will be considered as a threshold or baseline concentration.

Topsoil salvage operations will be used to support mine closure activities. The stockpiles will be stabilized to prevent wind and water erosion and will serve as noise barriers.

Surface Water Management

As noted in the other Dragon Projects, surface water management consists of preventing water from entering the project area using bypass diversions. The water collected from the project area is used for dust control or treated and sent to the processing plant. Water discharged from the site is treated to remove sediment and to remove specific elements required to meet applicable water quality standards. The drainage waters of the mine are discharged into Haavanoja and Vallonjärvi to Lake Vallonjärvi. The lake is a small shallow flow-through lake.

Water contamination in the mining area consists mainly of solids, nitrogen and sulfate. Naturally elevated concentrations of arsenic in the soil are in an insoluble form, reducing transport. Water treatment (pH adjustment) will keep the metals in an insoluble form (precipitates), which are readily collected in the clarification tanks.

The primary issues with surface water management are associated with the collection of seepage from the waste rock storage facilities. These waters are pumped to containment ponds and treated for use or discharged once the water quality criteria are met. An apparent issue relates to waters not contained that seep into the surface water downgradient of the facility.

Water monitoring will include collecting samples from sampling locations including water and sediment from Lake Vallonjärvi. A complete set of variables will be analysed including oxygen, iron, manganese and uranium.

In March 2017 and 2018, samples were collected from five sampling locations in accordance with the monitoring program. There was evidence of mine impact in both 2017 and 2018. For Ulavanoja and Vallonoja, the results show high chromium, aluminium, nitrogen and phosphorus concentrations while arsenic and heavy metals were low.

The concentration of nitrogen and phosphorus was elevated in Lake Vallonjärvi and low oxygen levels were noted during 2017 sampling. In In 2018, nitrogen and phosphorus concentrations were more than half of the previous year. Heavy metals concentrations were low at both sampling periods.

RPM Comment

Surface water monitoring results appear to show impact caused by the mining operation. The Company should increase monitoring activities to show the causes of the problem. Once determined, appropriate mitigation measures should be implemented.

Groundwater Management

The base of the mine pit is lower than the groundwater level, so the groundwater seeps into the pit. Monitoring wells were installed to measure impacts of the operations on water levels and water quality.

Impacts on stakeholders wells will be carefully monitored and appropriate compensation will be conducted, if required. Stakeholder wells located in the vicinity of the project must be monitored as required by regulatory authorities.

Based on the monitoring results, the groundwater was oxygen-free or low-oxygen. Soluble metal concentrations were low and below groundwater environmental quality standards with the exception of arsenic, which is naturally high in soils and rock found in the area.

RPM Comment

The Project does not appear to significantly impact Groundwater conditions. Monitoring should be continued to identify potential issues in the future.

Waste Rock Management

Most waste rock generated during mining was characterized with a low acid generating potential with limited quantities of leachable elements potentially influencing water quality. However, arsenic was noted as an element of concern as the shake tests conducted resulted in levels above standards.

Seepage from waste rock storage facilities is collected and analysed to determine quality. The water is treated, if required, and used to support the project or likely discharged.

RPM Comment

Seepage from the waste storage facility may be impacting surface water and groundwater quality. A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented, if required.

Capping the waste rock storage facilities at closure will reduce water infiltration and reduce seepage into the receiving streams and groundwater.

Biodiversity Management Plan

About 250m from the eastern edge of the Project is the Pitkäkor which is a 17-hectare Natura site. The area is also part of the old-growth forest protection program. According to the Natura habitat inventory carried out in the area, the area is primarily boreal forest with 1.2 ha of non-forest land and 2.7 ha of wooded bogs. Both boreal natural forests and wooded bogs are a priority consideration.

The dominant flora species in the Project area include blueberries, cabbage, lingonberry, spring beetle, alveus root, forest sauce and in the openings sand sauce and grass blade. Several protected species were identified in the area, which requires appropriate measures for protection.

The protection of the flying squirrel (protected species) and the rainbow trout was noted as important issues related to the project. A study was conducted and apparently approved as the project moved forward. Monitoring programs were established to meet regulatory requirements.

RPM Comment

The presence of several protected and endangered species makes biodiversity an important consideration of environmental quality. A detailed management program, noted as a biodiversity action plan in the IFC Performance Standard 6, must be developed, implemented and closely monitored.

Monitoring Program

All monitoring results required by permits and other regulatory requirements must be transmitted to the electronic registers of the administration (PIVET, KERTY). The monitoring results must be reported to the Pirkanmaa ELY Centre on a quarterly basis. This information shows variations in water quality during the year and thus provides more detail required to understand potential impacts.

An annual report on environmental protection must be submitted to the Pirkanmaa ELY Centre by the end of February, each year. The report, which shall be submitted electronically where applicable, must include the following:

- Mine production data and times;
- Quality of chemicals (e.g. explosives, water treatment chemicals) consumption data;
- Information on generated extractive waste and other waste: quantity, type of waste and place of delivery, and storage situation at the turn of the year;
- Volume of water discharged from clarification basins and estimate of operational emissions (solid, total nitrogen, metals);
- Energy consumption;
- Results of emission monitoring and environmental impact monitoring;
- Report on incidents during the year and other exceptional such situations, their causes and duration, emissions and waste and measures to prevent disturbances in the future;
- Changes in operations implemented and planned during the year, and
- Summary of maintenance measures relevant to environmental protection (e.g. sludge removal from clarification tanks).

The documents on which the annual reporting is based, such as analysis results, logbooks, fault printouts and other measurement results and certificates of release to service kept for at least the last three years for the authorities.

RPM Comment

The monitoring program appears to be functioning as required by the regulatory authorities. However, RPM suggests expansion of water quality monitoring in the vicinity of the waste rock storage facilities to identify whether environmental impacts exist.

9.3.2 Orivesi Mine

The Orivesi mine is not operating and is projected for closure. The Project has operated for about 25 years with the known ore reserves mined out in June 2019. The mine's environmental permit issue was resolved at the same time after a long legal process with a Supreme Administration Court determination that the mine would not be permitted and would no longer be allowed to operate.

The Finland Mining Act requires that closure establishes a stable condition that is safe for the public and the environment. After closure, the area should not need to be guarded, nor should follow yup measures be required.

Dragon Mining Oy submitted the closure plan to the Regional State Administrative Agency on 5 December 2019. The plan was supplemented to meet Agency requirements on June 30, 2020.

The closure plan specifies completing soil contamination mapping as the initial step. The research subjects include soil-based maintenance and storage areas, fuel distribution point, former oil heating tank the environment, and the ore interim storage area. This study plan will be approved by the supervisor Environmental Protection Authority, Pirkanmaa ELY Centre before closure activities commence.

The soil contamination study also includes evaluation of the mine sludges and soils from sludge dewatering ponds and from effluents discharged from the mining area assessment. Pollution investigations are carried out according to the comments of the supervisory environmental protection authority. The pollution study will assess requirements for rehabilitation, taking into account the use of the area after closure.

Authorization and Permitting Approvals

The Company is awaiting final approval of the closure plan which will allow initiation of the work.

Environmental Management

Air Quality Management

The company goal is to minimize air quality impacts caused by the closure operations on local communities and the environment. Equipment and operational practices will meet Best Management Practices to minimize air emissions.

Soils Management

Stockpiled topsoil will be used as the final cover for areas prepared for vegetation establishment.

Surface Water Management

The mine is subject to full-time load monitoring and discharge of water obligation monitoring. Previous monitoring results show effects of the mine on the water resources including high concentrations of nitrogen and sulphate along with increased levels of aluminium, zinc and cadmium.

Once the mine is closed, levels of nitrogen and sulfate will likely decrease while metals may remain high.

After the mine is closed, the Company will likely be required to continue monitoring until the water quality meets the regulatory standards or approaches baseline conditions. Water treatment is expected to continue for a period of time with the possibility to extend for a number of years.

RPM Comment

Water treatment will likely extend for several decades. Appropriate facilities must be maintained to prevent environmental impact. The costs associated with monitoring and maintenance including disposal of water treatment waste must be incorporated into the closure costs.

Groundwater Management

Groundwater flow into the mine will take about 10 years before water discharges to the surface. At that time, active treatment will likely be required to remove contaminants to levels that allow discharge into the environment. Passive treatment alternatives could also be used if the amount of water is depleted and the elemental concentrations are low.

Redox conditions in the mine will likely remove contaminants such as nitrogen and sulfate and could change solubility of many of the other constituents, some precipitating out while others becoming more soluble. Monitoring will guide treatment requirements.

RPM Comment

As noted in the surface water section, water treatment will likely extend for several decades. Appropriate facilities must be maintained to prevent environmental impact. The costs associated with monitoring and maintenance including disposal of water treatment waste must be incorporated into the closure costs.

Waste Rock Management

The most significant environmental impacts of waste rock are related to oxidation of the sulfide minerals they contain. As rainwater flows through the waste rock pile, the

waters can acidify and dissolve metals and elements such as arsenic. Most of the seepage from the storage facilities migrates into the surface groundwater systems. Appropriate water treatment systems are required to manage the seepage and treat it, if required.

RPM Comment

Seepage from the waste rock storage facilities will migrate into the surface and groundwater systems. The closure plan must include a detailed management system that mitigates impacts to the water resources.

Biodiversity Management Plan

No documentation was provided for biodiversity management.

RPM Comment

Closure must be completed with the idea that water quality must be maintained and ecosystems must be established to resemble pre-mining conditions.

9.3.3 Jokisivu Mine

Authorization and Permitting Approvals

The Jokisivu Project is operating under an Environmental Permit issued on December 3, 2010 and revised on June 13, 2016. A new environmental permit was issued on February 17, 2021 with conditions that are currently under appeal by Dragon. Operations can continue to operate under existing requirements until the appeal is finalized.

RPM Comment

The project is permitted to operate at existing production levels.

Air Quality Management

Dust emissions are generally associated with transport of ore and waste rock from the mine pit to respective drop areas. Blasting and road traffic will also contribute to dust issues. Dust is generally controlled using water spray. Gases emissions associated with vehicle use is also an important consideration for air quality. These emissions are calculated and are likely used to estimate GHG emissions.

RPM Comment

The use of BMP to control dust and gaseous emissions should prevent issues with stakeholders and environmental regulators.

Soils Management

The mining area is located on a moraine-covered northwest-southeast ridge with rock areas at the edges. In the depressions of the southern part of the mining area the depressions consist of fine-grained clay and silt materials.

Surface soils are removed prior to site construction and stockpiled for reuse in closure. Reclaimed areas will be re-vegetated with local species.

RPM Comment

The topsoil management program will enhance reclamation activities.

Surface Water Management

Excess surface water is collected, treated and discharged into the environment through surface water treatment basins. Water treatment is available to remove elements, if required.

Bypass diversions are established to remove non-contact water from impacting the waste rock storage area. Water impacted by the waste rock are collected along the edges of the facility and treated to lower pH or remove elements, if necessary. Collected water is pumped to sedimentation basins to remove suspended solids and discharged to the environment.

RPM Comment

Surface water management is an ever-changing system. As issues are detected and solved, modification of BMP's is conducted to better mitigate issues.

Groundwater Management

The mine is located in an important, protected recharge area for the groundwater system. Groundwater is found at 1 to 2m below the surface. The water quality is good and does not show any impact from previous activities. Water levels decrease from 60 to 120cm during the dry period.

A groundwater monitoring program was established to determine baseline and potential impact from operations.

RPM Comment

The groundwater is located near the surface. Potential contamination from hydrocarbon toxic chemical spills is great. Management and training programs should be developed and implemented.

Waste Rock Management

Site preparation for the waste rock storage facility consisted of leveling the area and compacting the moraine material during construction. This compacted zone is important to significantly reduce seepage into the groundwater system.

Waste rock characterization was conducted in 2013 and 2019. Arsenic levels exceeded guideline values for samples collected during both samplings while copper levels from rock samples exceeded guidelines during the 2013 tests but did not exceed the guidelines for samples collected in 2019. The difference is likely related to sampling areas. High levels of arsenic are found in soils and rock in the project area.

Acid formation tests showed very limited acid formation capability. The characterization work demonstrates limited water quality issues expected from waste rock storage.

RPM Comment

Seepage from waste rock storage is not expected to cause environmental risk. However, it is important to establish a waste rock sampling program that identifies materials characterized with acid forming materials and leachable elements that could impact the environment. Mitigation actions may be required to control impacts.

Biodiversity Management

The mine is located outside the vicinity of nature reserves with the closest Natura 2000 area located about 5km away. The biodiversity survey conducted in 2003 noted the existence of three (3) flying squirrel territories connected to the north-west of the forest. The flying squirrels vacated the area in 2005 prior to project start-up. Since the flying squirrel was considered an endangered species, some biodiversity consideration should be made.

RPM Comment

A biodiversity management plan should be developed and implemented. Monitoring of flora and fauna species should be conducted with emphasis on flying squirrel habitat should be considered.

9.3.4 Vammala Processing Plant

Authorization and Permitting Approvals

The Vammala Environmental Permit was issued on 12 March 2020 to operate at the 300ktpa. The permit contains much stricter permit conditions related to crushing than were imposed in the existing permit issued in 2014. The primary reason for the conditions is related to complaints received from stakeholders. The Company submitted an appeal of the conditions to the Administrative Court of Vaasa on 20 April 2020. The Company can continue to operate under its existing permit conditions until the court action is decided.

RPM Comment

The environmental permit allows operations to continue based on the existing conditions. If the appeal is approved, the conditions will be modified to reflect the changes. RPM does not expect significant changes will be made to the conditions.

Air Quality Management

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. The concentration of dust particles is not regulated in the Permit, however, the Company 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.

RPM Comment

The Court included additional dust control measures as conditions to the approved permit primarily to appease stakeholders that complained about dust. RPM does not expect the Court to make significant modifications to their conditions.

Surface Water Management

Emission monitoring and environmental impact monitoring at the Vammala concentrator are carried out on the Kokemäenjoki River under the supervised of the Finnish Water Protection Association (now KVVY Tutkimus Oy). Water flows are measured and sampled regularly.

Water generated in the Plant area are often characterized with high concentrations of nickel, sulphate, copper and associated high electrical conductivity. This water is collected and pumped to the TSF for storage.

The water quality of receiving rivers is very poor resulting from other mining and processing operations. However, data appears to show increases in nickel downgradient of the Plant. However, the nickel limit according to Government Decree 868/2010 (4µg Ni bio/l) was not exceeded as an annual average of bioavailable concentrations downstream. All observations were below the MAC-EQS limit of 34 µg Ni Liu/l. Concentrations of cadmium and lead fell below the environmental quality standard concentrations. The basic quality of river water is primarily impacted other sources and is not significantly affected by runoff from the Processing Plant area.

RPM Comment

Although there is no clear water impact resulting from the Plant area, the Company should develop a water management plan that includes the use of BMP's to reduce or eliminate runoff risks to streams.

Groundwater Management

An aquifer system was noted to not exist in the tailings storage area. Groundwater does exist but it does not have the characteristics that support water supply. The nearest groundwater aquifer available to support water use is about 4.5km southwest.

Groundwater monitoring shows a small increase in nickel and sulphate content and electrical conductivity. However, the environmental quality standards have not been exceeded.

RPM Comment

The groundwater monitoring program should include monitoring points close to the aquifer system located 4.5km away to show potential impacts. If impacts occur, mitigation actions will be required.

Tailings Management

Tailings formed in the enrichment process are pumped from the process plant to the tailings storage facility (TSF). The TSF is located in the rolling moraine rock where the rock rises in places up to the ground. On top of the bottom moraine, in rock depressions, clay material has collected. The clay covers more than half of the area on average at a thickness of about 5m. The TSF is bordered by mixed forests and arable land.

The TSF is located in a low terrain between the rock thresholds. The basin of the TSF is either moraine or open rock. The eastern and southern parts of the basin have a 1-2m moraine layer with rock underneath. Near the main dam there is more clay (about 1m) under the tailings and more moraine or hard clay under the clay. The dam is constructed on moraine layer underlain by rock.

Tailings have been deposited in the facility since 1975. As operations continue, the TSF has expanded into an area of an old mine pit previously used for tailings storage. Tailings have been deposited in the open pit since 1980. The bottom of the open pit was at a level of +40m before filling.

At present, the TSF covers an area of about 35 ha and is divided into to the three sub-basins A, B and C. TSF D will be constructed south of the existing TSF when the current storage is filled.

Leachate from the TSF is collected on the south-east side of the facility and pumped back into the water circuit. Leachate south and west of the TSF and stormwater from the concentrator area is collected in a channel that is partly excavated in the rock. The water seeping from the tailings ponds eventually flows into the concentrator area to a pumping station (Eika well) that pumps water back to the TSF.

The tailings stored in the facility represent many different materials. Some tailings are characterized with concentrations of nickel while others contain sulfides. Organic materials resulting from processing materials mined at Orivesa contain high levels of acid producing shales.

RPM Comment

Tailings stored in the Vammala TSF represent materials processed over the past 45 years or so. Seepage from the facility poses a significant impact risk to the environment. Appropriate mitigation actions and long-term management planning must be incorporated into the closure plan to prevent environmental issues in the future.

9.3.5 Project Closure

Closure Management

The goal of project closure of the Kaapelinkulma, Orivesi and Jokisivu Mines and the Vammala processing facility is to establish pre-mining conditions. Infrastructure including roads, buildings, ponds, etc. will be removed and the waste rock storage areas will be capped to meet regulatory requirements for oxygen diffusion and water infiltration. The tailings storage facility will not be covered but access to the mine pit will be controlled using appropriate blockades and signs.

Closure and Post-Closure Costs

Closure Cost Projections for the Kaapelinkulma, Orivesi, and Jokisivu Mines and the Vammala processing facility are shown in **Table 9-2**.

Dragon Mining's process for estimating the closure costs is reasonable. The closure costs are estimated in Euro (€) and are present in Dragon Mining's accounts. The accounts costs have been converted to USD using the exchange rate of the Valuation Date (1st June 2021).

Table 9-2 Closure Cost Projections for the Vammala Production Centre Facilities

Facility	Projected Closure Cost (USD)	Project Closure Cost (€)
Kaapelinkulma Mine	0.78M[1]	0.60M
Orivesi Mine	5.4M[3]	4.17M
Jokisivu Mine	5.3M[2]	4.11
Vammala Plant	2.28M	1.75

[1] *Based on the analysis done waste rock is classified as inert waste. Much of the material is projected for use as aggregate for building applications. Remaining waste rock dump is covered with till from minesite.*

[2] *Closure estimate is based on 3rd party independent estimate presented in the permitting process. Waste rock is possibly acid forming.*

[3] *Closure estimate is based on Jokisivu estimate due to similarity between mines.*

Environmental permits

The Projects currently holds numerous environmental, construction, and operating permits. **Table 9-3** outlines the current licences and permits held.

Table 9-3 Environmental Permits

Asset	Permit Name	Issuance	Validity Expiry
Vammala Plant	Environmental Permit 15/2008/2, Dnro LSY-2001-Y-42	19-Mar-08	Valid until appeals of new permit have been processed duly.
	Environmental Permit LSSAVI/3810 & 3809/2017	12-Mar-20	Appealed.
Kaapelinkulma Gold Mine	Environmental Permit 92/2011/1, Dnro LSSAVI/315/04.08/2010	26-Aug-11	Until further notice.
	Environmental Permit 175/2015/1 (Dnro LSSAVI/4511/04.08/2014)	14-Oct-15	Until further notice.
Svartliden Plant	Environmental Permit M 1704-10	30-Nov-12	Until further notice.
	Decision for cleaning devices of the water handling in Svartliden	18-Feb-14	None.
	Decision for order of safety measures regarding notification for processing enriched ore in Svartliden	20-Apr-15	20/04/2017
	Decision to process ore from test mining in Fäboliden	8-May-17	When test mining is complete.
	Decision to continue to process enriched ore in Svartliden	7-Apr-17	7-Apr-20
	Decision to continue to process enriched ore in Svartliden	5-Mar-20	5-Mar-23
Fäboliden Gold Mine	Environmental Permit – Test Mining 551-5277-2016	23-Nov-17	30-Sep-27

Asset	Permit Name	Issuance	Validity Expiry
Jokisivu Gold Mine	Environmental Permit 58/2010/1, Dnro ESAVI/6066/2015	3-Dec-10	Until further notice. Valid until appeals of new permit have been processed duly.
	Environmental Permit 162/2016/1, Dnro ESAVI/6066/2015	13-Jun-16	Until further notice. Valid until appeals of new permit have been processed duly.
	Environmental Permit 51/2021, Dnro ESAVI/43764/2019	17-Feb-21	Appealed.
Orivesi Gold Mine	Environmental Permit 1/2006/2, Dnro LSY-2000-Y-284	24-Feb-06	Temporary permit until 31.12.2010
	Environmental Permit application 28 April 2010		In 6 June 2019, the Supreme Administrative Court upheld the decision of the Regional State Administrative Agency ("AVI") to reject the Environmental Permit.

Source: Provided by the Client.

RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

10. COMMUNITY MANAGEMENT

RPM reviewed available information and did not identify any high risks. There are a few areas of moderate concern:

- The site uses an ad hoc approach to social management and lacks many good international industry practice (GIIP) policies and procedures. The ad hoc approach is currently working, but the lack of policies and procedures reduces the sites' ability to proactively engage with local community.

- The Finnish assets are situated near residential areas and have periodic community complaints related to noise and dust. It is likely that residents will continue to appeal approval of mining and processing permits, leading to project delays.

- The Swedish assets are situated in land that traditionally belongs to the Sami Indigenous people group. While there are occasionally tensions, the Company

has a long history of engagement. It is possible that members of the Sami will appeal approval of mining permits to protect their traditional reindeer land, leading to project delays.

- Two NGOs, Friends of the Earth Finland, and the Finnish Association for Nature Conservation, have conducted campaigns against the mines in the past. It is possible that the NGOs will attempt to create legal roadblocks for necessary permits, leading to project delays.

Social Management

GIIP involves a structured approach to social management, that is, a Social Management System (SMS) made up of policies, procedures, and management plans. An SMS is designed to ensure a consistent and replicable approach to maintaining social license to operate. The Company exhibits two components of GIIP, a Code of Conduct and an annual sustainability report, but the bulk of required policies, procedures and management plans are missing. At a minimum, the Company should develop and implement country specific stakeholder engagement plans and site-specific external grievance management process.

The lack of engagement plans is reflected in the informal approach to communication with neighbouring communities, relying on local employees to represent the Company. There are no dedicated Community Relations staff.

RPM Comment

In countries with a strong regulatory framework, like Sweden and Finland, regulations somewhat reduce the need for a formal SMS. Regulations are not as effective at managing social risk, and strong local engagement is the key to maintaining social license. RPM recommends that the Company develop and implement, at a minimum, country specific stakeholder engagement plans and site-specific external grievance management processes. The ad hoc approach is moderately effective, but the lack of policies and procedures reduces the sites' ability to proactively engage with local community, and leaves the sites open to community risk. The current community engagement is reactive and not proactive.

Vammala Production Centre

The Jokisivu mine and Vammala process plant are located near residential areas. The nearest neighbours are located within the safety protection distance (600m). The proximity to local homes has led to local stakeholder complaints. Two neighbours of the Vammala plant have appealed the permitting application due to noise levels. Other residents have complained about dust levels. The Company has taken action to install dust monitoring stations that allow real-time monitoring and increased watering.

Communities near the tailings storage facility (TSF) could potentially be impacted in the event of dam failure. Safety assessments for the TSF are conducted by governmental authorities, and emergency response plans are in place.

RPM Comment

RPM anticipates delays to the permitting process due to the history of complaints and formal appeals to the permitting process. RPM recommends developing a proactive local engagement strategy to establish a positive narrative around the production centre and the local benefits. The lack of grievance mechanism means the Company has no system to identify and mitigate local risk.

Svartliden Production Centre

The Swedish operations are in the traditional herding area of the Sami Indigenous people. Engagement with local communities and the Sami villages' representatives is required in Svartliden's environment permit. The site has conducted regular engagement activities with the Sami since 2004. The Sami have raised grievances against the project, mostly of general nature regarding restricted land access across the project footprint. A reindeer impact study was conducted and concludes that with the proper mitigation actions in place, there should be no significant negative impacts on the Sami, their livelihoods, or the reindeer.

The Sami are expected to present challenges for the permitting of the Fäboliden project. Consultations with Sami representatives on management measures for potential impacts of the project on reindeer herding are ongoing.

RPM Comment

GIIP requires a specific Indigenous engagement plan. Annual or bi-annual formal engagement is an important step, however it is not considered a sufficiently robust approach to engaging with Indigenous populations. RPM recommends a clear Indigenous engagement strategy that includes culturally appropriate information sharing, proactive engagement and a clear grievance management system.

External Organisations

Two organisations, Friends of the Earth Finland, and the Finnish Association for Nature Conversation, have conducted campaigns against mining permit approvals. The bulk of their action was in 2013 related to Orivesi. They opposed the continued mining operations at Orivesi during the permit appeal process. As a result, the Western and Inner Finland State Administrative agency (ELY) rejected the issuance of the new environmental permit. The organisations demanded that ELY close down the mining operations after the new permit was denied, however ELY rejected this demand and allowed Orivesi to continue mining under the existing permit.

RPM Comment

There are no current anti-Dragon Mining campaigns originating from the two organisations. The history of issues from 2013 would suggest that additional anti-mining activity is possible and could impact the approval timelines.

11. RISKS AND OPPORTUNITIES

11.1 Opportunities

RPM highlight the following key opportunities:

11.1.1 Exploration Potential and Mine Life Extension

- Exploration in areas surrounding the Orivesi Gold Mine is continuing to define resources that may justify re-opening of the mine.

- Infill drilling and mapping of drives at Kujankallio is likely to result in upgrade of Indicated Resources.

- For Kaapelinkulma, there is an opportunity to capture additional mineralisation by constructing low grade halo wireframes around existing high-grade mineralisation. There is also an opportunity to define further mineralisation beneath the South deposit.

- For Svartliden, the mineralisation remains open at depth beneath the east pit and there is potential to laterally extend lodes at depth.

11.1.2 Processing

- Increased gold recovery at the Svartliden operation, and

- Sale of the Vammala flotation concentrate to a smelter or trading house, may attract very good terms and improve revenues.

11.2 Risks

Mining is a relatively high-risk business when compared to other industrial and commercial operations. Each mine has unique characteristics and responses during mining and processing, which can never be wholly predicted. RPM's review of the Projects indicates risk profiles typical of small-moderate scale mines at similar levels of resource, mine planning and development in the Nordic Region. Until further studies provide greater certainty, RPM notes that it has identified risks and opportunities with the Projects as outlined in **Table 11-2**.

RPM has attempted to classify risks associated with Dragon Mining based on Guidance Note 7 issued by The Stock Exchange of Hong Kong Limited. Risks are ranked as High, Medium or Low, and are determined by assessing the perceived consequence of a risk and its likelihood of occurring using the following definitions:

Consequence of risk:

- Major: the factor poses an immediate danger of a failure, which if uncorrected, will have a material effect (>15% to 20%) on Dragon Mining's cash flow and performance and could potentially lead to failure;

- Moderate: the factor, if uncorrected, could have a significant effect (10% to 15% or 20%) on the Projects cash flow and performance unless mitigated by some corrective action, and

- Minor: the factor, if uncorrected, will have little or no effect (<10%) on Dragon Mining's cash flow and performance.

Likelihood of risk occurring within a 7-year timeframe:

- Likely: will probably occur;

- Possible: may occur, and

- Unlikely: unlikely to occur.

The consequence of a risk and its likelihood of occurring are then combined into an overall risk assessment as shown in **Table 11-1** to determine the overall risk rank.

Table 11-1 Risk Assessment Ranking

	Consequence		
Likelihood	**Minor**	**Moderate**	**Major**
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

RPM notes that in most instances it is likely that through enacting controls identified through detailed review of the Mine's operation, existing documentation and additional technical studies, many of the normally encountered Mine risks may be mitigated.

The risks for the Dragon Mining assets are summarised in **Table 11-2**.

Table 11-2 Dragon Mining Asset Risks

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
Medium	Remnant resource for Orivesi and Svartliden may not be economically extractable if mine closed for long periods	Exploration to define additional resources to justify re-opening of the mines	Mineral Resource quantities
Low	Inferred Resources for Arpola consist of many small objects which may decrease in size with further drilling	Conservative extrapolation and estimation of the Mineral Resource	Inferred Mineral Resource quantities
Low	Some of the Inferred Resources for Kaapelinkulma may not be confirmed by further drilling due to the discontinuous nature of the mineralisation	Conservative extrapolation and estimation of the Mineral Resource	Inferred Mineral Resource quantities
Low	Bulk density in east part of Svartliden deposit may be overestimated	Bulk density sampling should there be potential to re-open the mine	Mineral Resource quantities
Low	Variations to the base of the till surface at Fäboliden	More data from mining operations	Mineral Resource quantities and classification
Low	Loss of exploration tenements due to lack of exploration expenditure	Carry out exploration in prospective areas	Tenement holding
Low	The site uses an ad hoc approach to social management and lacks many good international industry practice (GIIP) policies and procedures. This approach increases the likelihood of community issues	Develop Community Engagement Plan, and Grievance Management Plan	Community risk
Medium	The Finnish assets are situated near residential areas and have periodic community complaints related to noise and dust. It is likely that residents will continue to appeal approval of mining and processing permits, leading to project delays	Develop Community Engagement Plan	Project approval timelines

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
Medium	The Swedish assets are situated in land that traditionally belongs to the Sami Indigenous people group. It is possible the Sami will attempt to halt project approvals	Develop Indigenous Engagement Strategy that exceeds the requirements under the law	Project approval timelines
Low	Environmental NGOs have previously conducted campaigns against the mines. It is possible the NGOs will conduct further campaigns to attempt to halt project approvals	Local communication strategy	Project approval timelines
Low	Predicted gold recoveries not achieved for Jokisivu ores	Maintain current operating practices	Revenue
Low	Predicted gold recoveries not achieved for Fäboliden open-cut ores	Implement proposed processing conditions	Revenue
Low	Increase in Vammala process operating costs	Maintain current operating practices	Revenue
Low	Increase in Svartliden process operating costs	Implement proposed processing practices	Revenue
Low	Increase in Vammala capital expenditure	Lock in firm quotations for equipment and unit costs	Revenue
Medium	Fäboliden Mine: The CAB indicated that a permit cannot be issued before a species protection exemption has been granted. The alternative result would be not to grant the permit until a satisfactory species protection inventory was conducted	Apply for a Species Protection Exemption	Environmental permit acquisition
Medium	Fäboliden Mine: Seepage from the waste rock storage facility is expected to generate ARD with leachable elements detrimental to water quality	A groundwater and surface water monitoring program should be installed to provide early detection of water quality impacts. Implementation of appropriate mitigation actions may be required if impacts are found	Environmental: Water quality impact

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
Medium	Svartliden Mine and Processing Facility: Seepage from tailings storage, through cracks in the pit wall, is likely impacting surface water and groundwater quality downgradient	A monitoring program must be implemented to identify problem areas and appropriate mitigation actions should be implemented	Environmental: Water quality impact
Low	Kaapelinkulma Mine: The presence of several protected and endangered species makes biodiversity an important consideration of environmental quality	A detailed management program, noted as a biodiversity action plan in the IFC Performance Standard 6, must be developed, implemented and closely monitored	Environmental: Biodiversity
Medium	Orivesi Mine: Water treatment for surface water and groundwater in the mine area will likely extend for several decades. Appropriate facilities must be maintained to prevent environmental impact. The costs associated with monitoring and maintenance including disposal of water treatment waste must be incorporated into the closure costs	Develop and implement a monitoring and water treatment plan	Environmental: Water quality control during the post-closure phase
Low	The groundwater is located near the surface. Potential contamination from hydrocarbon toxic chemical spills is great. Management and training programs should be developed and implemented	Management and training programs should be developed and implemented	Environmental: Water quality control

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
Medium	New Vammala Environmental Permit (Mar 2020) contains much stricter permit conditions related to crushing than existing permit (2014) due to complaints received from stakeholders. The Company submitted appeal of conditions to Administrative Court of Vaasa 20 April 2020. The Company can continue to operate under its existing permit conditions until the court action is decided. If not ruled in Company favour may impact production	Continue to appeal stricter conditions	Production rates
Medium	Tailings stored in the Vammala TSF represent materials processed over the past 45 years. Seepage from the facility poses a significant impact risk to the environment	Appropriate mitigation actions and long-term management planning must be incorporated into the closure plan to prevent environmental issues in the future	Environmental: Potential impact to water resources due to TSF seepage.

12. TECHNICAL VALUATION

This Valuation is made in accordance with the following:

- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("The JORC Code"), 2012 Edition;
- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets ("The VALMIN Code");
- ASX Listing Rules (Chapter 5) and Relevant Guidance Notes, and
- Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 and 112 in relation to the "Content of expert reports" and the "Independence of Experts" respectively.

12.1 Background

RPM was commissioned by BDO on behalf of Dragon Mining to prepare an Independent Valuation for Dragon Mining's Sweden and Finland assets.

The information in this report that relates to the VALMIN valuation of Dragon Mining's assets is based on information compiled and reviewed by Mr. Steve Hinde, who is a member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of RPM.

Mr. Hinde has more than 40 years' experience in the mining industry and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" or "Specialist" under the definitions provided in the VALMIN Code. Mr Hinde has completed numerous mineral property valuations globally and qualifies as a mineral property valuator under the VALMIN Code.

Mr Hinde has no interest whatsoever in the assets reviewed and will gain no reward for the provision of this Independent Valuation. RPM will receive a professional fee for the preparation of this statement.

The assets agreed with BDO and Dragon Mining to be reviewed and valued are summarised in **Table 1-1**.

In conjunction with this Valuation, RPM conducted a high level ITER, the findings of which are captured in the earlier sections of this report. The ITER provides the technical review and assurance on which the Valuation is based.

12.2 Ownership Changes and Key Developments

Dragon Mining purchased the Fäboliden project from Lappland Goldminers AB in December 2015 for SEK38M. At the time Lappland were bankrupt. As the asset was in a distressed state the resource multiple based on the existing Mineral Resources at the time was USD1.58/oz. This does not represent a Comparable transaction and so was not used in the valuation using Comparable Transactions.

12.3 Mining Licences and Tenements

RPM completed a high-level tenure review and determined that the tenements granted to Dragon Mining are currently valid and appear to be in good standing (see **Section 3.1**).

12.4 Mineral Resources and Ore Reserves

Dragon Mining has Ore Reserves for the operating Jokisivu underground mine and the Fäboliden open cut development project. There are Mineral Resources at Jokisivu and also Mineral Resources for the Fäboliden open cut and potential underground operation. There are residual Mineral Resources at the closed Svartliden mine in Sweden and the closed Orivesi and Kaapalinkulma mines in Finland. Details of Mineral Resources and Ore Reserves are in **Sections 5** and **6**.

12.5 Previous Valuations of Dragon Mining Assets

No previous valuations have been provided for review and RPM understands there have been none.

12.6 Basis of value

The VALMIN Code primarily uses the terms Market Value and Technical Value.

- Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

- Market Value is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Valuation date is the 1st of June, 2021.

Three Valuation Approaches are noted by the VALMIN Code as being widely accepted approaches.

Market-based Approach

The Market Approach is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market. These include:

- Comparable Sales Transaction, and

- Joint Venture Terms.

Income-based Approach

The Income Approach is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cashflow of a Mineral Asset are analysed. These include:

- Discounted cashflow (DCF), and

- Multiples of Earnings.

Cost-based Approach

The Cost Approach is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis. These include:

- Sunk costs, and
- Current Replacement Costs.

The selection of an appropriate Valuation Method will depend on such factors as the:

- nature of the Valuation;
- development status of the Mineral Assets, and
- extent and reliability of available information.

The VALMIN Code (2015) provides a classification of mineral assets which relate to the applicability of the Valuation approaches. These are:

- Early-stage Exploration Projects – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;
- Advanced Exploration Projects – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;
- Pre-Development Projects – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;
- Development Projects – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;
- Production Projects – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

The Valuation approaches applicable to these mineral asset classifications are shown on **Table 12-1**.

Table 12-1 Comparison of Valuation Approaches

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Valuation of a mineral asset should use at least two approaches and the reasons for selection of the Valuation approach should be explained. The market premium/discount must be explained. A range of values and a preferred value must be determined.

12.7 Valuation Approaches

The valuation methods selected are in accordance with the recommendation by VALMIN in relation to the suitability of certain valuation approaches as a function of the maturity of projects. These methods included an Income-Based approach (discounted cash flow (DCF) analysis) and a Market approach (Comparable Transactions), with support from a Geoscientific approach (modified Kilburn method). An Appraised Value approach (Multiples of Exploration Expenditure (MEE)) was not possible for exploration tenements due to the lack of exploration expenditure in the last five years. A salvage value was applied to the process plants.

12.7.1 Income-based Approach

For an Income-based approach a discounted cash flow model (DCF) may be used to determine the Net Present Value of an asset if suitable information is available. Any available cash flow models or mining schedules for an asset are utilised which includes:

- Life of mine production schedule.
- Operating cost of mining equipment.
- Operating cost of fixed plant items.
- Capital costs of both mining equipment and fixed plant.
- On-site labour for the entire operation.
- Pricing assumptions.
- Tax and depreciation rates.
- Royalties.

- Discount rate suitable for the project or mine, and jurisdiction.

12.7.2 Comparable Transactions

The Comparable Transactions approach is based on the determination of a transaction multiple, usually a resource multiple ($/t), however it can be applied to dollars per unit area or area multiple ($/Ha or $/km^2). The market transaction purchase prices are based on a large number of factors: geological factors and exploration potential, proximity to existing mines or mineral resources, status of target company, strategic benefit to the buyer, market conditions, etc. No two assets can be deemed to be exactly comparable, therefore a suitable number of similar assets reflecting status of exploration, tenement type and geological setting aim to be selected.

From each of the transactions a transaction multiple ($/Ha) is determined based on the purchase price and tenement area. A range and a preferred value is determined based on an assessment of the comparable transaction's similarity to the asset being valued.

The $/Ha transaction multiples have been adjusted to reflect the increase in gold price and market sentiment.

There are a number of limitations to the Comparable Transactions approach:

- Difficulty in obtaining sufficient recent transactions considered comparable to the asset being valued;

- Obtaining accurate purchase price and asset quality data, and

- Market fluctuations impact purchase prices.

- Comparable transaction data was obtained for resource multiples and area multiples and these were applied as appropriate to the assets being valued.

12.7.3 Geoscientific Approach

The Geoscientific approach is based on the cost of application and holding a tenement for a period of 12 months. The approach focuses on a Base Acquisition Cost ("BAC") and factoring based on geology and exploration, and location with respect to known mineral resources and mines. Further modifying factors relating to market factors are applied as necessary. The BAC includes application fees, rental and statutory exploration costs as defined in granting of the permit conditions.

Current Swedish regulations (Ordinance 1998:218 Section 2) states an exploration permit application fee of SEK500 per 2,000Ha or part thereof, and an annual fee per Ha of SEK4 (Year 1), SEK6 (Year 2) and SEK10 (Year 3). There is no stipulated annual expenditure requirement.

According to Finland's Mining Act (621/2011) issued in Helsinki 10th June 2011, Part 1 Exploration and Exploitation of Mining Minerals, Chapter 1, Section 99, there is no exploration permit application fee and no stipulated annual expenditure requirement. There is an Exploration Fee whereby the exploration permit holder pays annual compensation (exploration fee) to the owners of land included in the exploration area, being 20/Ha for years 1-4, 30/Ha for years 5-7, 40/Ha for years 8-10, and 50/Ha onwards.

Geological factors were originally developed by Kilburn (1990), with a rating from 0.1 to 10. These have since been modified by numerous others. RPM uses the geological factors as shown in **Table 12-2**.

Due to the high current gold price and the short-medium term forecast for this to remain high, a market factor of 1.25 has been used to determine market value from technical value.

Table 12-2 Geoscientific Ranking Factors

Rating	Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
0	No prospect of mineralisation			
0.5	Unsuitable environment with little chance of mineralisation	Unsuitable environment with little chance of mineral prospectivity	Previous exploration with poor results – no encouragement	Generally unfavourable geology
0.75	No known mineral deposit in district	No known mineralisation in tenement area	No targets identified	Generally <50% favourable geology
1	Indications of prospectivity in surrounding areas	Indications of mineralisation	Previous exploration – no targets identified	Generally favourable geology in area <75%
1.5	Promising results from drilling around the area	Drilling shows encouragement with prospective mineralisation	Early stage targets	Generally favourable geology in area. Mineralised structures/stratigraphy present
2	Historical workings in adjacent areas	Significant drilling	Well-defined targets identified	Strongly favourable geology
2.5	Along strike from historical workings	Historic production within the area	Several well-defined targets	
3	Mineral Resources identified in adjacent areas	Recent mining in area	Significant targets	
3.5	Adjacent area has Mineral Resources and project prefeasibility status	Historic mining with reasonable production	Economic targets	

Rating	Off Property Factor	On Property Factor	Anomaly Factor	Geological Factor
4	Adjacent area has Mineral Resources and project prefeasibility status	Historic production and along strike from previous workings	Economic mineralisation found in drill intersections	
5	Adjacent to operating mine	Inferred resources identified		

Source: RPM, modified after Kilburn 1990.

There are a number of limitations to the Geoscientific approach:

- Determination of an appropriate BAC, and
- The method is influenced by the size of the asset; small high-quality assets may be undervalued and large low quality assets may be overvalued.

12.7.4 Appraised Value Approach

The Appraised Value or Multiples of Exploration Expenditure ("MEE") approach was unable to be used on the exploration tenements due to limited expenditure over the last five years.

12.7.5 Preferred Valuation Method

The Income-based approach is used as the preferred method of valuation for operations or projects in development and is supported by valuation by the Market approach of Comparable Transactions.

The projects with Mineral Resources have been valued using the Comparable Transactions approach based on resource multiples with the Comparable Transaction area multiples providing the secondary method.

Exploration tenements have been valued using the Comparable Transaction area multiples as the preferred method with the Geoscientific approach providing a secondary method.

The number of Comparable Transactions with Mineral Resources in the last five years in Scandinavia is limited and therefore the valuations are unlikely to be very representative. The number of Comparable Transactions of exploration tenements in the last five years in Scandinavia is reasonable.

This is summarised in **Table** 12-3.

Table 12-3 Summary of Valuation Approaches

Tenement	DCF	Comparable Transactions Resource Multiples ($/oz)	Comparable Transactions Area Multiples ($/Ha)	Geoscientific	Value less cost	Salvage
Finland						
Orivesi		✓	✓			
Sarvisuo 1-2			✓	✓		
Sarvisuo 3			✓	✓		
Ori			✓	✓		
Jokisivu	✓	✓				
Jokisivu 2			✓	✓		
Jokisivu 3			✓	✓		
Jokisivu 4-5			✓	✓		
Jokisivu 7-8			✓	✓		
Jokisivu 10			✓	✓		
Kaapelinkulma		✓	✓			
Uunimäki 1			✓	✓		
Stormi (Vammala)						✓
Sweden						
Svartlidengruvan K nr 1		✓	✓			
Svartliden Plant						✓
Svartliden Plant GIC					✓	
Fäboliden Open Cut	✓	✓				
Fäboliden Underground		✓				
Fäboliden nr 11			✓	✓		

12.8 Valuation Results

12.8.1 Comparable Transactions

Comparable transactions were researched using S&P Global Market Intelligence database. Scandinavian countries were researched, specifically Sweden, Finland, Norway and Denmark. There were no transaction involving Ore Reserves, limited transactions involving Mineral Resources and several relevant transactions for tenements only.

These transactions are summarised below in **Table 12-4** for Resource Multiples.

Table 12-4 Comparable Transactions Resource Multiples

Date Announced/ Completed	Project	Location	Buyer	Seller	Ownership	M&I Multiple USD/oz	M, I & Inf Multiple USD/oz
Announced 12_05_2021 Pending	Barsele – OC + bulk UG	Sweden	Barsele Minerals Corp.	Agnico Eagle Mines Ltd	55%	436	106
Announced 12_05_2021 Pending	Barsele – OC + selective UG	Sweden	Barsele Minerals Corp.	Agnico Eagle Mines Ltd	55%	556	74
Completed 8/02/2018	Laiva (Nordic)	Finland	Firesteel Resources Inc (now Nordic Gold Corp)	Nordic Mines Marknad AB	40%	74	19
Completed 8/12/2017	Laiva (Nordic)	Finland	Firesteel Resources Inc (now Nordic Gold Corp)	Nordic Mines Marknad AB	60%	184	46
Completed 6/11/2015	Barsele	Sweden	Agnico Eagle Mines Ltd	Orex Minerals Inc	55%	55	26

Resource Multiples for transactions with Mineral Resources are limited to four transactions on two projects, Barsele and Laiva. The Barsele project is a very large Mineral Resource of 3.45Mt @ 1.32 g/t Au for 240k oz of gold open cut and 15.6Mt @ 2.64 g/t Au for 1.33M oz of gold for a selective underground operation. The tenements for the Barsele project are also very large at around 47k Ha, much larger than the Dragon Mining tenements. The tenements have numerous exploration targets. The Laiva project is an open cut project and has similar total gold ounces to Dragon Mining, but the Dragon Mining assets have better grades in both open cut and underground. Laiva averages 1.44 g/t Au, whereas the Fäboliden open cut averages 2.8 g/t Au. The two resource multiples for the Barsele project in 2021 are due to two mining options: an open cut with an underground bulk mining option; an open cut with a selective underground mining option. Dragon Mining has open cut and underground operations and so the bulk underground option for Barsele is not applicable.

Note, the relative proportions of Measured and Indicated Resource categories in the total resource base (i.e., including Inferred Resources) for the Comparable Transactions is high (54-87%) with the proportion of Measured Resources very low. These are similar proportions as for the Dragon Mining assets; therefore, no factor was applied for resource category.

The limited transactions causes issues with selecting relevant resource multiples. RPM has selected the resource multiple range of USD19/oz to USD74/oz, with a preferred resource multiple of USD41/oz. This is closer to the Laiva project value.

Note Dragon Mining purchased the Fäboliden project in 2015 from a bankrupt estate for a resource multiple of USD1.58/oz (see **Section 12.2**). This value is partly low due to the distressed situation of the owner and the low gold price at the time. This resource multiple has not been used in the valuation.

Gold prices have increased significantly from around USD1,200-1,300/oz in August 2019 to averaging around USD1,700-1,800/oz from mid-2020 until present day. A market factor of 1.25 was selected to account for this significant rise. **Figure 12-1** shows the gold price history with resource multiples plotted (except for the Barsele underground bulk option) which shows a higher resource multiple in recent months.

Figure 12-1 Gold Price History with Resource Multiples

Source: LBMA Precious Metal Prices

The transactions are summarised below in **Table 12.5** for Area Multiples.

Table 12-5 Comparable Transactions Area Multiples

Date Announced/ Completed	Project	Location	Buyer	Seller	Ownership	Area (Ha)	Area Multiple (USD/Ha)
Announced 3_06_2021 Pending	Home_ Palvaanen	Finland	Kinross Gold Corp	S2 Resources Ltd	70%	8,300	1,635
Announced 6_01_2021 Pending	Katinhanta	Finland	Dragon Mining Ltd	Sunstone Metals Ltd	100%	1,031	112
Announced 4_04_2019 Pending	Gold Line	Sweden	Gold Line Resources Ltd	EMX Royalty Corp	100%	54,591	23
Completed 21/08/2018	Seuru	Finland	Firefox Gold Corp	Magnus Minerals Ltd	100%	50,630	32
Completed 1/02/2018	Mustajarvi	Finland	Firefox Gold Corp	Aurora Exploration Ltd	100%	147	916
Completed 1/02/2021	Three Prospects	Finland	Firefox Gold Corp	Magnus Minerals Ltd	100%	57,900	52
Completed 14/03/2017	Kaaresselkä and Kiekerömaa	Finland	Firefox Gold Corp	Aurora Exploration Ltd	100%	1,155	110

Seven recent transactions of exploration properties with no mineral resources were found for the Scandinavian region. They vary significantly in tenement size and hence area multiples. It is noted that often the smaller tenements which are close to or adjacent to properties with mineral resources, mines or positive exploration results often have a high value and hence a high area multiple. Large, more greenfields or early-stage tenements often have a low area multiple. The selection of multiples to use in the valuation needs to be relevant to the Dragon Mining tenement.

It is noted that the Home-Palvaanen project has a very high area multiple. This project is on the Sirrka Thrust along strike from the Kittila/Suurikuusikko deposit which contains 7.4M oz @ 3. 8g/t Au, and as such, this outlier is not used in the valuation.

To assist with appropriate resource multiples selection they have been subset based on size of tenement and a range and mean determined (**Table 12-6**).

Table 12-6 Area Multiples Subset

Size	Very Large (>50k Ha)	Moderate (~1k Ha)	Small (00's Ha)
Low	23	110	916
High	52	112	916
Mean	35	111	916

Gold prices have increased significantly from around USD1,200-1,300/oz in August 2019 to averaging around USD1,700-1,800/oz from mid-2020 until present day. A market factor of 1.25 was selected to account for this significant rise. **Figure 12-2** shows the gold price history with area multiples plotted.

Figure 12-2 Gold Price History with Area Multiples

Source: LBMA Precious Metal Prices

12.8.2 Vammala Production Centre

The Jokisvu Mine, as it is supported by a mining study and Ore Reserves, is valued by DCF as the primary method and resource multiples based on Comparable Transactions as a secondary method.

The Vammala assets which have residual Mineral Resources are valued by resource multiples as a primary method and area multiples as a secondary method. In some cases the Geoscientific method has also been used.

Vammala assets which have no Mineral Resources and are exploration tenements are valued by area multiples as a primary method and the Geoscientific method as a secondary method.

The Vammala process plant has been valued with a salvage value.

Results of the valuation calculations using the area multiples are shown in **Table 12-7**. It is noted that in some cases only one transaction is comparable and hence only one area multiple is applied. In these cases, the low, high and preferred multiples are the same. Due to the lack of transaction multiples in general the preferred value is the average.

Results of the valuation calculations using the Geoscientific method are shown in **Table 12-8**. These results are discussed in the following section.

Table 12-7 Vammala Production Area Multiples Method Valuations

Area	Asset	Type*	Area (Ha)	Area Multiple (USD/Ha)			Technical Value (USD)			Market Factor	Market Value (USD)		
				Low	High	Preferred	Low	High	Preferred		Low	High	Preferred
Orivesi	Sarvisuo 1-2	EP	41.10	916	916	916	37,645	37,645	37,645	1.25	47,056	47,056	47,056
Orivesi	Sarvisuo 3	EP	46.51	916	916	916	42,600	42,600	42,600	1.25	53,250	53,250	53,250
Orivesi	Ori	RES	1,979.73	23	52	35	9,086^	20,547	14,043	1.25	11,358	25,684	17,553
Jokisivu	Jokisivu 4-5	EP	85.76	916	916	916	78,550	78,550	78,550	1.25	98,187	98,187	98,187
Jokisivu	Jokisivu 7-8	EP	18.60	916	916	916	17,036	17,036	17,036	1.25	21,295	21,295	21,295
Jokisivu	Jokisivu 10	EPA	900.33	110	112	111	98,732	100,613	99,672	1.25	123,414	125,766	124,590
Uunimäki	Uunimäki 1	EPA	89.22	916	916	916	40,860	40,860#	40,860	1.25	51,074	51,074	51,074
Orivesi	Orivesi	MC	39.82	916	916	916	36,472	36,472	36,475	1.25	45,590	45,590	45,594
Jokisivu	Jokisivu	MCL	48.32	916	916	916	44,258	44,258	44,258	1.25	55,322	55,322	55,322
Jokisivu	Jokisivu 2	MCL	21.30	916	916	916	19,509	19,509	19,509	1.25	24,387	24,387	24,387
Jokisivu	Jokisivu 3	MCL	8.97	916	916	916	8,216	8,216	8,216	1.25	10,270	10,270	10,270
Kaapelinkulma	Kaapelinkulma	MCL	65.10	916	916	916	59,627	59,627	59,627	1.25	74,534	74,534	74,534

** Note: MC (Mining Concession), MCL (Mining Claim), MP (Mining Permit), EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

 # The Uunamaki tenement is factored by 50% as it is a large tenement and a high level review shows only around 20% has prospective geology.

^ The Ori Reservation is factored by 20% as RPM anticipates only 20% will be applied for Exploration Permits.

Table 12-8 Vammala Production Geoscientific Method Valuations

Area	Asset	Type*	Area (Ha)	BAC (USD/km^2)	GeoFactor	Technical Value (USD)	Market Factor	Market Value (USD)
Orivesi	Sarvisuo 1-2	EP	41.10	6,087	3.00	7,505	1.25	9,381
Orivesi	Sarvisuo 3	EP	46.51	6,087	3.00	8,492	1.25	10,616
Orivesi	Ori	RES	1,979.73	2,000	1.69	13,363	1.25	16,704
Jokisivu	Jokisivu 4-5	EP	85.76	6,087	15.00	78,297	1.25	97,871
Jokisivu	Jokisivu 7-8	EP	18.60	4,869	3.75	3,396	1.25	4,245
Jokisivu	Jokisivu 10	EPA	900.33	2,435	1.05	23,118	1.25	28,898
Uunimäki	Uunimäki 1	EPA	89.22	2,435	2.25	2,444	1.25	3,055

** Note: EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

Jokisivu Mine

Dragon Mining purchased the Jokisivu project in 2003. The project has two deposits, Kujankallio and Arpola, which were initially mined by open cut methods in 2009 (Kujankallio) and 2011 (Arpola). Underground development commenced in 2010 (Kujankallio) and 2014 (Arpola) and the operation has operated continuously since then. Ore is treated at Dragon Mining's Vammala process plant which produces a concentrate which is transported and treated at the Svartliden plant in Sweden. As of 31st of December 2020, Jokisivu had Ore Reserves of 1.8Mt @ 2.3g/t Au for 130k oz of gold.

The Jokisivu underground mine asset was valued using the net present value (NPV) of a discounted cash flow analysis (DCF) with support from comparable transactions. The DCF valuation is preferred as it deals with recently estimated Ore Reserves (December 2020) based on a life of mine plan (LOMP), up to date operating and capital costs, and other technical parameters. The comparable transactions for the Scandinavian region over the last five years are limited and RPM believes the DCF valuation method provides a better estimate of the value.

Discounted Cash Flow Valuation

The technical and financial parameters utilised in the financial model have been validated and where necessary updated. The following financial parameters were utilised in the financial model.

- Finnish Corporate Tax
  - Corporate tax rate is 20.0%
  - Losses may be carried forward for ten subsequent years. However, the right to carry forward losses may be forfeited in certain instances, such as in cases where there is a direct or indirect change in the ownership of the company operating at a loss. However, a special permit can be applied in certain situations from the Finnish tax authorities to retain the tax losses despite the change in ownership. Loss carrybacks are not allowed.
- Depreciation
  - The capital cost of mines is written off in proportion to the quantities extracted. i.e. units of production.
- Royalties
  - Annual excavation fee of €5,000 euros per square kilometre and 0.15% of the "calculated value" of minerals or metals pulled from the ground.
- Foreign Exchange Rates
  - Exchange rates based on Federal Reserve (Release Date: 1st June 2021)
  - Currency units per US$
    - EUR/USD 1.2194
    - SEK/USD 8.3019
    - AUD/USD 1.2977

- Inflation

  – Used in determining Real gold price from Nominal Prices quoted by Energy and Metals Forecast, 17th May 2021.

  – Source – Federal Reserve source 17th March 2021, based on Median Personal Consumption Expenditures (PCE) rates used:

Year	**2021**	**2022**	**2023**	**2024 & Onwards**
Rate	2.4%	2.0%	2.1%	2.0%

- Gold Prices

  – Source – Energy and Metals Forecast – gold price USD/oz

  – Using nominal price conversion adjusted by Federal Reserve inflation rate to obtain Real Prices as below. Note long term price (2026-2030) is already in Real dollars so no conversion was required.

Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026-2030**
USD/oz	1,732	1,636	1,559	1,513	1,478	1,423

- Discount Rate

  – BDO have advised their discount rate estimate based on a WACC is 8.5%. RPM has elected to use the 8.5% DR in the financial models.

The production profile in the financial model has been adjusted to account for the ore mined from January to May 2021 inclusive. The processing of ore within the financial model is treated essentially as a toll- treatment operation to allow a stand-alone valuation.

Note the existing ore stockpiles as at the end of May 2021 at Kaapalinkulma, Jokisivu and the Vammala plant are incorporated into the financial model. The existing concentrate stockpiles as at the end of May 2021 at Vammala and Svartliden plants are incorporated into the financial model.

RPM reviewed the processing recoveries history for both the gravity and flotation concentrates and developed a relationship between recoveries and feed grades. This was applied in the financial model. In addition, the payability factor of 90% (i.e., Svartliden recovery of gold from concentrate) was increased to 94.9% based on records.

Currently the Vammala and Svartliden treatment plant costs are being solely allocated to the Jokisivu mine now the Kaapalinkulma mine is completed.

The mine closure cost was adjusted in the financial model to reflect the current closure cost estimates.

Jokisivu 2 and 3 are mining claims closely associated with the Jokisivu mining claim and mining operation and are only valued under the Jokisivu DCF analysis.

The resulting NPV is USD10.47M.

Comparable Transactions Valuation

No comparable transactions which incorporated Ore Reserves were noted for Scandinavia in the last five years. As a result, the Jokisivu mine asset is valued using resource multiples.

As at 31st December 2020 the Mineral Resources were 2.7Mt @ 4.0g/t Au for 340k oz of gold. As of 31st of December 2020, Jokisivu had Ore Reserves of 1.8Mt @ 2.3g/t Au for 130k oz of gold.

The Mineral Resource is reported at a 1.3 g/t gold cut-off grade. The cut-off level is based on mining costs and a gold price of USD1,890 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 120% of the long-term consensus forecast gold price of USD1,575 per ounce as at January 2021.

Jokisivu has the following breakdown of Mineral Resources:

- Measured Resources: 0.6Mt @ 4.8g/t Au for 100k oz gold.
- Indicated Resources: 1.5Mt @ 3.6g/t Au for 180k oz gold.
- Inferred Resources: 0.5Mt @ 4.0g/t Au for 67k oz gold.
- Total Resources: 2.7Mt @ 4.0g/t Au for 340k oz gold.
- Total Resources Depleted for 2021 mining: 2.5Mt @ 4.0g/t Au for 327k oz gold.

The proportion of Inferred Resources to total resources is low at 20%, compared to that for the comparable transactions, however the proportion of Indicated and Inferred Resources to total resources is 73%, so no factor for resource category has been applied for the valuation.

As the mine is permitted and has been in operation for several years no risk factor is applied.

The Barsele project option which incorporates open cut and bulk underground mining is not comparable with the Jokisivu mine as the latter is a selective underground operation. RPM did not use this Barsele resource multiple in the valuation estimation. Therefore, the transaction multiples used in the valuation ranged from USD19/oz to USD74/oz, with a mean of USD41/oz.

Based on the Mineral Resources and the resource multiples above, and applying a market factor of 1.25, the Mineral Resources have a value range of USD7.77M to USD30.24M with a preferred value of USD16.76M.

Jokisivu Summary Valuation

The Comparable Transactions preferred value for the Jokisvu asset is higher than the DCF valuation, though the DCF value falls in the lower part of the range. Based on these values RPM suggests a value range of **USD7.77M** to **USD16.76M** with a preferred value of **USD10.47M**.

Orivesi Asset

Mining at the Orivesi mine commenced in 1992 producing 422k oz of gold until 2003. The mine was acquired by Dragon Mining in 2003 and recommenced mining in June 2007 and finally closing in 2019. Orivesi produced a total of 3.3Mt @ 7.1g/t Au.

As at 31st December 2020 Mineral Resources for Orivesi mine were 270 kt @ 5.3g/t Au for 47k oz of gold. There are no current Ore Reserves.

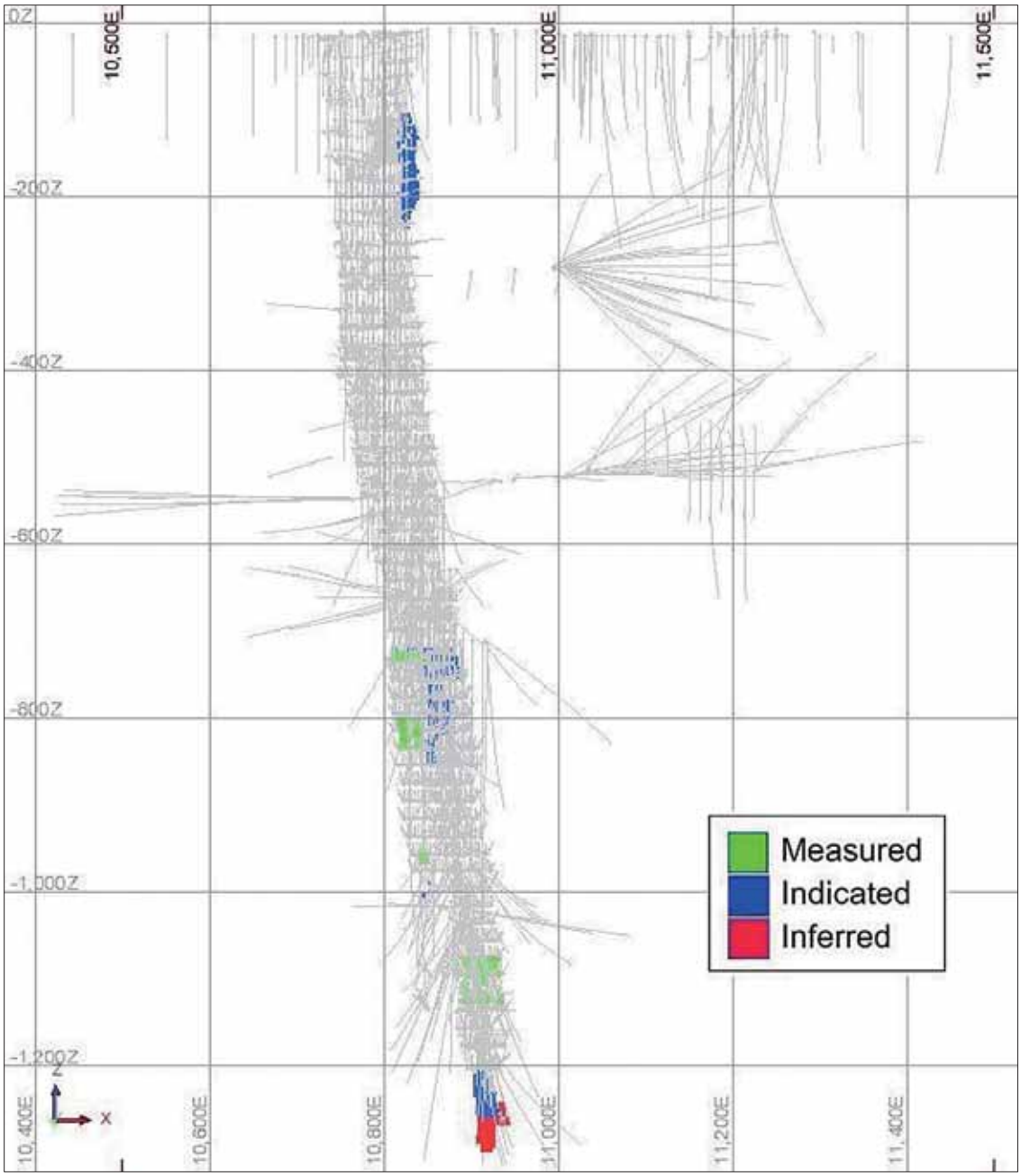
Orivesi has the following breakdown of Mineral Resources:

- Measured Resources: 93kt @ 5.0g/t Au for 15k oz gold.
- Indicated Resources: 110kt @ 5.9g/t Au for 21k oz gold.
- Inferred Resources: 71kt @ 4.8g/t Au for 11k oz gold.
- Total Resources: 270kt @ 5.3g/t Au for 47k oz gold.

The 2020 Mineral Resource is reported at a 2.6 g/t Au cut-off grade for underground material. The cut-off grade levels are based on mining costs and a gold price of USD1,770 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 120% of the short-term consensus forecast gold price of USD1,475 per ounce as at 30th March 2019. Gold prices were consistently low prior to closure, but have since risen to levels above that before mine closure, which may offer an opportunity for mining.

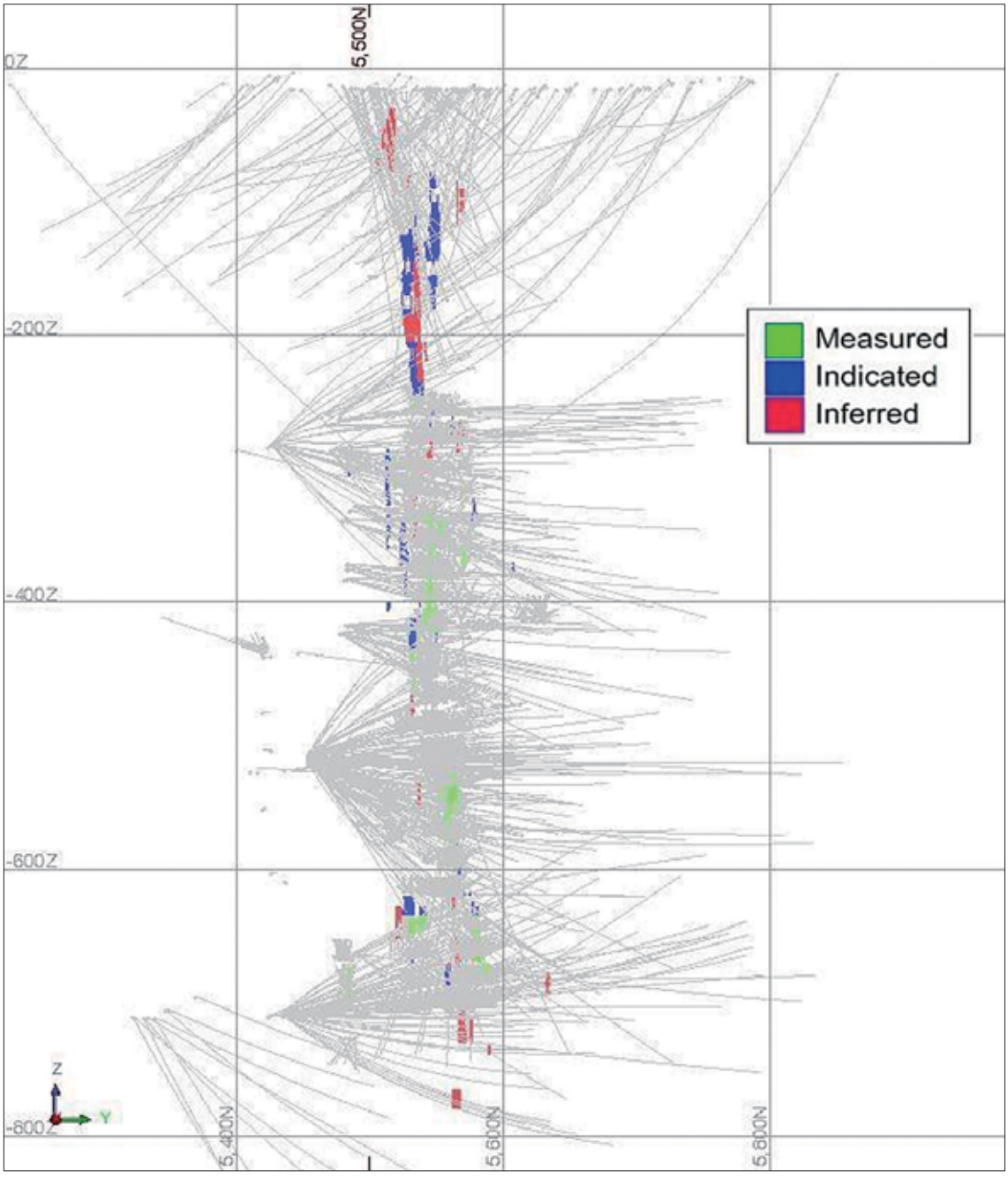
The location of current resources by classification for both the Kutema and Sarvisuo deposits is shown in **Figure 12-3** and **Figure 12-4** below.

Figure 12-3 Cross Section of Kutema Mineral Resource Classification



Source: Orivesi Gold Mine Mineral Resource Update 20th March 2020
Note: Cross-Section constrained for unmined material above 2.6g/t Au Cut-off

Figure 12-4 Cross Section of Sarvisuo Mineral Resource by Classification



Source: Orivesi Gold Mine Mineral Resource Update 20th March 2020
Note: Cross-Section constrained for unmined material above 2.6g/t Au Cut-off

As noted in the **Figure 12-3** and **Figure 12-4** above, the Mineral Resources are remnant and scattered through the mine and mostly at significant depths.

The mine is decommissioned and flooded and would require significant remedial work to restart.

The residual gold ounces should be discounted by 25% for valuation to represent the risk of these resources being available in a mine which has closed previously for economic reasons and the cost of reopening the mine.

Note, all of the comparable transaction projects have a significant proportion of Inferred Resources to total resources. Orivesi has 67% Indicated and Inferred Resources, however, as they are also residual resources the resource multiples have been discounted by 25%.

Based on the resource multiples of a range (USD 19/oz to USD 74/oz) and mean (USD 41/oz) the residual resources after applying a market factor of 1.25 have a value range of USD1.12M to US4.35M with a preferred value of USD2.41M. After discounting by 25%, the residual resources have a value range of **USD0.84 M** to **USD3.26M** with a preferred value of **USD1.81M**.

Due to the small size of the Orivesi tenement Comparable Transactions by area multiples using the area multiple of USD916/Ha and a Market Factor of 1.25 only gives a preferred value of **USD46k**. The Orivesi tenement contains significant residual Mineral Resources that are best valued using the resource multiples approach.

Orivesi Summary Valuation

The Orivesi asset is valued using the Comparable Transactions resource multiples method. Based on this RPM suggests a value range of **USD0.84 M** to **USD3.26M** with a preferred value of **USD1.81M**.

Kaapalinkulma Asset

Mining at the Kaapalinkulma open cut mine commenced in April 2019 and ceased production in April 2021 after Ore Reserves were exhausted.

As of 31st December 2020, the Mineral Resources for the Kaapalinkulma mine were 279 kt @ 2.7g/t Au for 24k oz of gold. There are no current Ore Reserves.

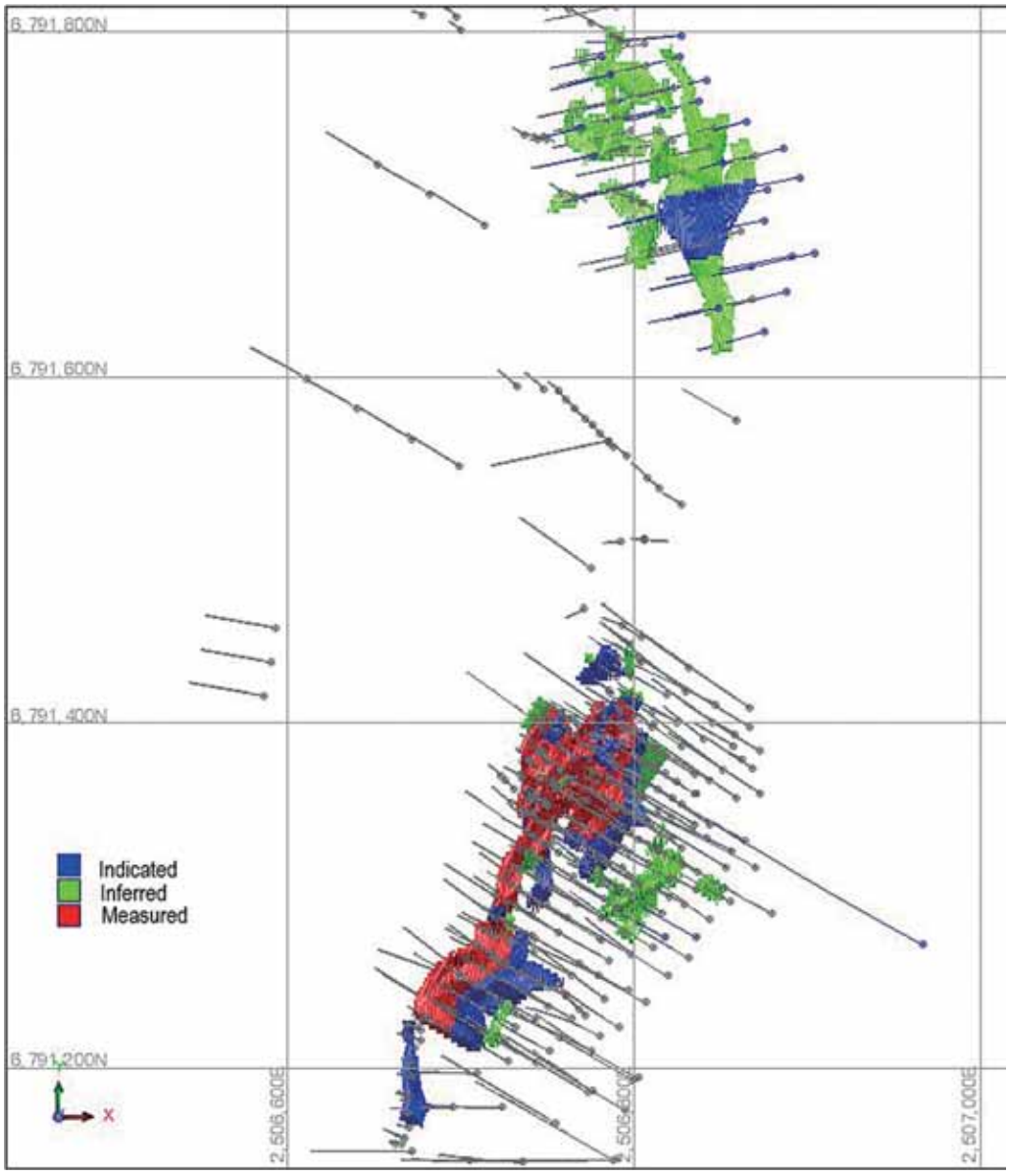
The Mineral Resource is reported at a 0.76 g/t gold cut-off grade. The cut-off levels are based on mining costs and a gold price of US$2,250 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 120% of the short-term consensus forecast gold price of US$1,880 per ounce as at 31st December 2020. Depending on gold price the resources may be mineable at some future date.

Kaapalinkulma has the following breakdown of Mineral Resources:

- Measured Resources: 26kt @ 2.3g/t Au for 2k oz gold.
- Indicated Resources: 79kt @ 3.2g/t Au for 8k oz gold.
- Inferred Resources: 174kt @ 2.6g/t Au for 14k oz gold.
- Total Resources: 279kt @ 2.7g/t Au for 24k oz gold.
- Total Resources after mining depletion 2021: 266kt @ 2.6g/t Au for 22k oz.

The location of current resources by classification for the Kaapalinkulma deposit is shown in **Figure 12-5**.

Figure 12-5 Kaapalinkulma Mineral Resource Classification (Plan View)



Source: Kaapelinkulma Gold Mine Mineral Resource Update 31st December 2020.

There is an exclusion zone for mining within the southern portion of the Kaapelinkulma South deposit due to it being the habitat of a rare butterfly. An appeals process is available for environmental permitting. According to Dragon Mining previous appeals have resulted in successful delineation of a mining permit, and as such this area was included in the Mineral Resource estimation. The Mineral Resource outside of this exclusion zone was separately estimated to be 171kt @ 2.9g/t Au for 16k oz of gold.

The Ore Reserves as of 31st December 2020 were 21kt @ 4.1g/t Au for 2,800oz of gold, which included stockpiles at the Vammala treatment plant of 8kt @ 2.8g/t Au, however, these have since been mined and the deposit is exhausted. As there has been no updated Mineral Resource estimation since the mine has ceased production, and as the Ore Reserve is currently exhausted, the Ore Reserve (less the stockpile) was subtracted from the Mineral Resource to produce a depleted Mineral Resource of 266 kt @ 2.6g/t Au for 21.92k oz of gold.

The mining is only recently completed and would not require significant remedial work to restart.

The residual gold ounces in the exclusion zone should be discounted at 10% for valuation to represent the risk related to the granting of the environmental permit. In addition, the resource outside the exclusion zone should be discounted by 10% to account for the fact that these resources cannot be converted to Ore Reserves under current times of high prices and the need to recommence the mine. This factor is higher than that for Svartliden and Orivesi due to the mine only recently being exhausted of Ore Reserves.

Based on the resource multiples of a range (USD 19/oz to USD 74/oz) and mean (USD 41/oz) the residual resources after applying a market factor of 1.25 have a value range of USD0.52M to USD2.03M with a preferred value of USD1.12M. After discounting by 10%, the residual resources have a value range of USD0.47M to USD1.82M with a preferred value of USD1.01M.

Due to the small size of the Kaapalinkulma tenement Comparable Transactions by area multiples using the area multiple of USD916/Ha and a Market Factor of 1.25 gives a preferred value of USD75k. The Kaapalinkulma tenement contains significant residual Mineral Resources and is best valued using the resource multiples approach.

Kaapalinkulma Summary Valuation

The Kaapalinkulma asset is valued using the Comparable Transactions resource multiples method. Based on this RPM suggests a value range of **USD0.47M** to **USD1.82M** with a preferred value of **USD1.01M**.

Vammala Plant

The Vammala plant operating, capital and sustaining capital is incorporated into the Jokisivu financial model. The remaining value for this asset is as a salvage value. The salvage value has been estimated at USD0.61M (see **Section 7.1.3**). RPM believes the cost of selling the asset would amount to around 5% of its value. Hence, the RPM estimated value for the Fäboliden plant is **USD0.58M**.

Exploration Tenements

The exploration tenements have been valued using the area multiples and Geoscientific approaches. These are summarised in **Table 12-7** and **Table 12-8** respectively.

The Ori Reservation has been factored by 20% as it is expected Exploration Permit Applications will be placed for only 20% of the Reservation. The Uunamaki tenement has been factored by 50% as only 50% of the tenement appears to be prospective.

The Geoscientific Factors were determined based on the parameters in **Table 12-2** and these are shown in **Table 12-9**.

Table 12-9 BAC and GeoFactors for Geoscientific Method

					GeoFactor			
Area	Asset	Type*	Area (Ha)	BAC (USD/km^2)	Off Property	On Property	Anomaly	Geological
Orivesi	Sarvisuo 1-2	EP	41.10	6,087	4	0.75	1	1
Orivesi	Sarvisuo 3	EP	46.51	6,087	4	0.75	1	1
Orivesi	Ori	RES	1,979.73	2,000	4	0.75	0.75	0.75
Jokisivu	Jokisivu 4-5	EP	85.76	6,087	5	4	1	0.75
Jokisivu	Jokisivu 7-8	EP	18.60	4,869	5	0.75	1	1
Jokisivu	Jokisivu 10	EPA	900.33	2,435	2.5	0.75	0.75	0.75
Uunimäki	Uunimäki 1	EPA	89.22	2,435	1	1.5	1.5	1

** Note: EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

The valuation using area multiples is the primary valuation method for valuing the exploration properties. The Geoscientific method is often used as a secondary method of valuation, however, as there is no requirement to provide an expenditure commitment for both Swedish and Finnish mining authorities the cost of holding a tenement cannot be determined. This causes a low BAC value and hence a potentially misleading low valuation. Therefore, the area multiples valuation method only has been applied to estimate a value for the exploration properties. These valuations are summarised in **Table 12-10**.

Table 12-10 Vammala Production Area Exploration Tenements Valuation Summary

			Area	Market Value (USD)		
Area	Asset	Type*	(Ha)	Low	High	Preferred
Orivesi	Sarvisuo 1-2	EP	41.10	47,056	47,056	47,056
Orivesi	Sarvisuo 3	EP	46.51	53,250	53,250	53,250
Orivesi	Ori	RES	1,979.73	11,358	25,684	17,553
Jokisivu	Jokisivu 4-5	EP	85.76	98,187	98,187	98,187
Jokisivu	Jokisivu 7-8	EP	18.60	21,295	21,295	21,295
Jokisivu	Jokisivu 10	EPA	900.33	123,414	125,766	124,590
Uunimäki	Uunimäki 1	EPA	89.22	51,070	51,070	51,070

** Note: EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

12.8.3 Svartliden Production Centre

The Fäboliden Mine has a mining study and Ore Reserves and hence has been valued by DCF as a primary method and resource multiples based on Comparable Transactions as a secondary method.

Svartliden Production assets also include Mineral Resources or residual Mineral Resources which have been valued by resource multiples as a primary method and area multiples as a secondary method where appropriate. In some cases the Geoscientific method has also been used.

Where the Svartliden Production assets have no Mineral Resources and are exploration tenements, the areas are valued by area multiples as a primary method and the Geoscientific method as a secondary method.

The Svartliden process plant has been valued with a salvage value.

Results of the valuation calculations using the area multiples are shown in **Table 12-11**. These results are discussed in the following section.

Table 12-11 Svartliden Production Area Multiples Valuations

Area	Asset	Type*	Area (Ha)	Area Multiple# (USD/Ha)	Technical Value (USD)	Market Factor	Market Value (USD)
Svartliden	Svartlidengruvan K nr 1	EC	87.54	916	80,180	1.25	100,225
Fäboliden	Fäboliden nr 11	EP	836.26	916	765,953	1.25	957,442

** Note: EC (Exploitation Concession), EP (Exploration Permit).*

 # Note: Low, High and Preferred Area Multiples are the same, giving one Technical Value and one Market Value.

Fäboliden Open Cut Asset

The Fäboliden open cut mine asset was valued using the net present value (NPV) of a discounted cash flow analysis (DCF) with support from comparable transactions. The DCF valuation is preferred as it deals with recently estimated Ore Reserves (December 2020) based on a life of mine plan (LOMP), up-to-date operating and capital costs, and other technical parameters. The Fäboliden mine has produced 100 kt of ore from an open cut under a test mining permit with ore treated at the Svartliden plant so the input parameters to the financial model are well understood. The comparable transactions for the Scandinavian region over the last five years are limited and RPM believes the DCF valuation method provides a better estimate of the value.

Discounted Cash Flow Valuation

The technical and financial parameters utilised in the financial model have been validated and where necessary updated. The following financial parameters were utilised in the financial model.

- Swedish Corporate Tax
  - As of January 2021 the corporate tax rate was reduced to 20.6%;
  - Losses generated in a company can be carried forward indefinitely and offset against the taxable profit. Restrictions on the use of losses may, however, apply when a change of ownership occurs.
- Depreciation
  - Mines: These depletion amounts may be deducted annually but are limited to 100% of the acquisition cost of the mine. i.e. units of production.
- Royalties
  - Annual fee of 0.2% of the average value of the minerals mined.
- Foreign Exchange Rates
  - Exchange rates based on Federal Reserve (Release Date: 1st June 2021)
  - Currency units per US$
    - EUR/USD 1.2194
    - SEK/USD 8.3019
    - AUD/USD 1.2977

- Inflation

  – Used in determining Real gold price from Nominal Prices quoted by Energy and Metals Forecast, 17th May 2021.

  – Source – Federal Reserve source 17th March 2021, based on Median Personal Consumption Expenditures (PCE) rates used:

Year	**2021**	**2022**	**2023**	**2024 & Onwards**
Rate	2.4%	2.0%	2.1%	2.0%

- Gold Prices

  – Source – Energy and Metals Forecast – gold price USD/oz

  – Using nominal price conversion adjusted by Federal Reserve inflation rate to obtain Real Prices as below. Note long term price (2026-2030) is already in Real dollars so no conversion was required.

Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026-2030**
USD/oz	1,732	1,636	1,559	1,513	1,478	1,423

- Discount Rate

  – BDO have advised their discount rate estimate based on a WACC is 8.5%. RPM has elected to use the 8.5% DR in the financial models.

The production profile in the financial model has been adjusted by a one year extension to account for the potential delay in commencement of mining due to the granting of the environmental permit. The project now commences in January 2022. The processing of ore within the financial model is treated essentially as a toll-treatment operation to allow a stand-alone valuation.

Note the existing stockpile of ore at Fäboliden (11,700 wet metric tonnes @ 2.7g/t Au) is included in the financial model.

RPM reviewed the technical input parameters which were deemed acceptable. RPM added a 10% increase in haulage cost based on the expectation of an increase from the old contract price. Note, the mine operating cost contingency was not applied to this item.

The full mine closure cost was incorporated in the financial model.

The resulting NPV is USD8.39M.

Comparable Transactions Valuation

No comparable transactions which incorporated Ore Reserves were noted for Scandinavia in the last five years. As a result, the Fäboliden mine asset is valued using resource multiples.

As at 31st December 2020 Mineral Resources for the Mineral Resources for the open cut were 3.7 Mt @ 2.8 g/t Au for 340k oz of gold. There are no current Ore Reserves.

The Mineral Resource is reported at a 1.1 g/t gold cut-off grade. The cut-off level is based on mining costs and a gold price of US$1,740 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 120% of the long-term consensus forecast gold price of US$1,450 per ounce as at January 2021.

The Fäboliden Open Cut Mineral Resources are:

- Measured Resources: 0.1Mt @ 3.4g/t Au for 11k oz gold.
- Indicated Resources: 3.0Mt @ 2.9g/t Au for 282k oz gold.
- Inferred Resources: 0.6Mt @ 2.4g/t Au for 448k oz gold.
- Total Resources: 3.7kt @ 2.8g/t Au for 340k oz gold.

The proportion of Inferred Resources to total resources is low at 14%, compared to that for the comparable transactions, however the proportion of Indicated and Inferred Resources to total resources is 96%, so no factor is applied.

To account for the risk of obtaining the environmental permit a factor of 80% would be applied, however, due to the project having Ore Reserves defined at 2.1Mt @ 2.9g/t Au for 200k oz of gold significant risk has been taken out of the project, so this risk factor related to the environmental permit is not used.

Based on the resource multiples of a range (USD 19/oz to USD 74/oz) and mean (USD 41/oz) the residual resources after applying a market factor of 1.25 have a value range of USD8.08M to USD31.5M with a preferred value of USD17.43M.

Fäboliden Open Cut Summary Valuation

The Comparable Transactions preferred value for the Fäboliden Open Cut asset is higher than the DCF valuation, though the DCF value sits in the lower part of the range. Based on these values RPM suggests a value range of **USD8.08M** to **USD17.43M** with a preferred value of **USD8.39M**.

Dragon Mining is in the process of obtaining an Environmental permit to allow open cut mining at Fäboliden. Based on a review of the possibility of obtaining the permit and the timing the production profile in the financial model was pushed out to commence

January 2022. It is possible this could be pushed out further which would impact the valuation. It is also possible the permit may not be granted at all. Assuming an 80% probability of obtaining the permit the valuation range based on Comparable Transactions would be USD6.5M to USD25.2M and the preferred value would be USD13.9M. The preferred value based on the DCF analysis would be USD6.7M.

Fäboliden Underground Asset

The Fäboliden mine asset sits within Exploitation Concession Fäboliden K nr 1. This Concession holds both the Fäboliden open cut Mineral Resources and Ore Reserves and additional Mineral Resources beneath the open cut shell. These latter are 80% Inferred Resources with the remainder Indicated Resources and thus no underground Ore Reserve could be estimated. These Mineral Resources are valued using resource multiples from comparable transactions as a primary valuation method. There is limited opportunity to utilise a secondary method. Exploration expenditure for these resources over the last five years has not been collected separate from the open cut expenditure. A cost method was employed based on the number of drill metres and assays which define the Mineral Resource beneath the open cut. Drilling and assay costs are applied to derive an expenditure amount and this is used to derive a secondary value to support the comparable transactions method.

Comparable Transactions

As at 31st December 2020 Mineral Resources for the Mineral Resources outside the open cut were 6.5Mt @ 3.3g/t Au for 690k oz of gold. There are no current Ore Reserves.

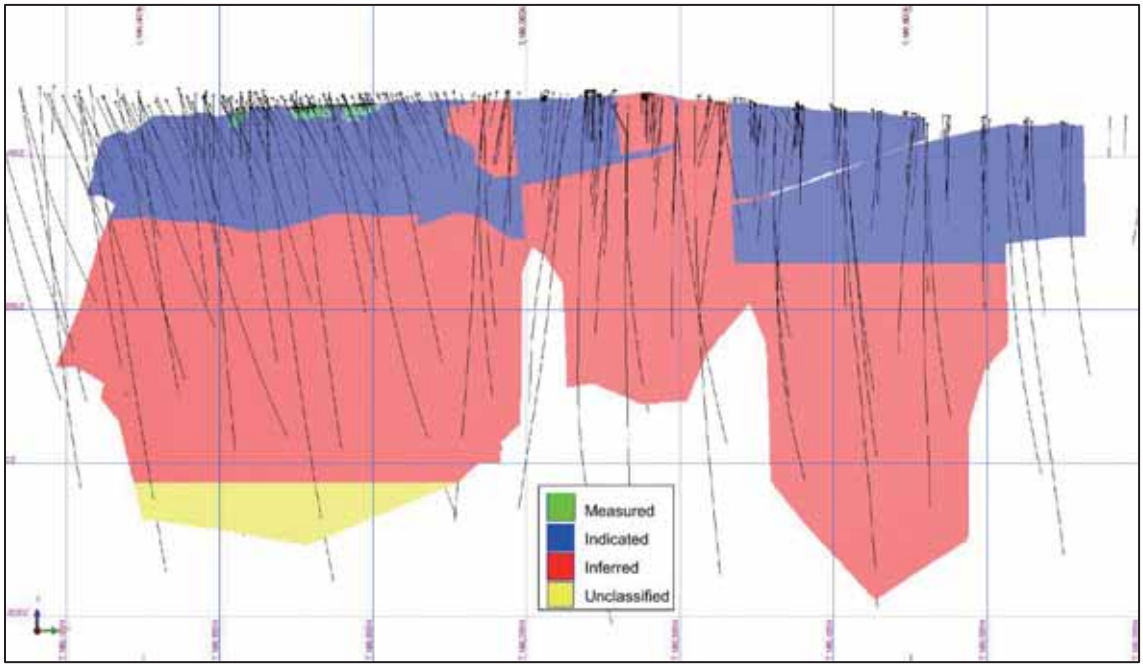
The Mineral Resource is reported at a 2.0 g/t gold cut-off grade, higher than the 1.1g/t Au cut-off grade used for the Fäboliden open cut resource due to higher mining costs. The cut-off grade is based on mining costs and a gold price of US$1,740 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 120% of the long-term consensus forecast gold price of US$1,450 per ounce as at January 2021.

The Fäboliden underground breakdown of Mineral Resource is:

- Indicated Resources: 1.3Mt @ 3.0g/t Au for 130k oz gold.
- Inferred Resources: 5.2Mt @ 3.4g/t Au for 560k oz gold.
- Total Resources: 6.5Mt @ 3.3g/t Au for 690k oz gold.

The location of current resources by classification for the Fäboliden deposit is shown in **Figure 12-6**.

Figure 12-6 Fäboliden Mineral Resource Classification (Longitudinal View looking West)



Source: Fäboliden Gold Mine Mineral Resource Update 30th April 2021.

The proportion of Inferred Resources to total resources is similar to that for the comparable transactions so no factor is applied.

Based on the resource multiples of a range (USD 19/oz to USD 74/oz) and mean (USD 41/oz) the residual resources after a market factor of 1.25 have a value range of USD16.39M to USD63.83M with a preferred value of USD35.36M.

The cost method of valuation based on expenditure over the last five years is not suitable as there has been limited relevant expenditure. The drilling into the Mineral Resource beneath the open pit in the last five years has been minimal at 23 drill holes for 1,799m. Accounting for the drilling metres cost and the 1,072 assays, and any on costs for geology core handling and storage would amount to less than USD0.5M. The cost method of valuation is not appropriate for the Fäboliden Underground Mineral Resources.

The value of the tenement by area is also insignificant and would be unrepresentative. Therefore, a secondary valuation is not possible.

Note, a high-level scoping study was carried out on the Mineral Resources beneath the open cut to determine test the possibility of an underground operation. The study was high level and based on 20% Indicated and 80% Inferred Resources and so no Ore Reserves could be determined. As this is a high-level study that uses of Inferred Resources it is not suitable for an Income-based approach for valuation using the DCF method.

Fäboliden Underground Summary Valuation

The Comparable Transactions preferred value for the Fäboliden Underground asset has a value range of USD16.39M to USD63.83M with a preferred value of USD35.36M.

Dragon Mining is in the process of obtaining an Environmental permit to allow mining at Fäboliden. It is possible the permit may not be granted. Assuming an 80% probability of obtaining the environmental permit the valuation range based on Comparable Transactions would be USD16.4M to USD51.1M and the preferred value would be USD28.3M.

Svartliden Mine Asset

The Svartliden Mine commenced operation as an open pit mine in 2004, with underground mining commencing in 2011. Mining was completed in November 2013 for economic reasons. Svartliden Gold Mine produced 377k oz of gold from 3,182 kt @ 4.1 g/t gold. Average process recovery 91%.

As of 31st December 2016, the Svartliden Mine had residual Mineral Resources of 490 kt @ 3.7g/t for 59k oz; 244kt @ 3.0g/t for 24k oz in an open cut and 245 kt @ 4.4g/t Au for 35k oz in the underground (ASX Announcement 28th February 2017).

The remaining mineralisation is to the east and beneath the Svartliden open-pit (**Figure 12-7**). Dragon Mining reports the deposit has been closed-off by drilling at depth and along strike and there is little scope for additional Mineral Resources to be defined from further drilling in the immediate mine area.

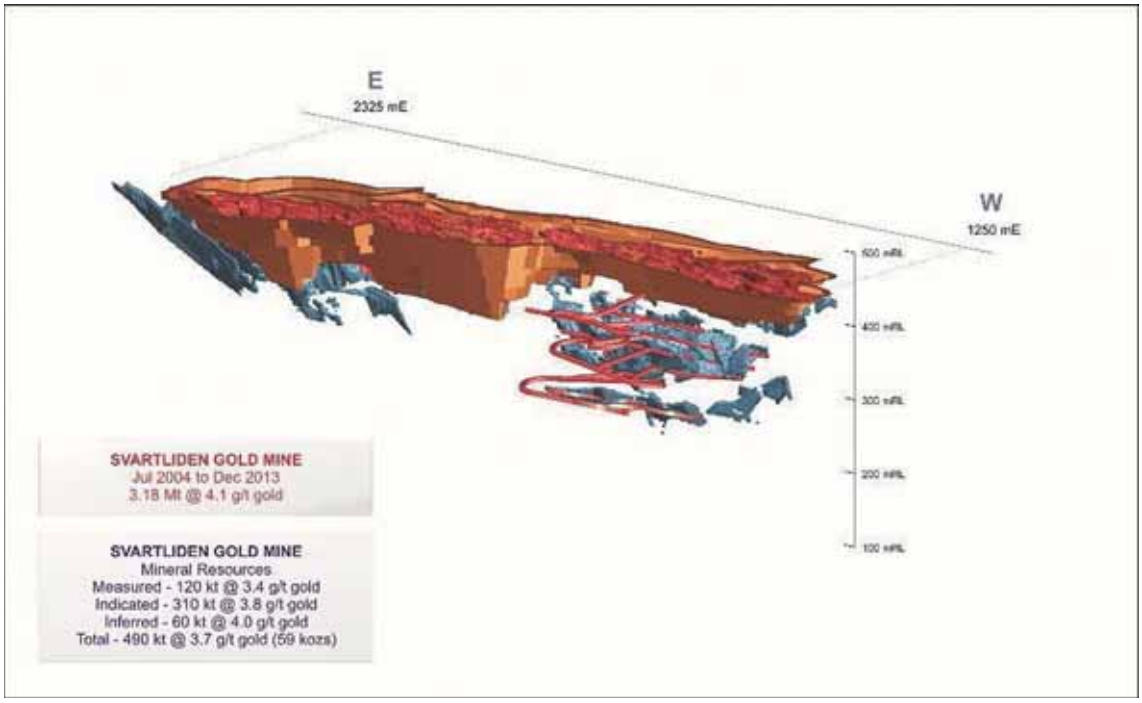
The Mineral Resource is reported at a 1.0 g/t gold cut-off grade for open-pit material and 1.7 g/t gold for underground material. The cut-off levels are based on mining costs and a gold price of US$1,500 per ounce that has been extrapolated for the potential economic extraction of the open-pit and underground resource at a level approximating 115% of the short term consensus forecast gold price of US$1,260 per ounce as at 1 July 2016. The resources may be mineable at some future date should gold price continue to increase. However, the mine is decommissioned and flooded and would require significant remedial work to restart.

The Svartliden Mine breakdown of Mineral Resources is:

- Measured Resources: 508kt @ 2.5g/t Au for 41k oz gold.
- Indicated Resources: 246kt @ 4.2g/t Au for 33k oz gold.
- Inferred Resources: 39kt @ 4.9g/t Au for 6k oz gold.
- Total Resources: 794kt @ 3.2g/t Au for 81k oz gold.

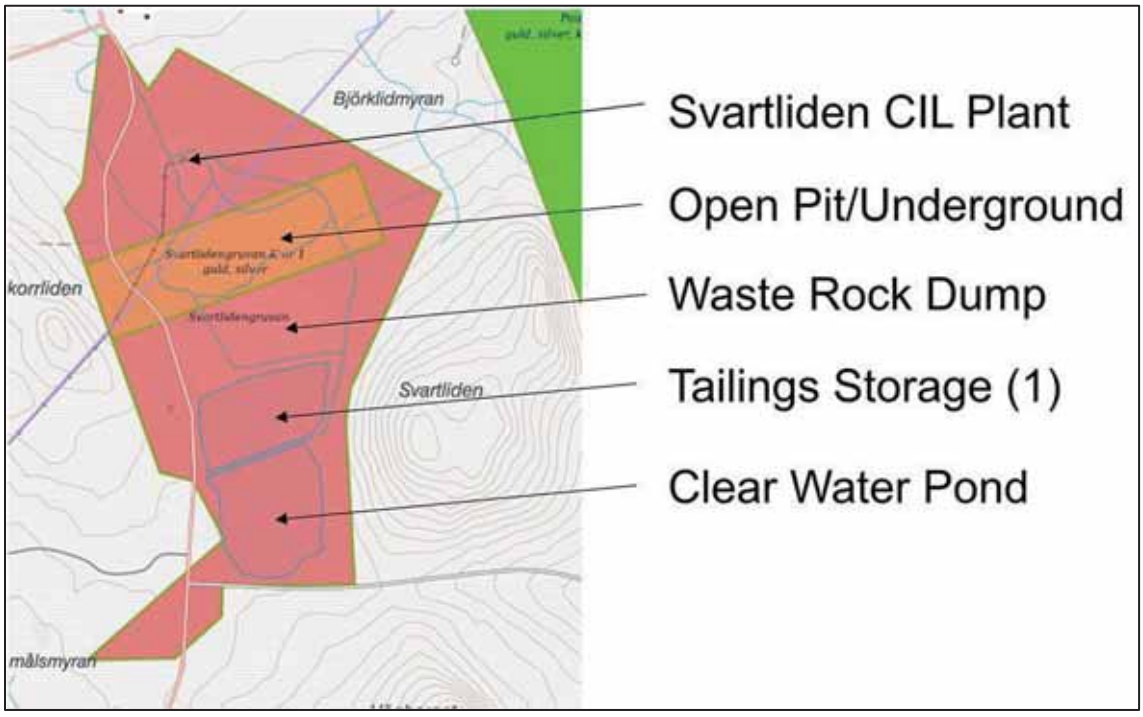
The residual gold ounces should be discounted by 25% for valuation to represent the risk of these resources being available in a mine which has closed previously for economic reasons and the cost of reopening the mine.

Figure 12-7 Svartliden Mine Mineral Resources (Isometric)



Source: Dragon Mining web site.

Figure 12-8 Svartliden Tenement and Surface Infrastructure Location



Source: Dragon Mining

The existing operation and Mineral Resources cover the majority of the Exploitation Concession Svartlidengruvan K nr 1 (**Figure 12-8**) and Dragon Mining states that the mineralisation is essentially closed off.

Based on the resource multiples of a range (USD 19/oz to USD 74/oz) and mean (USD 41/oz) the residual resources have a value range of USD1.92M to USD7.48M with a preferred value of USD4.15M. After discounting by 25%, the residual resources have a value range of **USD1.44M** to **USD5.61M** with a preferred value of **USD3.11M**.

A secondary valuation using the area multiples method gave a value of USD100k (**Table 12-12**) (no range due to lack of transaction data). The value of the concession in its own right rests solely with the residual resources and primary method of resource multiples is accepted as the method to value the concession.

Exploration Properties

The exploration tenement Fäboliden nr 11 has been valued using the area multiples and Geoscientific approaches. The area multiples method returned a value of USD0.96M (see **Table 12-13**). There is no range due to there being only one comparable transaction. The Geoscientific method returned a value of USD0.26M. RPM has a preferred value of **USD0.96M**.

Table 12-12 Svartliden Production Area Multiples Method Valuations

Area	Asset	Type*	Area (Ha)	Area Multiple (USD/Ha) Low	High	Preferred	Technical Value (USD) Low	High	Preferred	Market Factor	Market Value (USD) Low	High	Preferred
Svartliden	Svartlidengruvan K nr 1	EC	87.54	916	916	916	80,180	80,180	80,180	1.25	100,225	100,225	100,225
Fäboliden	Fäboliden nr 11	EP	836.26	916	916	916	765,953	765,953	765,953	1.25	957,442	957,442	957,442

** Note: EC (Exploitation Concession), EP (Exploration Permit).*

Table 12-13 Svartliden Production Geoscientific Method Valuations

Area	Asset	Type*	Area (Ha)	BAC (USD/km^2)	GeoFactor	Technical Value (USD)	Market Factor	Market Value (USD)
Fäboliden	Fäboliden nr 11	EP	836.26	28	9.00	207,666	1.25	259,582

** Note: EP (Exploration Permit).*

The Geoscientific Factors were determined based on the parameters in **Table 12-2** and these are shown in **Table 12-14**.

Table 12-14 BAC and GeoFactors for Geoscientific Method

Area	Asset	Type*	Area (Ha)	BAC (USD/km^2)	GeoFactor Off Property	On Property	Anomaly	Geological
Orivesi	Sarvisuo 1-2	EP	41.10	6,087	4	0.75	1	1
Orivesi	Sarvisuo 3	EP	46.51	6,087	4	0.75	1	1
Orivesi	Ori	RES	1,979.73	2,000	4	0.75	0.75	0.75
Jokisivu	Jokisivu 4-5	EP	85.76	6,087	5	4	1	0.75
Jokisivu	Jokisivu 7-8	EP	18.60	4,869	5	0.75	1	1
Jokisivu	Jokisivu 10	EPA	900.33	2,435	2.5	0.75	0.75	0.75
Uunimäki	Uunimäki 1	EPA	89.22	2,435	1	1.5	1.5	1

** Note: EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

The valuation using area multiples is the primary valuation method for valuing the exploration properties. The Geoscientific method is often used as a secondary method of valuation, however, as there is no requirement to provide an expenditure commitment for both Swedish and Finnish mining authorities the cost of holding a tenement cannot be determined. This causes a low BAC value and hence a potentially misleading low valuation. Therefore, the area multiples valuation method only has been applied to estimate a value for the exploration properties. These valuations are summarised in **Table 12-15**.

Table 12-15 Vammala Production Area Exploration Tenements Valuation Summary

Area	Asset	Type*	Area (Ha)	Market Value (USD) Low	High	Preferred
Orivesi	Sarvisuo 1-2	EP	41.10	47,056	47,056	47,056
Orivesi	Sarvisuo 3	EP	46.51	53,250	53,250	53,250
Orivesi	Ori	RES	1,979.73	11,358	25,684	17,553
Jokisivu	Jokisivu 4-5	EP	85.76	98,187	98,187	98,187
Jokisivu	Jokisivu 7-8	EP	18.60	21,295	21,295	21,295
Jokisivu	Jokisivu 10	EPA	900.33	123,414	125,766	124,590
Uunimäki	Uunimäki 1	EPA	89.22	51,070	51,070	51,070

** Note: EP (Exploration Permit), EPA (Exploration Permit Application), RES (Reservation).*

Svartliden Plant

The Svartliden plant has gold in-circuit stocks which were 2,830oz as at the end of May 2021. These in- circuit stocks are gold sitting within the circuit at a moment in time. They include material in the milling, leaching, carbon loading, elution and electrowinning circuits up to the process of producing doré. The estimation of gold in circuit has been determined appropriately.

There are costs associated with the extraction to produce doré and transport, refine and sell. The cost of extraction RPM has determined partially from actual costs provided by Dragon Mining and its own experience in costs associated with the process and has determined a cost of USD23.92/oz. Dragon Mining uses an average cost from invoices provided by Argo-Heraeus gold refiners for transport, refining and interest costs of SEK60/oz (USD7.23/oz) (invoice 19th May 2021 viewed). Total extraction and selling costs are USD31.15/oz.

As the stocks are within the circuit as at the 1st June 2021 the spot price of USD1,898.7/oz (LMBA Gold Bullion price) is used to determine value. The in-circuit stocks are valued at USD5.29M.

The Svartliden plant operating costs, capital and sustaining capital are incorporated into the Jokisivu and to a lesser extent the Fäboliden financial models. The remaining value for this asset is as a salvage value. The salvage value has been estimated at USD0.46M (see **Section 7.2.3**). RPM estimates the cost of selling the asset would amount to around 5% of its value. Hence, the final value for the Fäboliden plant is estimated at **USD0.44M**.

12.9 Valuation Summary

Vammala Production Area

The valuation summary for the Vammala Production Area is shown in **Table 12-16**.

The Vammala Production Area is valued in a range of **USD10.1M** to **USD22.8M** with a preferred value of **USD14.3M**.

Table 12-16 Vammala Production Area Valuation Summary

		Valuation (USD M)		
Area	**Asset**	**Low**	**High**	**Preferred**
Jokivisu	Jokivisu Mine*	7.77	16.76	10.47
	Kaapalinkulma Mine Residual Resources	0.47	1.82	1.01
	Jokisivu 4-5	0.10	0.10	0.10
	Jokisivu 7-8	0.02	0.02	0.02
	Jokisivu 10	0.12	0.12	0.12
Orivesi	Orivesi Mine Residual Resources	0.84	3.26	1.81
	Sarvisuo 1-2	0.05	0.05	0.05
	Sarvisuo 3	0.05	0.05	0.05
	Ori	0.01	0.03	0.02
Uunimäki	Uunimäki 1	0.05	0.05	0.05
Vammala	Vammala Plant	0.58	0.58	0.58
Total		**10.06**	**22.84**	**14.28**

** Note: Includes Jokisivu 1 and Jokisivu 2 tenements*

Svartliden Production Area

The valuation summary for the Svartliden Production Area is shown in **Table 12-17**.

The Svartliden Production Area is valued in a range of **USD32.6M** to **USD93.6M** with a preferred value of **USD53.6M**.

Table 12-17 Svartliden Production Area Valuation Summary

		Valuation (USD M)		
Area	**Asset**	**Low**	**High**	**Preferred**
Fäboliden	Fäboliden Open Cut Mine	8.08	17.43	8.39
	Fäboliden Underground Resource	16.39	63.83	35.36
	Fäboliden nr 11 Exploration Tenement	0.96	0.96	0.96
Svartliden	Svartliden Mine	1.44	5.61	3.11
	Svartliden Plant	0.44	0.44	0.44
	Svartliden gold in-circuit stocks	5.29	5.29	5.29
Total		**32.60**	**93.56**	**53.55**

Closure Costs

The closure costs for all operations are shown in **Table 12-18 and Table 12-19** (see **Section 9)**.

Table 12-18 Swedish Assets Closure Cost Estimates

Facility	**Projected Closure Cost (USD)**
Fäboliden Mine	7.64M (16.2M[1])
Fäboliden Mine Test Project	0.53M[2]
Svartliden Mine and Plant	5.1M

[1] *Amount required by the County Administration Board (CAB) in recommended conditions, includes costs for capping the WRSF required by CAB. The Project is in the permitting stage, so the 16.2M condition has not been finalized.*

[2] *Projected closure costs for the mine test project are covered in the costs associated with the proposed Fäboliden Mine project. If the Fäboliden Mine is not permitted, the closure costs for the test project would stand.*

Table 12-19 Finnish Assets Closure Cost Estimates

Facility	**Projected Closure Cost** *(USD)*
Kaapelinkulma Mine	0.78M[1]
Orivesi Mine	5.4M[2]
Jokisivu Mine	5.3M[2]
Vammala Plant	2.28M[2]

[1] *Waste rock storage Facility at the Kaapelinkulma Mine does not require capping. The material does not contain high levels of acid forming materials and the high arsenic levels are similar to baseline soil and rock conditions. Much of the material is projected for use as aggregate for building applications.*

[2] *Capping costs for the WRSF's and TSF's are based on The Waste Security Guide developed by the Ministry of Environment – Finland, published in 2012. The TSF cap is projected to cost between 0.6 and 3 euros/m^2, and a WRSF cap is estimated to cost between 1.5 and 7 euros/m^2 dependent on characterization of the material.*

It should be noted that closure costs have been estimated and are carried in the Dragon Mining accounts in SEK (Sweden) and Euro (Finland). The USD exchange rate fluctuates so the estimation of closure costs in USD will fluctuate. These closure costs have been estimated from SEK and Euro values using the exchange rates with the USD on the Valuation date (1st June 2021). The total closure cost to be accounted for in the valuation is USD13.6M. This total does not include the following costs for the following reasons:

- The Fäboliden open cut closure cost is accounted for in the Fäboliden financial model valuation.

- The Fäboliden test mine closure cost is null and void as the full Fäboliden closure cost will cover this once the closure cost is accepted and the environmental permit issued.

- The Jokisivu closure cost is accounted for in the Jokisivu financial model valuation.

Dragon Mining Assets Valuation Summary

Table 12-20 summarises the total outcomes of the valuation process as of a valuation date 1st of June 2021. The Vammala Production Area is valued in a range of USD8.7M to USD22.8M with a preferred value of USD10.2M. The Svartliden Production Area is valued in a range of USD27.3M to USD88.3M with a preferred value of USD48.3M.

Table 12-20 Dragon Mining Assets – Valuation Summary as at 1st June 2021

Tenement	Preferred Valuation (USD M)*		
	Low	**High**	**Preferred**
Finland			
Orivesi Mine	0.84	3.26	1.81
Sarvisuo 1-2	0.05	0.05	0.05
Sarvisuo 3	0.05	0.05	0.05
Ori	0.01	0.03	0.02
Jokisivu Mine*	7.77	16.76	10.47
Jokisivu 4-5	0.10	0.10	0.10
Jokisivu 7-8	0.02	0.02	0.02
Jokisivu 10	0.12	0.12	0.12
Kaapelinkulma	0.47	1.82	1.01
Uunimäki 1	0.05	0.05	0.05
Vammala Plant	0.58	0.58	0.58
	Low	*High*	*Preferred*
Sub-Total	10.06	22.84	14.28
Sweden			
Svartlidengruvan K nr 1	1.44	5.61	3.11
Fäboliden Open Cut	8.08	17.43	8.39
Fäboliden Underground	16.39	63.83	35.36
Fäboliden nr 11	0.96	0.96	0.96
Svartliden Plant	0.44	0.44	0.44
Svartliden gold in-circuit stocks	5.29	5.29	5.29
	Low	*High*	*Preferred*
Sub-Total	32.6	93.56	53.55
Total	**42.66**	**116.40**	**67.83**

** Note: Includes Jokisivu 2 and 3.*

The Dragon Mining assets are valued in a range of USD42.7M to USD116.4M with a preferred value of USD67.8M.

Closure costs are USD13.6M.

The Total Valuation for the Dragon Mining assets has a range of **USD22.4M** to **USD97.5M** with a preferred value of **USD54.2M.**

The required closure cost estimate from the CAB for the granting of the Fäboliden environmental permit is USD16.2M. This is significantly higher than the closure cost estimate Dragon Mining have submitted (USD7.64M) and is in the process of being negotiated by Dragon Mining. This represents a risk that the granting of the environmental permit may require a higher cost that that currently estimated and may have an impact on the valuation.

APPENDIX A. COMPARABLE MARKET TRANSACTIONS

Comparable Transactions with Resource Multiples

Barsele – 1

Project:	Barsele – Open Cut and Bulk Underground Option
Buyer:	Barsele Minerals Corp.
Seller:	Agnico Eagle Mines Ltd

Project details

Location:	Vässterbottens Län, Sweden, ~30km north of Svartliden
Mineral Resources:	Measured & Indicated Resources 264k oz, Total Resources 1,085k oz and grade is similar to Fäboliden.at ~2.4g/t Au.
Tenement:	Very large tenement area (~47k Ha) with numerous targets.

Transaction

Announced/Completed:	Announced 12th May 2021
Deal:	Non-binding letter of intent to acquire 55% in Barsele project:

- $45.0M cash.

- Common shares such that Agnico will hold 14.9% interest in Barsele Mineral Corp's common shares on transaction closing.
- 6 million warrants to acquire remaining 55% interest in Barsele.
- 2.0% NSR with rights to repurchase.
- Payment of $2.5M for each additional 1M oz Au of Ore Reserves and Mineral Resources identified above current Resources.

Total Payment:	USD63.34M Ownership: 55%
Resource multiple:	Measured & Indicated Resources only USD 436/Ha, All Resources USD 106/Ha

Barsele – 2

Project:	Barsele – Open Cut and Underground Selective Option
Buyer:	Barsele Minerals Corp.
Seller:	Agnico Eagle Mines Ltd

Project details

Location:	Vässterbottens Län, Sweden, ~30km north of Svartliden.
Mineral Resources:	Measured & Indicated Resources 264k oz, Total Resources 1,085k oz and grade is similar to Fäboliden.at ~2.4g/t Au.Tenement: Very large tenement area (~47k Ha) with numerous targets.

Transaction

Announced/Completed:	Announced 12th May 2021
Deal:	Non-binding letter of intent to acquire 55% in Barsele project:

- $45.0M cash.
- Common shares such that Agnico will hold 14.9% interest in Barsele Mineral Corp's common shares on transaction closing.

- 6 million warrants to acquire remaining 55% interest in Barsele.
- 2.0% NSR with rights to repurchase.
- Payment of $2.5M for each additional 1M oz Au of Ore Reserves and Mineral Resources identified above current Resources.

Total Payment:	USD63.34M
Ownership:	55%
Resource multiple:	Measured & Indicated Resources only USD 556/Ha, All Resources USD 74/Ha

Laiva (Nordic) 2018

Project:	Laiva (Nordic)
Buyer:	Firesteel Resources Inc (now Nordic Gold Corp).
Seller:	Nordic Mines Marknad AB

Project details

Location:	Finland.
Mineral Resources:	Measured & Indicated Resources 151k oz, Total Resources 596k oz. Grade is lower than Fäboliden at 1.44g/t.

Transaction

Announced/Completed:	Completed 8th Feb 2018
Deal:	Acquired remaining 40% in Laiva project from Nordic Mines AB:

- 58.42M common shares such that Nordic Gold will hold 60%% interest in the Laiva project through acquisition of Nordic Mines Marknad AB.

Total Payment:	USD4.48M
Ownership:	40%
Resource multiple:	Measured & Indicated Resources only USD 74/Ha, All Resources USD 19/Ha

Laiva (Nordic) 2017

Project:	Laiva (Nordic)
Buyer:	Firesteel Resources Inc (now Nordic Gold Corp).
Seller:	Nordic Mines Marknad AB

Project details

Location:	Finland.
Mineral Resources:	Measured & Indicated Resources 151k oz, Total Resources 596k oz. Grade is lower than Fäboliden at 1.44g/t.

Transaction

Announced/Completed:	Completed 8th Dec 2017
Deal:	Acquired 60% in Laiva project from Nordic Mines AB: • Cash €1M • Common shares worth CDN20M
Total Payment:	USD16.63M
Ownership:	60%
Resource multiple:	Measured & Indicated Resources only USD 184/Ha, All Resources USD 46/Ha

Barsele 2015

Project:	Barsele – Open Cut and Bulk Underground Option
Buyer:	Agnico Eagle Mines Ltd
Seller:	Orex Minerals Inc

Project details

Location:	Vässterbottens Län, Sweden, ~30km north of Svartliden
Mineral Resources:	Measured & Indicated Resources 558k oz, Total Resources 1,201k oz.

Transaction

Announced/Completed:	Completed 6th Nov 2015
Deal:	Non-binding letter of intent to acquire up to 70% in Barsele project through earn in and JV: • SEK83.72M cash and SEK58.6 on exploration over 3 years for initial 55%. • Additional 15% by completing a pre-feasibility study. • Common shares such that Agnico will hold 14.9% interest in Barsele Mineral Corp's common shares on transaction closing. • 2.0% NSR with rights to repurchase.
Total Payment:	USD17.0M
Ownership:	55%
Resource multiple:	Measured & Indicated Resources only USD 55/Ha, All Resources USD 26/Ha

APPENDIX B. QUALIFICATIONS AND EXPERIENCE

Steve Hinde

BSc (Geology) (Hons), Masters Mineral Economics, MAusIMM, MAIG, CP/QP

Steve is a geologist with 40 years' in the mining industry, with broad experience in mineral exploration, mine geology, mining, consulting, auditing, business development and valuation.

Steve has extensive mine operating experience with geological and technical services responsibility in gold and base metals. He also has broad exploration experience from grass roots to brownfields and mine- based, both underground and surface, for gold, copper and lead-zinc.

He has auditing experience from mineral resources and capital projects, through mineral processing and logistics to sales and marketing.

Alongside this Steve also has consulting experience in technical due diligence, commodity and project reviews, financial analysis and valuations of copper, molybdenum, uranium, gold, iron ore, nickel and rare metals projects in Australia and overseas.

Steve's strong management and leadership skills, adaptable manner and team enthusiasm, has established good client relationships achieving repeat business.

Steve qualifies as a Competent Person under JORC Guidelines and an Expert and Specialist under the VALMIN Code and is a member of the AusIMM and the AIG.

David Allmark

Bachelor of Science (Applied Geology), Postgraduate Diploma (Applied Geology), Advanced Diploma (Business Systems), Graduate Certificate (Geostatistics), MAusIMM, MAIG, CP/QP

David is a Principal Geologist with over 20 years' experience as a Geologist in the mining industry, for gold exploration, as well as nickel, base metal, and iron ore experience in Australia, China, Indonesia, Philippines, Africa and Mongolia. During this time he has been responsible for the planning, implementation and supervision of various exploration programs, open pit and underground production duties, detailed structural and geological mapping and logging and a wide range of experience in resource estimation techniques. His professional responsibility including: JORC and NI43-101 compliant resource estimation and reporting; geological exploration consulting for projects ranging from grassroots to feasibility stages. David has worked with companies such as Samantha Gold, Resolute (Higginsville, Chalice and Indie), Normandy, WMC, Image, Portman, Dragon Mountain Gold, Micromine and RPM.

With relevant experience in a wide range of commodity and deposit types, David meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for most metalliferous Mineral Resources. David is a member of the AusIMM and the Australian Institute of Geoscientists. Currently responsible for management of team of geologists across four countries conducting resource estimation, due diligence and exploration advisory work predominantly for gold, base metals and other commodities.

Blaine Bovee

BSc Bachelor of Science in Mining Engineering, QP

Over 25-years of underground mining engineering and operational experience, gaining broad knowledge and providing practical solutions. Substantial experience in hard rock gold mines. Heavily involved with underground mine start-ups both at domestic and international locations. Mine Manager/Technical Manager of underground mines. Key contributor to Underground Mining standards and guidelines. Owner/operator of an underground mining construction company.

Igor Bojanic

Bachelor of Engineering (Mining, Hons), Masters of Environmental Management, Graduate Diploma of Business, FAusIMM, MICA, MIQ

Igor has over 34 years' experience in the mining industry, and has a broad range of technical and operational experience. He has been involved in over 250 technical studies on metalliferous and coal mining projects throughout the world.

Igor commenced his career with BHP Iron at Mt Whaleback in the Pilbara and then transferred to BHP's gold division working at the Browns Creek Gold Mine. He continued within the gold industry moving to the Telfer Gold Mine in the early 1990's followed by secondments as a consultant to the Tuckabianna Gold Mine (WA) and the Macraes Gold Mine in New Zealand.

During his consulting career he has undertaken numerous technical studies ranging from small-scale strategic analyses to definitive feasibility studies for projects throughout the world, including all regions within Australia, West Africa, North America and the Middle East. He is the currently completing a Definitive Feasibility Study on a gold project in Saudi Arabia.

Igor's key strengths include strategic analysis of new and existing mining projects to optimise value, and developing mine plans that deliver practical and achievable outcomes. He is a senior Project Manager and is familiar with both the Australian JORC Code and the Canadian NI 43-101 reporting requirements having been involved with a number of relevant studies. In addition, Igor has post-graduate qualifications in business and environmental management.

Dr. Andrew Newell

Bachelor of Engineering (Metallurgy), Master of Engineering Science, PhD (Base-metal & PGM Sulphidisation/Flotation), CP

Andrew is a Metallurgical Engineer with over 40 years of experience in a variety of operating, managerial, technical, research and consulting roles in base and precious metals processing as well as industrial minerals in the fields of minerals processing, hydrometallurgy, plant design, process engineering (including equipment selection and design) and metallurgical test work.

He meets the requirements of a Qualified Person under NI-43-101 as well as that of a Competent Person under JORC.

His experience includes operating experience in base-metal concentrators, precious metal leaching facilities as well as diamond processing, uranium and copper leaching and base-metal smelting.

He has also been responsible for the design and commissioning of flotation and leaching equipment, flotation plants as well as precious metals leaching plants.

In addition, he has had considerable experience in process and process plant evaluations, due diligence audits, feasibility studies and metallurgical test work and program development.

Dr. Terry Brown

B.Sc. Forest Management (Watershed Management), M.Sc. Soil Chemistry/ Morphology, Ph.D. Soil and Water Chemistry, American Chemical Society, ARCPAC Certified Professional Soil Scientist, American

Over 38 years of U.S. and International experience serving in environmental management positions with two coal mining companies, a U.S. federal coal mining/environmental regulatory agency, an international research institute and an environmental management consulting firm. Specializing in due diligence reviews (environmental and social aspects) for financial institutions, mining companies and oil and gas operations.

Focusing on soil and water management activities including: Water Management – potential for development of acid rock drainage in mineral and coal mines, element dissolution, tailings storage, waste rock management, water treatment, erosion and sedimentation control, and water and soil chemistry; Soil Management – soil chemistry, soil morphology/mapping, soil fertility and soil microbiology/ bioremediation.

Significant experience in environmental impact analysis, development of impact mitigation measures, permitting of mine construction and operations, reclamation/mine closure planning, pit lake development, environmental monitoring, soil mapping, evaluation of compliance with environmental standards, liability determinations, and environmental cost accounting.

Knowledge of the U.S. federal and International laws/regulations applicable to metals mines, coal mines, and industrial minerals. Substantial experience with the Equator Principles III, IFC Performance Standards, and IFC EHS Guidelines on Mining and other IFC Guidelines for mine associated facilities.

Luke Stephens

BA International Studies, MSc Development Practices, Certificate "Social Performance Leadership"

Luke has over 20 years of experience in the mining industry. He is committed to ensuring shared value for mining companies and their local communities. He is adept at anticipating, recognizing and responding to social performance needs of stakeholders. Luke has a strong experiential and theoretical understanding of social license to operate. He is a creative thinker able to identify root causes of community issues, elicit local solutions, collaboratively develop formalised programs and monitor and evaluate them through to realization.

Philippe Baudry

Associate Diploma (Geology), Bachelor of Applied Science (Mining and Exploration Geology), Post Graduate Certificate Geostatistics, Executive Acumen Course, MAusIMM, QP/CP

Phil is a geologist with over 20 years of experience in the mining industry. With a strong background in mine geology, Phil gained a post graduate qualification in Geostatistics leading to a specialisation in resource estimation and project evaluation.

Over the last 14 years Phil has worked as a consultant focused on the Asian and Russian regions and has been based in Beijing for the past 10 years where he has built up and managed RPM's business in north Asia including offices in China, Hong Kong, Mongolia and Russia before taking overall responsibility for RPM's global advisory division which includes over 100 employees in 22 offices and has further expanded into Turkey.

During his time at RPM Phil has worked and holds close relationships with all leading financial institutions across Asia, Europe and North America. This work has ranged from Lender's Engineer, Due Diligences to IPO's and Phil has gained a detailed understanding of the requirements of both investors and banks in regards to capital raising through debt and equity, public technical report requirements and listing processes on various financial exchanges.

Phil has an in depth knowledge of the Soviet and other Asian resource/reserve reporting systems and has gained significant experience in both reviewing projects based on these systems and in converting projects from this region to international standards of reporting such as JORC.

Phil was born in France and spent 13 years living in France prior to moving to Australia. He is fluent in both French and English and through his time in Russia has gained survival Russian language skills.

With substantial experience in a wide range of commodity and deposit types gained across the globe, Phil meets the requirements for Qualified Person for 43-101 reporting, and Competent Person for JORC reporting for most metalliferous Mineral Resources and is an active member of the Australian Institute of Geoscientists (Membership No: 3721).

APPENDIX C. FILES CONSIDERED FOR THE ITER AND VALUATION

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General

RungePincockMinarco Ltd, 2018. Multiple Gold Projects Finland and Sweden, Competent Person Report for Dragon Mining Limited

Dragon Mining 2019 and 2020 Annual and Interim Reports

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RungePincockMinarco Ltd, 2014. Svartliden Gold Mine Statement of Stockpile Reserves as at 1st January 2014, for Dragon Mining AB

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Mining and Ore Reserves

Statement of Open Cut Ore Reserves for the Kaapelinkulma Gold Mine as at 31 December 2020, Tampere Region, Finland, RPMGlobal

Statement of Underground Ore Reserves for the Jokisivu Gold Mine as at 31 December 2020, RPMGlobal

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See tenements files for expenditure

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Sweden (Svartliden) – Environmental Report 2020 – MILJÖRAPPORT 2020

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- DOY_20210630_RehabVammalaPC_v2_sent.xlsx

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Scoping Study Summary V2.pdf

Argor.pdf – Argor refining/transport/interest invoice May 2021

DAB_2021_Key figures.xlsx – Inventory details, product, cost, NRV.

Financial Models:

2020 Dragon Fäboliden OP Assumption Sheet OR V1.xlsb – initial financial model used for 2020 Ore Reserves estimate.

Dragon Jokisivu UG Worksheet V2_1pt6.xlsm – initial financial model used for 2020 Ore Reserves estimate.

Dragon Jokisivu UG FM V1d.xlsm – Final financial model for Jokivisu

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Rates etc.docx – financial parameters and sources for use in financial models.

Email: Mon 14/06/2021 7:26 PM from Dragon Mining explaining Svartliden Capex of Euro2M

Comparable Transactions:

Three Prospects – Jeesio

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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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**EGM**" or the "**Meeting**") of Dragon Mining Limited ("**Company**") will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 12 August 2021 at 3:00 p.m. (Hong Kong time) to consider and, if thought fit, pass the following resolution, as an ordinary resolution of the Company, with or without amendment. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 9 July 2021, of which the notice convening the EGM forms part.

ORDINARY RESOLUTION

"**THAT** for the purposes of item 7 of section 611 of the Corporations Act and all other purposes, approval is given for GLL, APAC and API(1) to acquire a relevant interest in 41,032,727 Shares by acquiring all of the issued share capital of APRL on the terms and conditions set out in the Sale and Purchase Agreement, and consequently, for GLL, APAC, API(1) and their respective associates to hold voting power in the Company of approximately 25.83%."

Hong Kong, 9th July, 2021

Registered Office:
Unit 202, Level 2,
39 Mends Street,
South Perth,
Western Australia 6151,
Australia

Principal Place of Business in Hong Kong:
22nd Floor,
Allied Kajima Building,
138 Gloucester Road, Wanchai,
Hong Kong

By Order of the Board

Pauline Collinson
Joint Company Secretary

* *For identification purpose only*

Notes:

1. PROXY AND VOTING INSTRUCTIONS

(a) Entitlement to vote

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of Shares as at 3:00 p.m. (Hong Kong time) on Tuesday, 10 August 2021 will be entitled to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

(b) Proxy instructions

A Proxy Form is attached to a circular dated 9 July 2021 (the "**Circular**"). This is to be used by Shareholders if they wish to appoint a representative (a "**proxy**") to vote in their place.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at (i) the Company's principal share registrar in Australia, Computershare Investor Services Pty Limited of Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067, Melbourne, Australia; or (ii) the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 3:00 p.m. (Hong Kong time) on Tuesday, 10 August 2021, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting. To vote by proxy, please complete and sign the Proxy Form enclosed with the Circular as soon as possible and either.

(c) Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box as indicated on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

If the Chairman of the Meeting is appointed as your proxy, or is appointed by default, you acknowledge that the Chairman may exercise your proxy even though he has an interest in the outcome of the Resolution and that votes cast by him for the Resolution, other than as proxy holder, would be disregarded because of that interest.

If the Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified, each proxy may exercise half of the Shareholder's votes.

(d) Corporate representatives

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint a person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission to the Meeting. A form of the certificate may be obtained from the Company's principal share registrar in Australia.

(e) Proxies and conduct of Meeting

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy and will apply to the conduct of the Meeting. Broadly, this means that:

(a) if proxy holders vote, they must cast all directed proxies as directed; and

(b) any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

(b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and

(c) if the proxy is the Chairman of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the Chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

(a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of a company's members;

(b) the appointed proxy is not the Chairman of the Meeting;

(c) at the meeting, a poll is duly demanded on the resolution; and

(d) either of the following applies:

(i) the proxy is not recorded as attending the meeting;

(ii) the proxy does not vote on the resolution,

the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2. CLOSURE OF REGISTERS OF MEMBERS

For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 9 August 2021 to Thursday, 12 August 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the (i) the Company's principal share registrar in Australia, Computershare Investor Services Pty Limited of Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3067, Melbourne, Australia; or (ii) Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 August 2021 (Hong Kong time).

3. SHAREHOLDER QUESTIONS

At the Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions on the Resolution to be proposed at the EGM.

To assist the management of the Company in responding to questions please submit any questions you may have in writing to the Joint Company Secretary in Australia no later than **5:00 p.m. (Hong Kong time)** on **Friday, 6 August 2021**:

In person or by post:
Unit 202, Level 2,
39 Mends Street,
South Perth,
Western Australia 6151,
Australia

By phone: (08) 6311 8004 (within Australia)
+61 8 6311 8004 (outside Australia)
By e-mail: admin@dragonmining.com

4. In order to facilitate the prevention and control of the spread of the Novel Coronavirus (COVID-19) epidemic and to safeguard the health and safety of the Shareholders, the Company encourages Shareholders to consider appointing the chairman of the Meeting as his/her proxy to vote on the resolution at the Meeting as an alternative to attending the Meeting in person.

5. A copy of this notice of Meeting was lodged with the Australian Securities and Investments Commission ("**ASIC**") on 22 June 2021 pursuant to ASIC Regulatory Guide 74. Neither ASIC nor any of its officers take any responsibility for the contents of this notice of Meeting.