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## THIS RESPONSE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offer, this Response Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 Response Document to the purchaser(s) or transferee(s) or to the bank, to the licensed securities dealer or registered institution in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

None of the Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited, ASIC or its officers take responsibility for the contents of this Response Document or make any representation as to their accuracy or completeness, and each expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Response Document.

This Response Document is a target's statement under the Corporations Act. A copy of this Response Document was lodged with ASIC on 23 June 2025. Australian holders of shares in Dragon Mining Limited should read the Response Document in full but have particular regard to the additional notices and disclosures contained in Schedule 1 – "Additional Disclosures Under the Corporations Act" of this Response Document.

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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)

## RESPONSE DOCUMENT/TARGET'S STATEMENT RELATING TO CONDITIONAL VOLUNTARY CASH OFFER BY MORTON SECURITIES LIMITED ON BEHALF OF WAH CHEONG DEVELOPMENT (B.V.I.) LIMITED TO ACQUIRE ALL ISSUED SHARES OF DRAGON MINING LIMITED

DML Independent Financial Adviser

**ALTUS CAPITAL LIMITED**

DML Independent Expert



Grant Thornton

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Capitalised terms used on this cover page shall have the same meanings as those defined in this Response Document.

A letter from the DML Board is set out on pages 11 to 25 of this Response Document. A letter from the DML Independent Board Committee containing its recommendation to the DML Independent Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable and as to acceptance of the Offer is set out on pages 26 to 27 of this Response Document. Additional disclosures required under the Corporations Act are set out on pages 74 to 103 of this Response Document. A letter from the DML Independent Financial Adviser containing its advice and recommendation to the DML Independent Board Committee in respect of the Offer is set out on pages 28 to 73 of this Response Document. A DML Independent Expert Report containing its opinion as to whether the Offer is fair and reasonable to the DML Independent Shareholders as required under the Corporations Act is set out on pages 104 to 441 of this Response Document.

#### Investment Decision

This Response Document does not take into account the individual investment objectives, financial situation and particular needs of each Shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your DML Shares.

#### Forward-Looking Statements

This Response Document contains certain forward-looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which DML is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected. None of DML, any of its officers, or any person named in this Response Document with their consent or any person involved in the preparation of this Response Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward-looking statement, and you should not place undue reliance on these statements.

Forward-looking statements in this Response Document reflect views held only as at the date of this Response Document.

#### Information about the Offeror in this Response Document

Except where disclosed in this Response Document, the information about the Offeror contained in this Response Document has been prepared by DML using publicly available information including the Offer Document, which has not been independently verified. Accordingly, except to the extent required by law, DML does not assume responsibility for the accuracy or completeness of such information.

#### Privacy

DML has collected your information from the register of DML Shareholders for the purpose of providing you with this Response Document. The type of information DML has about you includes your name, contact details and information on your shareholding (as applicable) in DML. Without this information, DML would be hindered in its ability to issue this Response Document. The Corporations Act requires the name and address of DML Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Registrar and print and mail service providers) and may be required to be disclosed to regulators such as ASIC and the SFC. If you would like details of information about you held by DML, please contact the Registrar by email at [PrivacyOfficer@computershare.com.hk](mailto:PrivacyOfficer@computershare.com.hk).

#### Rounding Adjustments

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Response Document may be subject to rounding. The actual calculation of these figures may differ from those included in this Response Document.

23 June 2025

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## DEFINITIONS

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*In this Response Document, unless the context requires otherwise, the following expressions have the following meanings:*

“624 Declaration”	a declaration made by ASIC modifying section 624 of the Corporations Act as it applies to the Offeror in connection with the Offer, so that the period during which the Offer can be accepted is automatically extended in circumstances where certain extreme weather declarations or warnings are in force in Hong Kong on the final day of that period
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 373)
“AGL Board”	board of AGL Directors
“AGL Director(s)”	directors of AGL
“AGL Group”	AGL and its subsidiaries
“Allied Properties”	Allied Properties Resources Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of APAC
“Allied Properties Offer”	the pre-conditional voluntary cash offer which was to be made by Morton Securities for and on behalf of Allied Properties to acquire all of the DML Shares (other than those already owned by Allied Properties) at the offer price of HK\$2.20 per DML Share in accordance with the Takeovers Code and Corporations Act, details of which were set out in the announcement dated 1 April 2025 jointly issued by Allied Properties, DML and APAC. Such offer was withdrawn with the consent of the Executive on 2 June 2025
“APAC”	APAC Resources Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board (Stock Code: 1104 and Warrant Code: 2478), and is owned as to 47.32% by AGL
“ASIC”	the Australian Securities and Investments Commission

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## DEFINITIONS

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“associate(s)”	has the meaning ascribed to it under the Takeovers Code, except where it is expressly stated that the Corporations Act definition of “associate(s)” applies
“AU\$”	Australian dollar, the lawful currency of Australia
“Authorisations”	any licence, consent, certificate, approval, permit, registration, or other authorisation given or issued by any government agency or any other person, in respect of the DML Group and relating to the DML Group’s mining tenements and processing licenses
“Bid Period”	has the meaning given to it in the Offer Document
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Closing Date”	the closing date of the Offer (or such later date to be determined by the Offeror and consented by the Executive)
“Compulsory Offer”	an offer by the Offeror to acquire DML Shares that it is required to make under the Corporations Act after the Closing Date as described in the subsection headed “Exercise of Compulsory Acquisition Rights” in the Offer Document, in circumstances where at the end of the Offer Period, AGL has a relevant interest in 90% or more of the DML Shares
“Condition Status Update”	the notice setting out the status of the Conditions required to be given to DML and ASIC under subsection 630(3) of the Corporations Act
“Conditions”	the conditions to completion of the Offer, details of which are set out in the Joint Announcement and in the paragraph headed “Conditions to completion of the Offer” in the section headed “Letter from Morton Securities” in the Offer Document (and summarised in section 4 of the Letter from the DML Board in this Response Document)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Corporations Act”	the Corporations Act 2001 (Cth) of Australia



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## DEFINITIONS

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“Delay Announcement”	the joint announcement dated 16 June 2025 jointly published by the AGL, the Offeror and DML in relation to, among other things, the delay in despatch of the Response Document and the extension of the First Closing Date
“DML”	Dragon Mining Limited (ACN 009 450 051), a company incorporated in Western Australia with limited liability and whose shares are listed on the Main Board (Stock Code: 1712)
“DML Board”	board of DML Directors
“DML Director(s)”	directors of DML
“DML Group”	DML and its subsidiaries
“DML Independent Board Committee”	an independent committee of the DML Board, comprising Ms. Lam Lai, Mr. Carlisle Caldow Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai, established for the purpose of making a recommendation to the DML Independent Shareholders as to whether the Offer is fair and reasonable and whether to accept the Offer
“DML Independent Expert”	Grant Thornton Corporate Finance Pty Ltd (holding an Australian Financial Services Licence that authorises it to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients) being the independent expert commissioned by the DML Independent Board Committee to opine as to whether the Offer is fair and reasonable for the DML Independent Shareholders for the purposes of satisfying the requirements under the Corporations Act, and which incorporates the technical expert report and valuation prepared by the Independent Technical Expert
“DML Independent Expert Report”	the independent expert report prepared by the DML Independent Expert dated 23 June 2025 which complies with the Corporations Act

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## DEFINITIONS

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“DML Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the DML Independent Board Committee in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code
“DML Independent Shareholders”	DML Shareholders other than the Offeror and parties acting in concert with it
“DML Shareholders”	holder(s) of the DML Share(s)
“DML Share(s)”	ordinary share(s) in the share capital of DML
“Encumbrance(s)”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate
“EY AU”	Ernst & Young, Perth, the auditor of DML
“First Closing Date”	the first closing date of the Offer, being 8 August 2025, or such later date as may be extended by the Offeror in accordance with the requirements of the Takeovers Code and the Corporations Act
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying the Offer Document
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Technical Expert”	RPM Advisory Services Pty Ltd (forming part of the SLR group), whose technical expert report is incorporated within the report of the DML Independent Expert (as Appendix F to the DML Independent Expert Report)
“Irrevocable Undertaking”	the irrevocable undertaking dated 8 May 2025 provided by Allied Properties to the Offeror not to accept the Offer and not to dispose of its DML Shares from the date of the irrevocable undertaking until the end of the offer period of the Offer
“Joint Announcement”	the joint announcement dated 19 May 2025 jointly issued by the Offeror, AGL, APAC, Allied Properties and DML in relation to the Offer pursuant to Rule 3.5 of the Takeovers Code
“Latest Practicable Date”	20 June 2025, being the latest practicable date prior to the printing of this Response Document for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Morton Securities”	Morton Securities Limited, a corporation licensed under the SFO to carry out regulated activity of type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management)
“Mr. Dew”	Mr. Arthur George Dew, the chairman and a non-executive director of each of AGL, APAC and DML
“Mr. Lee”	Mr. Lee Seng Hui, the chief executive and an executive director of AGL and a non-executive director of APAC
“Mr. Nagahara”	Mr. Kyogi Nagahara, the son of Mr. Akihiro Nagahara (the vice chairman and a non-executive director of AGL)
“Mr. Yang”	Mr. Yang Ying Man, a director of the Offeror

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## DEFINITIONS

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“Offer”	the voluntary conditional cash offer to be made by Morton Securities for and on behalf of the Offeror to acquire all of the DML Shares at the Offer Price in accordance with the Takeovers Code and the Corporations Act
“Offer Document”	the offer document/bidder’s statement dated 2 June 2025 and issued by the Offeror to the DML Shareholders relating to the Offer in accordance with the Takeovers Code and Corporations Act on 2 June 2025
“Offer Document LPD”	30 May 2025, stated in the Offer Document to be the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained therein
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 1 April 2025, being the date of the announcement jointly published by APAC, Allied Properties and DML on the Allied Properties Offer, and ending on the earlier of (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn. However, unless the Offer is withdrawn with the consent of ASIC, the Offer Period must end on the Closing Date pursuant to the Corporations Act
“Offer Price”	the offer price of HK\$2.60 per DML Share payable by the Offeror to an Offer Shareholder for each DML Share to be accepted under the Offer
“Offer Shareholder(s)”	holder(s) of DML Share(s), other than the Offeror
“Offer Share(s)”	all issued DML Share(s) on the Register Date, and are subject to the Offer
“Offeror”	Wah Cheong Development (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of AGL
“Overseas DML Shareholders”	DML Shareholders with a registered address outside of Hong Kong and Australia
“Practice Note 27”	Practice Note 27 – “Severe Weather Arrangements for Codes-regulated Transactions” issued by the SFC

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## DEFINITIONS

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“Prescribed Occurrences”

the following occurrences (being those events or circumstances set out in subsections 652C(1) and (2) of the Corporations Act):

- a) DML converts all or any of its shares into a larger or smaller number of shares;
- b) DML or a subsidiary of DML resolves to reduce its share capital in any way;
- c) DML or a subsidiary of DML:
  - (A) enters into a buy-back agreement; or
  - (B) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- d) DML or a subsidiary of DML issues shares or grants an option over its shares or agrees to make such an issue or grant such an option;
- e) DML or a subsidiary of DML issues, or agrees to issue, convertible notes;
- f) DML or a subsidiary of DML disposes or agrees to dispose of the whole, or a substantial part, of its business or property;
- g) DML or a subsidiary of DML grants, or agrees to grant, a “security interest” within the meaning of the Personal Property Securities Act 2009 (Cth) of Australia, charge, lien or pledge, in the whole, or a substantial part, of its business or property;
- h) DML or a subsidiary of DML resolves to be wound up;
- i) a liquidator or provisional liquidator of DML or of a subsidiary of DML is appointed;
- j) a court makes an order for the winding up of DML or a subsidiary of DML;

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## DEFINITIONS

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	<p>k) an administrator of DML or of a subsidiary of DML is appointed under section 436A, 436B or 436C of the Corporations Act;</p> <p>l) DML or a subsidiary of DML executes a deed of company arrangement;</p> <p>m) a restructuring practitioner for DML, or for a subsidiary of DML, is appointed under section 453B of the Corporations Act;</p> <p>n) DML, or a subsidiary of DML makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act; and</p> <p>o) a receiver, or receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of DML or of a subsidiary of DML</p>
“PRC”	the People’s Republic of China which, for the purpose of this Response Document, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Register Date”	4:30 p.m. on 29 May 2025 (Hong Kong time), being the time and date that the Offeror has set for determining the persons to whom information is to be sent in accordance with section 633(2) of the Corporations Act.
“Receiving Agent” or “Registrar”	means Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the receiving agent to the Offer and the Hong Kong share registrar of DML
“Related Bodies Corporate”	has the meaning given in the Corporations Act
“Relevant Interest”	has the meaning given in sections 608 to 609B of the Corporations Act
“Relevant Period”	the period commencing on 1 October 2024, being the date falling six months preceding the date of commencement of the Offer Period, up to and including the Offer Document LPD

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## DEFINITIONS

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“Response Document”	this response document/target’s statement dated 23 June 2025 in response to the Offer in accordance with the Takeovers Code and the Corporations Act
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Superior Proposal”	<p>means a bona fide competing transaction including any offer, proposal, transaction or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture or otherwise) which the DML Independent Board Committee, acting in good faith in order to satisfy its fiduciary or statutory duties, determines:</p> <p>(a) is reasonably likely to be completed in accordance with its terms, taking into account all aspects of the competing transaction, including its conditionality and the ability of the proposing party to fund, or obtain funding to, consummate the transactions contemplated by the competing transaction; and</p> <p>(b) would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to DML Shareholders than the Offer, taking into account all the terms and conditions of the competing transaction</p> <p>noting that as at the Latest Practicable Date, the DML Independent Board Committee has not received notice, or are not aware, of any such bona fide competing transaction</p>
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unconditional Date”	the date on which the Offer becomes or is declared unconditional by the Offeror in all respects

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## DEFINITIONS

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“Yu Ming” Yu Ming Investment Management Limited, a corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management), being the financial adviser to the Offeror in respect of the Offer

“%” per cent

*Note: For the purpose of this Response Document and for illustrative purpose only, AU\$ is converted into HK\$ at the rate of AU\$1:HK\$4.95. No representation is made that any amounts in HK\$ has been or could be converted at the above rates or at any other rates.*



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## LETTER FROM THE DML BOARD

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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)

**Executive DML Director:**

Mr. Brett Robert Smith (*Chief Executive Officer*)

**Non-executive DML Directors:**

Mr. Arthur George Dew (*Chairman*)

Ms. Lam Lai

**Alternate DML Director:**

Mr. Wong Tai Chun Mark

(*acting as the alternate Director to Mr. Arthur George Dew*)

**Independent non-executive DML Directors:**

Mr. Carlisle Caldwell Procter

Mr. Pak Wai Keung Martin

Mr. 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

23 June 2025

*To the DML Independent Shareholders:*

Dear Sir or Madam,

**RESPONSE DOCUMENT/TARGET'S STATEMENT RELATING TO  
CONDITIONAL VOLUNTARY CASH OFFER BY  
MORTON SECURITIES LIMITED ON BEHALF OF  
WAH CHEONG DEVELOPMENT (B.V.I.) LIMITED  
TO ACQUIRE ALL ISSUED SHARES OF  
DRAGON MINING LIMITED**

**1. INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Offer, which is subject to the satisfaction or (if capable of being waived) waiver of the Conditions.

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## LETTER FROM THE DML BOARD

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On 2 June 2025, the Offeror despatched the Offer Document accompanied with the Forms of Acceptance.

The purpose of this Response Document is to provide you with, among other things: (i) information relating to the DML Group and the Offer; (ii) a letter from the DML Independent Board Committee containing its recommendation to the DML Independent Shareholders in relation to the Offer; (iii) a letter from the DML Independent Financial Adviser containing its advice and recommendation to the DML Independent Board Committee in relation to the Offer; and (iv) a DML Independent Expert Report containing its opinion as to whether the Offer is fair and reasonable for the DML Independent Shareholders as required by the Corporations Act.

**You are advised to read this Response Document, the letter from the DML Independent Board Committee, the letter from the DML Independent Financial Adviser and the DML Independent Expert Report in conjunction with the Offer Document carefully before taking any action in respect of the Offer.**

### **2. DML INDEPENDENT BOARD COMMITTEE**

The DML Independent Board Committee, comprising Ms. Lam Lai, a non-executive DML Director; and Mr. Carlisle Caldow Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai being all the independent non-executive DML Directors, has been established to advise the DML Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the DML Independent Board Committee should comprise all non-executive and independent non-executive directors of DML. Since Mr. Dew, the chairman and a non-executive director of DML, is also the chairman and a non-executive director of AGL, Mr. Dew is not independent for the purpose of giving advice or recommendations to the DML Independent Shareholders and will not be part of the DML Independent Board Committee. As it relates to Australian law, analogous requirements exist concerning the establishment of the DML Independent Board Committee. Mr. Dew is ineligible to sit on the DML Independent Board Committee due to his common directorship of DML and AGL. Further, Mr. Brett Robert Smith as an executive director of DML is not eligible to sit on the DML Independent Board Committee pursuant to the Takeovers Code.

Altus Capital Limited has been appointed by the DML Independent Board Committee as the DML Independent Financial Adviser to advise the DML Independent Board Committee in respect of the Offer, in particular as to whether the terms of the Offer are fair and reasonable so far as the DML Independent Shareholders are concerned and as to the acceptance of the Offer. The appointment of Altus Capital Limited has been approved by the DML Independent Board Committee.

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## LETTER FROM THE DML BOARD

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### 3. DML INDEPENDENT EXPERT

The DML Independent Expert has also been appointed by the DML Independent Board Committee as the DML Independent Expert to prepare the DML Independent Expert Report (including the Independent Technical Expert Report), which contains its opinion as to whether the Offer is fair and reasonable for the DML Independent Shareholders as required by section 640 of the Corporations Act.

### 4. THE OFFER

The terms of the Offer as set out in the Offer Document are extracted below. You are recommended to refer to the Offer Document and the Form of Acceptance for further details. The Offer is made on the following basis:

**For every Offer Share . . . . . HK\$2.60 in cash**

As disclosed in the Offer Document, as at the Offer Document LPD, the Offeror and parties acting in concert with it own 51,441,727 DML Shares (comprising 46,877,727 DML Shares, 4,334,000 DML Shares, 220,000 DML Shares and 10,000 DML Shares held by Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively), representing approximately 32.54% of the entire issued shares of DML. As at the Offer Document LPD, save for 158,096,613 DML Shares, DML has no other relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) in issue. DML has confirmed to the Offeror that it will not issue any relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) during the offer period of the Offer. As required under the Corporations Act, the Offer extends to Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang. However, Allied Properties has provided the Offeror with the Irrevocable Undertaking not to accept the Offer and not to dispose of its DML Shares from the date of the Irrevocable Undertaking until the end of the offer period of the Offer. Therefore, the maximum number of DML Shares the Offeror can acquire under the Offer is 111,218,886 Offer Shares.

The Offer Shares to be acquired under the Offer shall be fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of despatch of the Offer Document, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of despatch of the Offer Document.

#### **Conditions to the Offer**

The completion of Offer is subject to the satisfaction or waiver (if capable of being waived) of the following conditions:

1. the Offeror obtaining any necessary waivers, approvals, modifications or consents from the SFC or ASIC that have been applied for by the Offeror before the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), and are required to facilitate or complete the Offer in circumstances where the Offeror faces a conflict between the regulations and laws of Hong Kong and Australia;

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## LETTER FROM THE DML BOARD

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2. no Prescribed Occurrence happening between the date of the Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later);
3. between the date of the Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), the DML Group maintaining and complying with its mining tenement and processing licenses and all related Authorisations, and no regulatory authority taking any action in respect of the DML Group that is adverse to such tenements, processing licenses or Authorisations; and
4. valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code and the Corporations Act, decide) in respect of such number of the DML Shares which, together with the DML Shares acquired or agreed to be acquired before or during the Offer Period, will result in the Offeror and parties acting in concert with it together holding more than 50% of the voting rights of DML.

Subject to the Corporations Act the Offeror alone is entitled to the benefit of the Conditions, or to rely on any non-fulfilment of any of them. Each Condition is a separate, severable and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

In respect of Condition 1, Practice Note 27 issued by the SFC permits the Closing Date to be automatically extended to the next Business Day where certain extreme weather declarations or warnings are in force in Hong Kong on the Closing Date at 12:00 noon or after (see paragraph 8(b) in the section headed “Change in Expected Timetable of The Offer” in the Delay Announcement for more information), while the Corporations Act does not have such provision and does not permit an extension of the Closing Date in those circumstances. To rectify this conflict, the Offeror applied to ASIC for, and ASIC has granted, the 624 Declaration.

As at the Latest Practicable Date, save for the 624 Declaration, the Offeror is not aware of any waivers, approvals, modifications or consents it needs to obtain from the SFC or ASIC to facilitate and complete the Offer.

Conditions 1, 2 or 3 can be waived while Condition 4 cannot be waived.

As at the Latest Practicable Date, none of the Conditions have been satisfied or (if capable of being waived) waived. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or (if capable of being waived) waiver of the Conditions.

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## LETTER FROM THE DML BOARD

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Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you, and you will consequently be unable to withdraw your DML Shares from the Offer (except as permitted under Rule 17 of the Takeovers Code and the Corporations Act) or otherwise dispose of your DML Shares, unless the Offer lapses. If the Conditions are not satisfied or waived (as applicable) on or before the Closing Date, the Offer will lapse unless the Offer Period is extended by the Offeror with the Executive's consent and in accordance with the Corporations Act, and all contracts resulting from the acceptance of the Offer will automatically terminate and your DML Shares will be returned to you.

In accordance with section 650F of the Corporations Act, the Offeror may waive Conditions 1, 2 or 3 by giving a notice to DML (meaning this Offer and any contract resulting from its acceptance will no longer be subject to the relevant Condition). This notice may be given:

- (i) in the case of Condition 2, not later than the end of the Bid Period; and
- (ii) in the case of Conditions 1 and 3, not less than seven days before the end of the Bid Period.

Although section 650F of the Corporations Act permits Condition 2 to be waived up to 3 Business Days after the end of the Bid Period, under the terms of this Offer, Condition 2 can only be satisfied or waived (as applicable) on or before the Closing Date in compliance with the Takeovers Code.

In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all Conditions must be fulfilled or waived, or the Offer will lapse within 21 days after the First Closing Date or after the date the Offer becomes or is declared unconditional as to acceptances, whichever is later.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any Conditions, other than the acceptance condition, so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke the Conditions are of material significance to the Offeror in the context of the Offer. Unless the circumstances of Conditions 1, 2 or 3 to be involved are of material significance to the Offeror in the context of the Offer, the Offeror has no intention to invoke any Conditions so as to cause the Offer to lapse.

The Offeror will give DML and ASIC the Condition Status Update as required by the Corporations Act on 1 August 2025 (subject to extension if the Bid Period is extended). Further announcements will be made by the Offeror in this regard in compliance with the Takeovers Code.

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## LETTER FROM THE DML BOARD

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In the event that the Offer becomes or is declared unconditional in all respects before the First Closing Date (i.e. 8 August 2025), the Offer will close on the First Closing Date (i.e. 8 August 2025) or 14 days after the Offer becomes or is declared unconditional in all respects, whichever is later.

**WARNING: Completion of the Offer is subject to the Conditions above being fulfilled or waived (where applicable). The issue of this Response Document does not in any way imply that the Offer will be completed. The Offer may or may not become unconditional and will lapse if it does not become unconditional. Accordingly, DML Shareholders and potential investors of DML are advised to exercise caution when dealing in the securities of DML. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

### Notice of Status of Conditions

The Offeror will give notice to DML and ASIC on the Condition Status Update as required by the Corporations Act on 1 August 2025 (subject to extension if the Bid Period is extended). Further announcements will be made by the Offeror in this regard in compliance with the Takeovers Code and the Corporations Act.

The Corporations Act requires that such notice state

- whether the Offer is free from all Conditions;
- whether any of the Conditions have been fulfilled as at the date of the notice; and
- the voting power of the Offeror in DML.

If the Offer Period is extended before the date the notice is required to be given, the date that the Offeror must give its notice is taken to be postponed for the same period. In this case, the Offeror is required, as soon as reasonably practicable after the extension, to notify DML and the Stock Exchange of the new date for giving the notice. For the avoidance of doubt, given the First Closing Date (i.e. 8 August 2025) is already the latest date (being 60 days from the date of the Offer Document) permitted under the Takeovers Code for the fulfilment of the acceptance condition of the Offer (being Condition 4 of the Conditions), unless the Offer has become or is declared unconditional, the First Closing Date cannot be extended without the Executive's consent. For the avoidance of doubt, the latest date to fulfill the acceptance condition of the Offer will be 8 August 2025 and the Offeror will have 21 more days to fulfill or waive (where applicable) other Conditions.

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## LETTER FROM THE DML BOARD

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If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the notice of status of conditions is required to be given, the Offeror must, as soon as reasonably practicable, give DML and the Stock Exchange a notice that states that the particular Condition has been fulfilled. The Offeror will also make further announcement(s) to keep DML Shareholders and potential investors informed of any progress as and when appropriate.

### **Consequences if Conditions are not satisfied**

Your acceptance of the Offer, and any contract resulting from your acceptance of the Offer, will be automatically void if at the end of the Offer Period the Conditions have not been fulfilled or waived. In that situation, you will be free to deal with the relevant DML Shares as you see fit.

### **Closing of the Offer**

In accordance with Rule 15.1 of the Takeovers Code and the Corporations Act, the Closing Date of the Offer must be at least 28 days and 1 month after the date of the Offer Document, respectively. Accordingly, the Offer will close at 4:00 p.m. on 8 August 2025 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Under the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than fourteen (14) days thereafter. DML Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond the minimum 14-day period prescribed under the Takeovers Code.

Under Rule 15.5 of the Takeovers Code, the latest time on which the Offer may become or may be declared unconditional as to acceptance is 7:00 p.m. on the 60th day which falls on 8 August 2025 after the posting of the Offer Document (or such later date to which the Executive may consent) and the Offer timetable will also be required to comply with the Corporations Act.

### **Effect of acceptance**

The effect of acceptance of the Offer is set out in under the heading “Effect of accepting the Offer” in the Letter from Morton Securities contained within the Offer Document. You should read those sections in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your DML Shares and the representations and warranties which you give by accepting the Offer.

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## LETTER FROM THE DML BOARD

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### **Payment of consideration**

Subject to the Offer becoming or being declared unconditional and provided that an accepting DML Shareholder follows the acceptance instructions in the Offer Document and the accompanying Form of Acceptance, together with the DML Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Receiving Agent no later than 4:00 p.m. on the First Closing Date (or such later time and/or date as the Executive consents and the Corporations Act permits), a cheque in Hong Kong dollars for the amount due to each of the accepting DML Shareholders in respect of the Offer Shares tendered under the Offer (less seller's ad valorem stamp duty payable by the DML Shareholder, as the case maybe) will be despatched to the accepting DML Shareholders by ordinary post at their own risk as soon as possible but in any event within seven (7) Business Days following the later of the date on which the Offer becomes or is declared unconditional and the date of receipt of all relevant documents which render such acceptance complete and valid by the Receiving Agent in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fraction of a cent will be payable and the amount of consideration payable to a DML Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **Changes to the Offer**

The Offeror can vary the Offer by:

- (a) waiving the Conditions (subject to the Takeovers Code and the Corporations Act);
- (b) extending the Offer Period (subject to the Takeovers Code and the Corporations Act); or
- (c) increasing the consideration offered under the Offer.

If you accept the Offer and the Offeror subsequently increases the consideration offered in respect of that Offer, you are entitled to receive the improved consideration.

### **Effect of accepting the Offer and rights of withdrawal**

Acceptance of the Offer by any DML Independent Shareholders will be deemed to constitute a warranty by such person that all the DML Shares sold by such person under the Offer are fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being 2 June 2025, the date of the Offer Document, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of the Offer Document.



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## LETTER FROM THE DML BOARD

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Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under Rule 17 of the Takeovers Code and the Corporations Act.

As at the Latest Practicable Date, (i) DML has no dividend or other distributions declared but not paid; and (ii) DML has advised the Offeror that it will not declare and pay any dividend or other distributions before the Closing Date.

### **Overseas DML Shareholders**

The Offeror has made the Offer available to all the DML Shareholders, including the Overseas DML Shareholders. However, the Offer is in respect of securities of a company incorporated in Western Australia and is subject to the procedural and disclosure requirements of Hong Kong and Australia which may be different from other jurisdictions.

Overseas DML Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong and Australia are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas DML Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong or Australia should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas DML Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas DML Shareholder in respect of such jurisdictions).

In the event that the receipt of the Offer Document by Overseas DML Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that would be unduly burdensome, the Offer Document, may not (subject to the Executive's consent) be despatched to such Overseas DML Shareholders.

As at the Latest Practicable Date, there are 7 Overseas DML Shareholders holding an aggregate of 33,394 DML Shares (representing approximately 0.02% of the total issued shares of DML), whose address is in the U.S. which is outside Hong Kong. The Offer Document will be despatched to such Overseas DML Shareholder pursuant to applicable U.S. laws and regulations or an available exemption therefrom and otherwise in accordance with the requirements of the SFO.

Any acceptance by any DML Shareholders and beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such DML Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas DML Shareholders should consult their professional advisers if in doubt.

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## LETTER FROM THE DML BOARD

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### **Hong Kong stamp duty**

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each Offer Shareholder at the rate of 0.1% of (i) the consideration payable by the Offeror to such DML Shareholders in respect of the relevant Offer Shares or, (ii) if higher, the market value of the Offer Shares subject to such acceptance, and will be deducted from the cash amount due to such accepting Offer Shareholder. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of such accepting Offer Shareholder and pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Offer Shares in respect of which valid acceptances are received under the Offer.

### **Taxation advice**

DML Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. The Offeror and the parties acting in concert with it accept no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Under Australian law, the tax consequences under Australia's tax laws of an Offer Shareholder residing in Australia accepting the Offer are required to be summarized in the Offer Document. Please refer to the section headed "Australian Tax Considerations" in Schedule I of the Offer Document for information.

### **YOUR CHOICES AS A SHAREHOLDER**

As a Shareholder you can respond to the Offer in three ways.

#### **Accept the Offer**

To accept the Offer, follow the instructions set out in section headed "Acceptances of the Offer" in the Letter from Morton Securities of the Offer Document.

Shareholders should specifically refer to the risks set out in the section headed "Additional Disclosures Under the Corporations Act – Risk factors" in Schedule 1 of this Response Document.

#### **Reject the Offer**

If you wish to reject the Offer you need not take any action. DML Shareholders should specifically refer to the risks set out in the section headed "Additional Disclosures Under the Corporations Act – Risk factors" in Schedule 1 of this Response Document.

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## LETTER FROM THE DML BOARD

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### **Sell your shares on the Stock Exchange**

During the Offer Period, you can still sell some or all of your DML Shares on market for cash if you have not already accepted the Offer in respect of those DML Shares.

The latest price for DML Shares may be obtained from the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) (Stock code: 1712).

If you sell your DML Shares on market you:

- (a) will lose the ability to accept the Offer and any higher offer in respect of those DML Shares (which may or may not eventuate);
- (b) will lose the opportunity to receive future returns from DML;
- (c) may be liable for taxes on the sale; and
- (d) may incur a brokerage charge.

### **Enquiries**

If you have any queries in relation to the Offer, you should contact your financial, legal or other professional adviser.

### **Further details of the Offer**

Further details of the Offer including, among other things, the expected timetable, the conditions, terms and procedures of acceptance of the Offer, are set out in the Offer Document and the Form of Acceptance and further announcements made/to be made by the Offeror (if applicable).

## **5. INFORMATION OF THE DML GROUP**

The principal activity of DML is gold exploration, mining, and processing in the Nordic region.

Further information of the DML Group has been set out in “Financial information of the DML Group” in Appendix I and “General information of the DML Group” in Appendix II to this Response Document.

## **6. SHAREHOLDING STRUCTURE OF DML**

As at the Latest Practicable Date, DML has 158,096,613 DML Shares in issue. Save for the DML Shares, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of DML in issue.

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## LETTER FROM THE DML BOARD

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The following tables set out the shareholding structure of DML as at the Latest Practicable Date.

	<b>As at the Latest Practicable Date</b>	
	<i>No. of DML</i>	
	<i>Shares</i>	<i>%</i>
The Offeror	–	0%
Allied Properties	46,877,727	29.65%
Mr. Nagahara	4,334,000	2.74%
Mr. Dew	220,000	0.14%
Mr. Yang	<u>10,000</u>	<u>0.01%</u>
<i>Offeror and parties acting in concert with it</i>	51,441,727	32.54%
Sincere View International Limited ( <i>Note 1</i> )	26,519,899	16.77%
Mr. Carlisle Caldwell Procter ( <i>Note 2</i> )	102,602	0.06%
Public DML Shareholders	<u>80,032,385</u>	<u>50.62%</u>
 Total	 <u><u>158,096,613</u></u>	 <u><u>100%</u></u>

*Notes:*

1. Sincere View International Limited is a company controlled by Mr. Hon Kwok Lung, who is not related to the Offeror, Mr. Lee, Mr. Dew or any member of AGL.
2. Mr. Carlisle Caldwell Procter is an independent non-executive director of DML.

### 7. INFORMATION OF THE OFFEROR AND AGL GROUP

The Offeror, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding and is an indirect wholly-owned subsidiary of AGL. Mr. Edwin Lo King Yau and Mr. Yang are the directors of the Offeror.

As at the Latest Practicable Date, according to the register kept by AGL under section 336 of the SFO, AGL is beneficially owned as to approximately (i) 74.99% by Lee and Lee Trust (inclusive of Mr. Lee's personal interests), being a discretionary trust; (ii) 9.02% by Ms. Chong Sok Un; and (iii) 15.99% by other public AGL shareholders.

AGL is a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board (Stock code: 373).

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## LETTER FROM THE DML BOARD

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The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are development and investment of residential, office and commercial properties, hospitality related activities, investment and operation of hospital, eldercare and health related businesses, provision of property management, cleaning and security guarding services, and the provision of finance, investments in listed and unlisted securities and funds management.

Please refer to the Offer Document for further information on the Offeror.

### **8. INTENTION OF THE OFFEROR IN RELATION TO THE DML GROUP**

The Offer Document states that the Offeror is supportive of the DML Board policy, the management team of DML and their current strategy. The information set out below is reproduced from the Offer Document:

*“It is the intention of the Offeror to continue the existing business of the DML Group and has no intention to put forward any major changes to the businesses of the DML Group after the Closing Date (including in relation to its funding arrangements). The Offeror will be supportive of DML using its existing financial resources to expand its operations in gold mining and hiring sufficient properly qualified staff in support of such expansion.*

*The Offeror has no intention to discontinue any employment of the employees of the DML Group or to dispose of or re-allocate the DML Group’s assets which are not in the ordinary and usual course of business of the DML Group.*

*The Offeror has no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose existing business of the DML Group. The Offeror has no intention to make any change to DML’s current dividend policy.”*

The DML Board acknowledged the intention of the Offeror in respect of the DML Group and its employees as stated above.

### **9. PROPOSED CHANGE TO THE DML BOARD COMPOSITION**

The Offeror intends to nominate new DML Directors to the DML Board after the close of the Offer. Any changes to the composition of the DML Board and biographies of any new DML Directors to be appointed will be made as and when appropriate in compliance with the Takeovers Code and the Listing Rules and subject to all required approvals.

### **10. EXERCISE OF COMPULSORY ACQUISITION RIGHTS**

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the Closing Date.

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## LETTER FROM THE DML BOARD

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However, under the Corporations Act, if at the end of the Bid Period the Offeror and its Corporations Act associates have in aggregate a Relevant Interest in at least 90% of the DML Shares, the Offeror must offer to the remaining DML Shareholders the right to sell their DML Shares to the Offeror (on the same terms of the Offer immediately prior to the Bid Period) and the holders securities that are convertible into DML Shares (either on terms agreed between the Offeror and holder or determined by a court) to the Offeror (the “Buy Out Offer”). The Offeror is not obligated to offer to acquire any DML Shares or securities convertible into DML Shares issued after the date of the Condition Status Update. As at the Latest Practicable Date and Register Date, DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares. For the avoidance of doubt, the Buy Out Offer does not constitute a compulsory acquisition.

If the Offeror must make the Buy Out Offer, the Offeror must prepare a notice stating that it and its Corporations Act associates have Relevant Interests in at least 90% (by number) of the DML Shares at the end of the Bid Period. The notice must also inform the relevant DML Shareholders of their right to require the Offeror to acquire their DML Shares, and set out the terms on which those shares will be acquired. The notice must be lodged with ASIC and sent to each DML Shareholder that holds DML Shares on the lodgment date. The notice must be sent prior to the date 1 month after the end of the Bid Period and on the day, or the next business day after it is lodged with ASIC.

Any DML Shareholder who receives such notice may, within one month of receiving it, give the Offeror a written notice requiring the Offeror to acquire their DML Shares. Upon receipt of that request, a binding contract arises between the Offeror and the relevant DML Shareholder on the same terms as those that applied under the Offer immediately before the end of the Bid Period or on the terms which are agreed by the Offeror and that DML Shareholder.

### 11. MAINTAINING THE LISTING STATUS OF DML

The information set out below is reproduced from the Offer Document:

*“Pursuant to Rule 14.81 of the Listing Rules, the Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to DML, being 25% of the DML Shares (excluding treasury shares if any), are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the DML Shares; or (ii) there are insufficient DML Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the DML Shares until the prescribed level of public float is restored.*

*The Offeror intends to retain the listing of the DML Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any DML Shares outstanding after the close of the Offer.*

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## LETTER FROM THE DML BOARD

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*The directors of the Offeror and the new directors to be appointed to the DML Board (if any) have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the DML Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offer (which could be after the close of Buy Out Offer process, if applicable) shall include placing down of sufficient number of accepted DML Shares where appropriate. DML and the Offeror will issue a further announcement as and when necessary in this regard.”*

### 12. RECOMMENDATION AND ADDITIONAL INFORMATION

Your attention is drawn to the letter from the DML Independent Board Committee set out on pages 26 to 27 of this Response Document, the letter from the DML Independent Financial Adviser set out on pages 28 to 73 of this Response Document, which contain, among other things, their advices in relation to the Offer and the principal factors considered by them in arriving at their recommendations and the DML Independent Expert Report set out on pages 104 to 441 of this Response Document (including the Independent Technical Expert Report set out on pages 230 to 441 of this Response Document), which contain, among other things, their opinion as to whether the Offer is fair and reasonable to the DML Independent Shareholders.

The DML Independent Shareholders are urged to read those letters and reports carefully before taking any action in respect of the Offer.

Your attention is also drawn to the additional information set out in the schedules and appendices to this Response Document. You are also recommended to read carefully the Offer as set out in the Offer Document and the Form of Acceptance which contain details of the Offer before deciding whether or not to accept the Offer.

On behalf of the Board  
**DRAGON MINING LIMITED**  
**Brett Robert Smith**  
*Executive Director*

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## LETTER FROM THE DML INDEPENDENT BOARD COMMITTEE

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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)**

23 June 2025

*To the DML Independent Shareholders:*

Dear Sir or Madam,

**RESPONSE DOCUMENT/TARGET'S STATEMENT RELATING TO  
CONDITIONAL VOLUNTARY CASH OFFER BY  
MORTON SECURITIES LIMITED ON BEHALF OF  
WAH CHEONG DEVELOPMENT (B.V.I.) LIMITED  
TO ACQUIRE ALL ISSUED SHARES OF  
DRAGON MINING LIMITED**

We refer to the offer document/bidder's statement dated 2 June 2025 issued by the Offeror (the "**Offer Document**") and the response document/target's statement dated 23 June 2025 issued by DML (the "**Response Document**") of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in this Response Document.

We have been appointed by the DML Board to form the DML Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the DML Independent Shareholders are concerned, and as to acceptance thereof.

Altus Capital Limited has been appointed, with our approval, as the DML Independent Financial Adviser to advise us in respect of the Offer and its terms and conditions. Your attention is drawn to the "Letter from the DML Independent Financial Adviser" set out on pages 28 to 73 of this Response Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.



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## LETTER FROM THE DML INDEPENDENT BOARD COMMITTEE

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Grant Thornton Corporate Finance Pty Ltd, being the DML Independent Expert, has also been commissioned by DML to prepare the DML Independent Expert Report, which contains its opinion as to whether the Offer is fair and reasonable for the DML Independent Shareholders as required by the Corporations Act. Your attention is drawn to the “DML Independent Expert Report” set out on pages 104 to 441 of this Response Document (including the Independent Technical Expert Report forming an appendix to the DML Independent Expert Report set out on pages 230 to 441 of this Response Document).

We also wish to draw your attention to the section headed “Letter from the DML Board” and the additional information set out in this Response Document including the appendices and the Offer Document and the accompanying Form of Acceptance in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

### RECOMMENDATION

Taking into account the terms of the Offer, the independent advice from the DML Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation as well as the independent opinion from the DML Independent Expert, we consider that the terms of the Offer are not fair and not reasonable so far as the DML Independent Shareholders are concerned, accordingly, we recommend the DML Independent Shareholders to reject the Offer.

DML Independent Shareholders are recommended to read the full text of the “Letter from DML Independent Financial Adviser” and the “DML Independent Expert Report” in this Response Document (together with a non-exhaustive summary of reasons for the recommendation set out in section 1 of Schedule 1 of this Response Document). Notwithstanding our recommendation, the DML Independent Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,

**The DML Independent Board Committee**  
**Dragon Mining Limited**

**Ms. Lam Lai**

*Non-executive DML  
Director*

**Mr. Carlisle Caldow  
Procter**

**Mr. Pak Wai Keung  
Martin**

**Mr. Poon Yan Wai**

*Independent non-executive DML Director*

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Altus Capital Limited, the DML Independent Financial Adviser to the Independent Board Committee in respect of the Offer in accordance with the Takeover Code, which has been prepared for the purpose of incorporation in the Response Document.*

# ALTUS

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

23 June 2025

*To the DML Independent Board Committee*

Dragon Mining Limited  
22nd Floor  
Allied Kajima Building  
138 Gloucester Road  
Wanchai, Hong Kong

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH OFFER BY  
MORTON SECURITIES LIMITED ON BEHALF OF  
WAH CHEONG DEVELOPMENT (B.V.I.) LIMITED  
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF  
ALLIED GROUP LIMITED)  
TO ACQUIRE ALL ISSUED SHARES OF  
DRAGON MINING LIMITED**

### INTRODUCTION

We refer to our appointment as the DML Independent Financial Adviser to advise the DML Independent Board Committee in respect of the Offer, details of which are set out in the letter from the DML Board (“**Letter from DML Board**”) contained in the response document of DML in respect of the Offer dated 23 June 2025 (the “**Response Document**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Response Document unless otherwise defined herein or required by the context.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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Reference is made to (i) the joint announcement issued by APAC, Allied Properties and DML in relation to the Allied Properties Offer dated 1 April 2025; and (ii) the joint announcement issued by AGL, the Offeror, APAC, Allied Properties and DML in relation to, amongst other things, the Offer and the possible withdrawal of the Allied Properties Offer dated 19 May 2025 (“**May Joint Announcement**”).

On 1 April 2025, Allied Properties, DML and APAC announced that a pre-conditional voluntary cash offer would be made by Morton Securities for and on behalf of Allied Properties to acquire all of the DML Shares (other than those already owned by Allied Properties) at the offer price of HK\$2.20 per DML Share in accordance with the Takeovers Code and Corporations Act (i.e. the Allied Properties Offer).

In the May Joint Announcement, the Offeror announced that on 19 May 2025, Morton Securities, for and on behalf of the Offeror, will make the conditional voluntary cash offer to acquire all of the DML Shares at the Offer Price in accordance with the Takeovers Code and the Corporations Act (i.e. the Offer). Meanwhile, Allied Properties announced that it intends to withdraw the Allied Properties Offer pursuant to Note 2 to Rule 5 of the Takeovers Code, subject to the Executive’s consent (“**Allied Properties Offer Withdrawal**”), and it has provided the Offeror with the Irrevocable Undertaking of not to accept the Offer and not to dispose of its DML Shares from the date of the Irrevocable Undertaking until the end of the offer period of the Offer.

On 2 June 2025, the Offeror despatched the Offer Document accompanied with the Forms of Acceptance. On the same date, Allied Properties and APAC announced that Allied Properties has withdrawn the Allied Properties Offer with the consent of the Executive pursuant to Note 2 to Rule 5 of the Takeovers Code and the offer period in respect of the Allied Properties Offer has come to an end.

### **The Offer**

As at the Latest Practicable Date, there are 158,096,613 DML Shares in issue. Since 31 December 2024 (being the date on which DML’s latest published audited accounts were prepared) and up to and including the Latest Practicable Date, no DML Shares have been issued by DML. As at the Latest Practicable Date, DML had no outstanding options, warrants, derivatives or convertible securities in respect of the DML Shares which were issued by DML.

Morton Securities Limited is making the Offer with the Offer Price of HK\$2.60 per Offer Share in cash for and on behalf of the Offeror.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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The Offer is extended to parties acting in concert with the Offeror (i.e. Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively). Allied Properties has provided the Offeror with the Irrevocable Undertaking not to accept the Offer and not to dispose of its DML Shares from the date of the Irrevocable Undertaking until the end of the offer period of the Offer. Therefore, 111,218,886 DML Shares will be subject to the Offer. The Offer Shares to be acquired under the Offer shall be fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of despatch of the Offer Document, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of despatch of the Offer Document. As at the Latest Practicable Date, (i) DML has no dividend or other distributions declared but not paid; and (ii) DML has advised the Offeror that it will not declare and pay any dividend or other distributions before the Closing Date.

For the principal terms of the Offer, together with the information of the Offeror and the Offeror's intention regarding the Group, please refer to the "Letter from Morton Securities" in the Offer Document ("**Letter from Morton Securities**"). Further details of the Offer including, among other things, the expected timetable, the conditions, terms and procedures of acceptance of the Offer, are set out in the Offer Document and the Form of Acceptance and further announcements made/to be made by the Offeror (if applicable).

### THE DML INDEPENDENT BOARD COMMITTEE

The DML Independent Board Committee, comprising Ms. Lam Lai, a non-executive DML Director; and Mr. Carlisle Caldwor Procter, Mr. Pak Wai Keung Martin and Mr. Poon Yan Wai being all the independent non-executive DML Directors, has been established to advise the DML Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the DML Independent Board Committee should comprise all non-executive and independent non-executive directors of DML. Since Mr. Dew, the chairman and a non-executive director of DML, is also the chairman and a non-executive director of AGL, Mr. Dew is not independent for the purpose of giving advice or recommendations to the DML Independent Shareholders and will not be part of the DML Independent Board Committee.

### THE DML INDEPENDENT FINANCIAL ADVISER

The DML Independent Board Committee has approved our appointment as the independent financial adviser to the DML Independent Board Committee. Our role is to give an independent opinion to the Independent Board Committee in respect of the Offer pursuant to the Takeovers Code and the Listing Rules, in particular as to whether the terms of the Offer are fair and reasonable so far as the DML Independent Shareholders are concerned and as to the acceptance of the Offer.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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We (i) are not associated or connected, financially or otherwise, with DML or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; (ii) are not contemplating any business dealing with DML or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (iii) do not holds, directly or indirectly, any shares, options warrants or other equity related interests in DML or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them. As disclosed in the announcement of DML of 11 April 2025, we were previously appointed as the independent financial adviser to advise the independent board committee of DML in relation to the Allied Properties Offer. In light of the Allied Properties Offer Withdrawal, DML and we mutually agreed to terminate the aforesaid engagement on 3 June 2025. We had previously acted as the independent financial adviser to the independent board committee and independent shareholders of Da Yu Financial Holdings Limited (Stock Code: 1073, “**Da Yu**”), the ultimate holding company of Yu Ming (being the financial adviser to the Offeror in respect of the Offer), relating to its proposed rights issue, details of which are set out in the extraordinary general meeting circular of Da Yu dated 11 December 2023. Save for the above, we have not acted as the financial adviser or independent financial adviser in relation to any transaction of DML or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the two years immediately prior to the date of the Response Document. In addition, having considered that (i) remuneration for our engagement to opine on the Offer is fixed and at market level, and is not conditional upon the outcome of the Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits from DML (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the DML Independent Board Committee, we are independent of DML and the Offeror, their respective controlling shareholders and any parties acting in concert with any of them, and we can act as the DML Independent Financial Adviser to the DML Independent Board Committee in respect of the Offer pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code.

### **BASIS OF OUR ADVICE**

In formulating our opinion, we have reviewed, amongst others (i) the annual reports of DML for the year ended 31 December 2023 (the “**2023 Annual Report**”) and for the year ended 31 December 2024 (the “**2024 Annual Report**”); (ii) the Offer Document; (iii) the May Joint Announcement; (iv) management accounts of DML for the four months ended 30 April 2025; and (v) other information contained or referred to in the Response Document.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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We have relied on the statements, information, opinions and representations contained or referred to in the Offer Document, the Response Document and/or provided to us by DML, the DML Directors and the management of DML (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Offer Document, the Response Document and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. The DML Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the DML Group. Our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date. DML will notify the DML Shareholders of any material changes to information contained or referred to in the Response Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The DML Shareholders will also be informed as soon as practicable when there is any material changes to the information contained or referred to herein as well as changes to our opinion, advice and/or recommendation, the information and representations provided and made to us and the information contained in this letter, if any, after the Latest Practicable Date as soon as possible.

Your attention is drawn to the responsibility statements as set out in the section headed “1. Responsibility Statement” in Appendix II to the Response Document. We, as the DML Independent Financial Adviser, take no responsibility for the contents of any part of the Response Document, save and except for this letter of advice. We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us to be untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the DML Group contained or referred to in the Response Document and/or provided to us by the Management have been reasonably made after due and careful enquiry. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the DML Group.

We have not considered the taxation implications on the DML Shareholders arising from acceptance or non-acceptance of the Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the DML Shareholders as a result of the Offer. In particular, DML Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advisers on tax matters.

This letter is issued for the information of the DML Independent Board Committee solely in connection with their consideration of the Offer, and except for its inclusion in the Response Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our advice for the Offer, we have taken into consideration the following principal factors:

#### 1. Information of the DML Group

##### *1.1 Principal business of the Group*

The principal activity of DML is gold exploration, mining, and processing in the Nordic region. The DML Group operates gold mines and processing facilities in Finland and Sweden. According to the 2024 Annual Report, a significant part of the DML Group's assets as at 31 December 2024 were related to mine properties ("**Mine Properties**"), which primarily comprise rehabilitation assets, development and permitting costs and capitalised expenditures relating to mining infrastructure and environmental compliance.

In respect of the DML Group's existing mining operations, the Vammala Production Centre ("**VPC**") in Finland comprise (i) Vammala Plant, a conventional 300,000 tonnes per annum crushing, milling and flotation plant, (ii) the Jokisivu Gold Mine ("**Jokisivu**"), (iii) the Orivesi Gold Mine ("**Orivesi**"), which ceased production in June 2019, (iv) the Kaapelinkulma Gold Mine ("**Kaapelinkulma**"), which ceased production in April 2021 and rehabilitation closure works are planned to commence during 2025; and (v) Uunimäki Gold Project ("**Uunimäki**"), at which DML holds a granted Exploration Licence and plans to commence drilling in 2025. Meanwhile, the Svartliden Production Centre ("**SPC**") in Sweden comprise (i) the Svartliden Plant, a 300,000 tonnes per annum carbon-in-leach processing plant, (ii) Svartliden Gold Mine, which was closed upon completion of mining in 2013; and (iii) the Fäboliden Gold Mine ("**Fäboliden**"), where a campaign of test-mining was completed in September 2020 and full-scale mining has not commenced pending the application for relevant environmental permits (details of which are discussed in the paragraph headed "1.5 Outlook and prospect of the DML Group" below). Annual production of the DML Group is in the range of 20,000 to 30,000 ounces of gold in concentrate depending on the grade of ore and gold concentrate feed.

##### *1.2 Financial information of the DML Group*

Set out below is the key consolidated financial information of the DML Group for the years ended 31 December 2022 ("**FY2022**"), 31 December 2023 ("**FY2023**"), and 31 December 2024 ("**FY2024**") as extracted from DML's 2023 Annual Report and 2024 Annual Report.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### *Extract of consolidated statement of profit or loss*

	For the year ended 31 December		
	2024	2023	2022
	AU\$'000	AU\$'000	AUS'000
	(Audited)	(Audited)	(Audited)
<b>Revenue from customers</b>	72,804	60,495	52,514
<i>Revenue from gold sales</i>	70,658	60,495	52,514
<i>Revenue from toll milling</i>	2,146	–	–
Cost of sales	<u>(51,608)</u>	<u>(54,550)</u>	<u>(45,173)</u>
Gross profit	21,196	5,945	7,341
Other revenue	736	602	104
Other income	2,589	9,089	752
Mineral exploration expenditure	(206)	(274)	(262)
Management and administration expenses	(5,799)	(5,087)	(4,648)
Exploration and evaluation costs written off	–	(300)	(34)
Other operating (expense)/benefit	(1,548)	658	879
Finance costs	(1,187)	(992)	(21)
Fair value gain/(loss) on financial assets	338	(411)	–
Foreign exchange gain/(loss)	<u>924</u>	<u>(1,703)</u>	<u>628</u>
<b>Profit before tax</b>	17,043	7,527	4,739
Income tax expense	<u>(4,167)</u>	<u>(2,338)</u>	<u>(2,250)</u>
<b>Profit after income tax</b>	<u>12,876</u>	<u>5,189</u>	<u>2,489</u>
<b>Basic and diluted earnings per</b>			
<b>DML Share (AU cents)</b>	<u>8.14</u>	<u>3.28</u>	<u>1.57</u>
Total gold sold (oz)	19,138	20,839	20,296
Total gold produced (oz)	20,517	20,159	21,030



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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### *FY2023 vs FY2022*

DML Group's revenue increased by 15.2% from AU\$52.5 million for FY2022 to AU\$60.5 million for FY2023, which was driven by higher average gold price of US\$1,943/oz in FY2023 (FY2022: US\$1,802/oz). Meanwhile, cost of sales increased by 20.8% from AU\$45.2 million for FY2022 to AU\$54.6 million for FY2023 mainly due to increase in processing costs and depreciation of Mine Properties (which was incurred on a unit of production basis and was aligned to mined or milled tonnes over ore reserves) resulting from reduction of the DML Group's ore reserve. As a result of the higher rate of increase in cost of sales over that of its revenue, gross profit decreased by 19.0% from AU\$7.3 million for FY2022 to AU\$5.9 million for FY2023, with gross profit margins also reduced to 9.8% in FY2023 (FY2022: 14.0%).

DML Group's other revenue, which mainly included finance revenue and interest in relation to its cash balance and gold concentrate debtors, increased to AU\$0.7 million for FY2023 (FY2022: AU\$0.6 million). Other income significantly increased to AU\$9.1 million in FY2023 mainly due to the gain from sale of net smelter royalty of AU\$8.3 million during the year whilst service income increased moderately from AU\$0.6 million for FY2022 to AU\$0.8 million for FY2023.

Management and administrative expenses increased from AU\$4.6 million for FY2022 to AU\$5.1 million due to the increase in employee benefits. DML recognised other operating benefit of AU\$0.9 million in FY2022 and AU\$0.7 million in FY2023 mainly due to the reduction of rehabilitation recognised during the respective years. It also recognised a foreign exchange loss of AU\$1.7 million in FY2023 (FY2022: gain of AU\$0.6 million) due to the fluctuations in USD/SEK, USD/EUR, AUD/SEK, AUD/EUR and AUD/HKD exchange rates during the year.

Despite the decrease in gross profit, the profit before tax increased by 58.8% from AU\$4.7 million for FY2022 to AU\$7.5 million for FY2023 due to the recognition of other income as mentioned above. Income tax expense increased only by 3.9% to AU\$2.3 million in FY2023 (FY2022: AU\$2.2 million) as the effective tax rate of DML was exceptionally high at 47.5% for FY2022 as compared to that for FY2023 (at 31.1%) and the standard corporate income tax rate of 30% in Australia, which was mainly attributable to higher tax losses and other temporary differences not recognised in FY2022.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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As a result of the aforementioned increase in profit before tax and lower rate of increase in income tax expenses, profit after tax of the DML Group increased by 108.5% from AU\$2.5 million for FY2022 to AU\$5.2 million for FY2023, and the net profit margin improved from 4.7% to 8.6% correspondingly.

### *FY2024 vs FY2023*

DML Group's revenue increased by 20.3% from AU\$60.5 million for FY2023 to AU\$72.8 million for FY2024, which was mainly attributable to (i) increased revenue from gold sales from AU\$60.5 for FY2023 million to AU\$70.5 million for FY2024 driven by higher average gold price of US\$2,430/oz in FY2024 (FY2023: US\$1,943/oz), and (ii) commencement of toll milling service to third party in FY2024 generating revenue of AU\$2.1 million. Meanwhile, the cost of sales decreased by 5.4% from AU\$54.6 million for FY2023 to AU\$51.6 million for FY2024 mainly due to decrease in depreciation of Mine Properties resulting from the reduction of permitted throughput and breakdown of a ball mill in its Vammala plant during the year, partly offset by (i) the increased mining costs associated with mining at depth; and (ii) the increased processing costs associated with toll treatment for external customers. As a result of the increase in revenue and decrease in cost of sales, the gross profit improved significantly from AU\$5.9 million for FY2023 to AU\$21.2 million for FY2024, with gross profit margins also improved to 29.1% in FY2024 (FY2023: 9.8%).

DML Group's other revenue remained stable at AU\$0.7 million and AU\$0.6 million for FY2024 and FY2023 respectively. Other income for FY2024 was lower as compared to that of FY2023 and mainly comprised the net gain from cancellation of the crusher agreement in Finland following successful completion of arbitration proceedings amounting to approximately AU\$1.6 million and service income of AU\$0.9 million.

The management and administrative expenses, other operating expenses and finance costs of the DML Group increased in FY2024 as compared to those of the prior year, which was attributable to (i) higher rehabilitation costs and rehabilitation unwinding of discount incurred; and (ii) increase in employee benefits. Compared to revenue and gross profit growth, the profit before tax increased by a higher percentage of 126.4% from AU\$7.5 million for FY2023 to AU\$17.0 million for FY2024. Income tax expense meanwhile increased by 78.2% to AU\$4.2 million for FY2024 although the effective tax rate of the DML Group was lower at 24.4% for FY2024 (FY2023: 31.1%), which was mainly due to the effect of different tax rates on overseas income and other temporary differences on taxable income recognised during the year.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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In line with higher revenue and gross profit margin but partly offset by lower other income and higher operating costs and income tax, profit after tax of the DML Group increased significantly by 148.1% from AU\$5.2 million for FY2023 to AU\$12.9 million for FY2024, and the net profit margin improved from 8.6% to 17.7% during the same period.

In summary, we observed that DML Group's revenue had increased between FY2022 and FY2024 underpinned by the growth in gold price, whilst the total gold sold was relatively stable over these years. Gross profit margins had improved significantly in FY 2024 as compared to prior years amidst higher average gold price. Meanwhile, operating costs (excluding one-off items) increased only moderately between FY2022 and FY2024. These contributed to improved profitability and net profit margin of the DML Group.

### *Extract of consolidated statement of financial position*

	As at		
	31	31	31
	December	December	December
	2024	2023	2022
	AU\$'000	AU\$'000	AU\$'000
	(Audited)	(Audited)	(Audited)
<b>Current assets</b>			
Cash and cash equivalents	40,313	22,168	17,671
Trade and other receivables	2,570	3,416	3,462
Inventories	19,257	19,631	19,991
Financial assets	1,826	1,406	–
Other assets	866	1,071	627
<b>Total current assets</b>	<b>64,832</b>	<b>47,692</b>	<b>41,751</b>
<b>Non-current assets</b>			
Property, plant and equipment	53,306	47,730	54,427
Mineral exploration and evaluation costs	1,436	1,848	2,242
Right-of-use assets	411	1,241	1,531
Other assets	12,587	9,804	4,927
<b>Total non-current assets</b>	<b>67,740</b>	<b>60,623</b>	<b>63,127</b>

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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	As at		
	31	31	31
	December	December	December
	2024	2023	2022
	AU\$'000	AU\$'000	AU\$'000
	(Audited)	(Audited)	(Audited)
<b>Current liabilities</b>			
Trade and other payables	8,318	7,967	8,101
Provisions	3,624	2,222	3,114
Interest bearing liabilities	180	603	572
Other liabilities	80	85	82
Current tax liability	<u>3,122</u>	<u>1,337</u>	<u>2,291</u>
<b>Total current liabilities</b>	<u><u>15,324</u></u>	<u><u>12,214</u></u>	<u><u>14,160</u></u>
<b>Non-current liabilities</b>			
Provisions	34,257	26,646	29,245
Interest bearing liabilities	<u>227</u>	<u>697</u>	<u>877</u>
<b>Total non-current liabilities</b>	<u><u>34,484</u></u>	<u><u>27,343</u></u>	<u><u>30,122</u></u>
<b>Net Assets/Total Equity</b>	<u><u>82,764</u></u>	<u><u>68,758</u></u>	<u><u>60,596</u></u>

### *31 December 2023 vs 31 December 2022*

The current assets of the DML Group increased from AU\$41.8 million as at 31 December 2022 to AU\$47.7 million as at 31 December 2023 mainly attributable to the increase in cash and cash equivalent in FY2023 brought by net cash generated from operating activities of approximately AU\$8.7 million (FY2022: net cash generated of AU\$8.4 million), partly offset by its net cash used in investing activities, which decreased from AU\$5.3 million for FY2022 to AU\$3.2 million FY2023 as it had received proceeds from the sale of net smelter royalty during the year. Trade and other receivables mainly comprised (i) trade receivables for gold sold on market and were usually settled within two days, and (ii) guarantee held with bank for the lease of corporate premises. Inventories and trade and other receivables balances remained stable as at 31 December 2023 as compared to those of prior year. The DML Group recognised financial assets of AU\$1.4 million as at 31 December 2023 in connection with its investment in Aurion Resources Limited listed in TSX Venture Exchange (stock code: TSXV: AU).

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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Non-current assets of the DML Group mainly comprised property, plant and equipment (including its Mine Properties), capitalised mineral exploration and evaluation costs, and environmental and other bonds required for its mining operations (recorded as other assets in the balance sheet). Total non-current assets decreased slightly from AU\$63.6 million as at 31 December 2022 to AU\$60.6 million as at 31 December 2023 mainly due to (i) the decrease in carrying value of Mine Properties in line with higher depreciation recognised during the year, partly offset by (ii) increase in environmental bonds balance in relation to its Jokisivu Gold Mine in Finland.

The liabilities of the DML Group mainly comprised trade and other payables, rehabilitation provision in relation to the gold mining operations, provisions for employee entitlements, and current tax liability. The balance of total current liabilities decreased from AU\$14.2 million as at 31 December 2022 to AU\$12.2 million as at 31 December 2023 mainly due to (i) decrease in rehabilitation provisions resulting from a higher discount rate applied in its assessment, and (ii) decreased in current tax liability balance. Non-current liabilities decreased from AU\$29.2 million as at 31 December 2022 to AU\$26.6 million as at 31 December 2023 due to the decrease in non-current portion of the aforementioned rehabilitation provisions.

Net assets of the DML Group increased to AU\$68.8 million as at 31 December 2023, in line with its profit and comprehensive income for FY2023.

### *31 December 2024 vs 31 December 2023*

Current assets of the DML Group increased from AU\$47.7 million as at 31 December 2023 to AU\$64.8 million as at 31 December 2024 mainly attributable to the increase in cash and cash equivalent in FY2024 brought by net cash generated from operating activities of approximately AU\$24.6 million (FY2023: net cash generated of AU\$8.7 million), partly offset by the increase in net cash used in investing activities from AU\$3.2 million for FY2023 to AU\$7.0 million FY2024 as it had received proceeds from sale of net smelter royalty during FY2023. The inventories balance remained stable as at 31 December 2023 and 2024. The trade and other receivable balance as at 31 December 2024 was lower than that of prior year, and it also included other receivables of AU\$1.5 million related to the cancellation of a Crusher agreement in Finland following successful completion of arbitration proceedings (As at 31 December 2023: nil).

Total non-current assets increased from AU\$60.6 million as at 31 December 2023 to AU\$67.7 million as at 31 December 2024 mainly due to (i) the increase in carrying value of Mine Properties; and (ii) further increase in environmental bonds balance during FY2024.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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The balance of total current liabilities increased from AU\$12.2 million as at 31 December 2023 to AU\$15.3 million as at 31 December 2024 mainly due to (i) increase in rehabilitation provisions in connections with Svartliden closure plan and Vammala environmental permits; and (ii) increase in current tax liability balance. Non-current liabilities increased from AU\$27.3 million as at 31 December 2023 to AU\$34.5 million as at 31 December 2024 due to the increase in non-current portion of the aforementioned rehabilitation provisions.

Overall, the net assets of the DML Group increased in FY2024, which was reflected by the increased cash balance resulting from improved profitability for the year.

### **1.3 Valuation of the DML Group**

Based on the audited net assets of DML of AU\$82.8 million (equivalent to HK\$411.3 million) as at 31 December 2024 and 158,096,613 DML Shares in issue as at the Last Trading Day, the Offer Price of HK\$2.60 per DML Share is at the same level as the net asset value (“NAV”) per DML Share. A significant part of the DML Group’s assets as at 31 December 2024 were Mine Properties in connection with its existing mining operation, which in aggregate had a net carrying value amounting to approximately AU\$47.3 million and represented approximately 35.7% of the total assets as at 31 December 2024.

As required under the Corporations Act, DML has engaged the DML Independent Expert, Grant Thornton Corporate Finance Pty Ltd (“**Grant Thornton**”), to prepare the DML Independent Expert Report opining on whether the Offer is fair and reasonable to the DML Independent Shareholders. Pursuant to Regulatory Guide 111 published by ASIC (“**RG111**”), the DML Independent Expert is required to (amongst other things) ascribe a market value to the DML Shares (“**DML Valuation**”) in determining whether the Offer is fair and reasonable to the Independent Shareholders. In this connection, Grant Thornton has, together with DML, engaged RPM Advisory Services Pty Ltd (“**RPM**”) as the Independent Technical Expert to prepare the independent technical expert report (“**ITER**”), which is included in Appendix F to the DML Independent Expert Report and provides the technical information necessary for Grant Thornton to prepare a valuation of the Mine Properties. Specifically, in preparing the ITER, RPM has (i) undertaken a technical review and provided an opinion on a reasonable life of mine (LOM) production, operating and capital cost schedules for the Producing Assets and those mine assets with an ore reserve necessary to support a cash flow estimate (referring to the Vammala Plant, Jokisivu (the part with confirmed ore reserves and LOM plan), the Svartliden Plant and Fäboliden (the open pit project with LOM plan), collectively the “**Producing Assets**”); and (ii) assessed the value of (a) the mineral resources outside of those used to generate the LOM cash flows (referring to Orisevi Kutema (part of Orivesi), Kaapelinkulma, Svartliden Gold Mine

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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and Fäboliden (the residual resources outside the LOM plan), “**Post-LOM Mineral Resources**”) and (b) the exploration assets, including those for which there is no mineral resource estimate or exploration target estimate (referring to Uunimäki, part of Jokisivu which is still pending exploration, and Orisevi Sarvisuo (part of Orisevi), “**Exploration Assets**”) (collectively the “**Non-producing Assets**”). Meanwhile, Grant Thornton has carried out a valuation on a discounted cash flow (“**DCF**”) basis as to the Producing Assets (“**DCF Valuation**”) using data and assumptions reported on in the ITER for the purpose of performing the DML Valuation.

We have reviewed the DML Valuation contained in the section headed “9. Valuation assessment of DML before the Offer” of the DML Independent Expert Report as set out in Schedule 2 of the Response Document. Further, we have also interviewed the DML Independent Expert and the Independent Technical Expert to understand (i) their respective expertise and independence; (ii) the methodologies adopted; (iii) the bases and assumptions considered; and (iv) their work performed when preparing the DML Independent Expert Report (in particular, the DML Valuation) and the ITER. In respect of the DML Valuation and the ITER, we have considered the fairness, reasonableness and completeness of the assumptions made by the DML Independent Expert and the Independent Technical Expert in the relevant reports. We have also reviewed the terms of engagement and scope of work of the both the DML Independent Expert and the Independent Technical Expert.

We understand from the Independent Technical Expert that the technical valuation of the Non-Producing Assets (“**Technical Valuation**”) contained in the ITER has been prepared in accordance with The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“**VALMIN Code**”), a recognised standard acceptable to the Stock Exchange with regard to mineral asset valuations. Further, the ITER has been prepared using mineral resources and ore reserve estimates of the DML Group that are reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“**JORC Code**”) published by the Australasian Joint Ore Reserves Committee (“**JORC**”), being a recognised mineral reporting standard acceptable to the Stock Exchange.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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We have been advised by the Independent Technical Expert that RPM is an advisory services firm specialised in the mining and finance sectors, with core expertise in providing independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries, including those listed on Australian Securities Exchange (“ASX”) and the Stock Exchange. Meanwhile, according to the disclosure in the ITER, the project manager of RPM responsible for overseeing the completion of the ITER has over 39 years of mining industry experience, and is a fellow member of the Australasian Institute of Mining and Metallurgy and is qualified as a competent person under JORC, and the person responsible for the Technical Valuation is a fellow member of the Australasian Institute of Mining and Metallurgy with more than 20 years of mining industry experience, 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. Hence, we consider both persons are qualified in the preparation of the ITER and conducting the valuation on the Non-producing Assets contained therein, and we are not aware of any limitations that might undermine Grant Thornton’s reliance on the ITER in performing the DML Valuation.

In respect of the preparation of the DML Independent Expert Report, we have been advised by the DML Independent Expert that Grant Thornton holds the Australian Financial Services Licence authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients. The director responsible for the DML Independent Expert Report have over 20 years of experience in the mining industry and is supported by team members with extensive experience and in-depth knowledge in the preparation of independent expert reports, valuation, and advisory services specifically for gold exploration, development and production companies listed on ASX. Hence, we consider Grant Thornton has the experience and is qualified in the preparation of the DML Independent Expert Report, including the DML Valuation contained therein.

According to the DML Independent Expert Report and the ITER, the DML Independent Expert and Independent Technical Expert have declared their independence to DML pursuant to Regulatory Guide 112 “Independence of Experts” published by ASIC.



### *1.3.1 Methodology of the DML Valuation*

In arriving at the DML Valuation, Grant Thornton has adopted the sum-of-parts approach which involves separately valuing each asset and liability of the DML Group using different methodologies. Specifically, the DCF Valuation was used for estimating the fair market value of the Producing Assets, where the net present value (“NPV”) is computed by discounting the future ungeared LOM cash flows expressed in real terms with the relevant real WACC to take into account the time value of money and risks associated with the LOM cash flows. Meanwhile, in respect of the Non-producing Assets, the Technical Valuation performed by RPM based on market approach was adopted to estimate their fair market values. For other assets and liabilities, which are mainly related to DML’s head office and centralised functions, the market value is based on the audited balance sheet as at 31 December 2024, the unaudited management accounts of DML for the four months ended 30 April 2025 and the expected cash flows for new environmental bonds payable and other operating activities up to June 2025. The estimated market values of the component parts are then aggregated to arrive at the assessed equity value (“AEV”) of the DML Group. Grant Thornton has also cross-checked the valuation assessment based on reserve multiples and resource multiples of listed peers in the DML Independent Expert Report.

We understand from Grant Thornton that the above valuation methodology complies with the requirement under RG111, and note that it is a common practice for Grant Thornton’s preparation of independent expert reports for other companies listed on ASX. Hence, we consider the above valuation methodology is acceptable for the DML Valuation.

### *1.3.2 DCF Valuation of the Producing Assets*

In respect of the valuation of the Producing Assets, we have further discussed with Grant Thornton on the methodology it adopted to perform the DCF Valuation and noted that Grant Thornton has conducted the valuation based on (i) the mineral resources of the relevant Producing Assets as reported in the ITER, (ii) the operating and capital cost schedules in relation to the generation of the revenue stream, and other market and operating data projections provided by the Management and reviewed by the Independent Technical Expert, and (iii) technical inputs and capital and operating costs to the cash flow model provided by the Independent Technical Expert.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### Gold price assumption

As set out in the section headed “8. Economic Assumptions” in the DML Independent Expert Report, Grant Thornton has adopted the real gold price estimates of US\$3,200 to US\$3,400 per oz for 2025, and gradually decreased the estimates from a range of US\$3,000 to US\$3,200 per oz to a range of US\$2,400 to US\$2,500 per oz for the years 2026 through 2029, and adopted a long-term estimate in a range of US\$2,300 to US\$2,400 per oz. In forecasting the revenue of the Producing Assets, Grant Thornton have made independent assessment on the nominal gold price trend for the LOM, and expressed the prices in real terms by applying the U.S. CPI rates sourced from IMF World Bank as an inflation deflator.

We were advised by Grant Thornton that in arriving at such nominal gold price estimates, it has considered both historical and forecast prices prepared by various investment analysts and other publicly available information. Specifically, it has relied on the spot gold price, short-term gold future prices, and the nominal gold price forecasts compiled by Consensus Economics, which include consensus estimates from various brokers and financial institutions. Further, as stated in the DML Independent Expert Report, Grant Thornton has also benchmarked the nominal gold price forecasts with those adopted in other independent expert reports and broker reports.

We note that Consensus Economics is one of the world’s leading international economic survey organisations established in 1989 and headquartered in London, United Kingdom. Consensus Economics’ surveys and forecasts are recognised as the macroeconomic forecast benchmark by investment and planning managers, as well as government and public sector institutions. It provides surveys and forecast reports for over 2000 macroeconomic indicators, covering various industries and countries by polling amongst various economists and panelists from consultancy firms, banks, investment firms, universities, and manufacturers. We consider it is a reliable source for economic forecasts and data in relation to the mining sector.

In addition, we have compared the short-term gold price estimates adopted by Grant Thornton with the gold price forecast shown in the research articles we found in the public domain as discussed in the paragraph headed “1.5 Outlook and prospect of the DML Group” below, and note that they are consistent. Having considered the above, we consider the basis of estimating the gold price assumption by the DML Independent Expert is reasonable.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### Basis of arriving at the LOM cash flows

In assessing the market value of the Jokisivu and Vammala Plant, Grant Thornton has utilised a LOM of six years from 2025 till 2030 in the Jokisivu cash flow model with the respective ore reserves totalling to approximately 1.6 million tonnes based on the Management's view and supported by RPM's review. Based on RPM's review of Jokisivu's mineral resources, it has recommended an additional one-year of production to the original LOM of five years as assessed by the Management, based on conversion of its inferred resources into ore reserve by the end of 2025. Hence, LOM cash flows for Jokisivu are projected from 2025 to 2030, based on the LOM production plan, plus one year extension as recommended by RPM.

Revenue derived from Jokisivu and Vammala Plant is estimated based on the gold sales at the estimated gold prices for the year, assuming that Jokisivu's mining activity follows the production plan as set out in paragraph 6.5 of the ITER, and Vammala Plant utilises its capacity (300,000 tonnes per annum) in full, and the excess of gold concentrate from Jokisivu would be transferred to Sweden for treatment at the Svartliden Plant. The operating costs estimates are based on the forecast reviewed by RPM and set out in the ITER, which are comparable to the historical costs incurred and are assumed to remain stable given no change in the operating conditions throughout Jokisivu's LOM. Meanwhile, capital expenditure (capex) estimates of Jokisivu and Vammala Plant comprise (i) growth capex, which decreases year-on-year, and (ii) maintenance capex, which are projected to be in line with the production plan and is reviewed by RPM.

In assessing the market value of Fäboliden, Grant Thornton has considered the impact of the rejection of DML's application for the environmental permit to commence full-scale mining at Fäboliden by the Swedish Land and Environment Court ("**Environment Court**") in June 2022 and the subsequent appeal filed by DML as disclosed in the 2024 Annual Report. Following the delivery of the ruling by the Supreme Court of Sweden ("**Supreme Court**") that it would not grant leave to appeal the decision by the Land and Environmental Court of Appeal delivered in March 2023, the DML Group would have to submit a new application for an environmental permit to commence full-scale mining activities to the Environment Court which will include additional measures to mitigate the concerns of the Environment Court issued in its ruling in June 2022. In this connection, Grant Thornton has assumed the production of Fäboliden will

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only commence in 2029 with a LOM of 10 years from 2029 to 2039, which is in line with RPM's recommendation, and the respective ore reserves totalling to 3.3 million tonnes.

Grant Thornton has also considered the probability of the environmental permit renewal being approved or rejected in assessing the market value of Fäboliden. In the DCF Valuation, Grant Thornton has applied scenario weightings of 50%-50% (low end valuation) to 70%-30% (high end valuation) that the mining permit is granted to estimate the low end and high end of the estimated market value of Fäboliden and the Svartliden Plant. In the case of environmental permit renewal being approved, the projection of the LOM cash flow of Fäboliden and the Svartliden Plant was made with reference to long-term gold price, as well as RPM's technical review of the mineral resource, production plan, operating costs and capex as set out in the ITER, which is of the similar approach as compared to the LOM cash flow forecast of Jokisivu and Vammala Plant. In the alternative case where the environmental permit renewal is being rejected, for the market value of Fäboliden, Grant Thornton has adopted the resource multiple of US\$15/oz assessed by RPM for its ore reserves, and applied a discount of 25% to 50% to the resource multiple (i.e. at low end of US\$7.5/oz and high end of US\$11.25/oz) to reflect the risk of significant delay in the ability to exploit the mineral resources and the limited marketability.

In respect of the Svartliden Plant, currently it only processes excess gold concentrations sourced from Jokisivu as mentioned above, and also provides ore processing and recovery services to external third party (Botnia Exploration AB, "**Botnia**") under the toll treatment agreement. As explained in the DML Independent Expert Report, the Svartliden Plant would be operating below the break-even point if the service to Botnia is suspended or terminated. If Fäboliden's mining permit is not obtained, it is assumed that DML would place the Svartliden Plant into care and maintenance instead of operating it at a loss. Due to the lack of contractual obligation and small ore reserves of Botnia to maintain operational profitability, Grant Thornton has only considered the near-term revenue and costs from the Svartliden Plant covering the period from July 2025 to the end of 2026.

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Having considered that the production plan, operating costs and capital expenditures of the Producing Assets are projected based on Management's assessment of prevailing operations cost structure and business risks, and are supported by RPM's technical review, and the revenue is forecasted based on the utilised production capacity of VPC and SPC and the estimated gold price is reasonably assessed by Grant Thornton, we consider the basis of projecting the LOM cash flows of the Producing Assets is reasonable.

### WACC assumption

For discounting the cash flow of Jokisivu and the Vammala Plant, Grant Thornton has applied the discount rate of 6.4%, being the mid-point of the estimated real WACC, between 5.90% and 6.80%. For Fäboliden and the Svartliden Plant, Grant Thornton has estimated the discount rate to be the real WACC between 11.30% and 12.70%. As illustrated in Appendix B to the DML Independent Expert Report, Grant Thornton has assessed the discount rates separately for Jokisivu and Fäboliden, taking into account the following differences:

- (i) different risk-free rate adopted – risk-free rate of 4.00% is applied for Jokisivu, where the 5-year U.S. Treasury bond yield is used as the benchmark having considered its LOM from 2025 through 2030; risk-free rate of 4.25% is applied for Fäboliden, where the 10-year U.S. Treasury bond yield is used as the benchmark having considered the LOM of 10 years from 2029 through 2039;
- (ii) in assessing the equity betas for Jokisivu and Fäboliden, different sets of asset beta were first obtained given the different development stage of Jokisivu and Fäboliden, which are then converted into the respective equity beta benchmarks. Further, specific risk premiums of 0.0% and 3.0% for Jokisivu and Fäboliden were assumed respectively, mainly representing additional required rate of return attributable to the operational risks of Fäboliden not associated with its LOM cash flows. For Jokisivu, Grant Thornton has assessed the equity beta to be 0.762 to 0.900 with reference to observed asset betas of relatively mature Nordic producers and mine operators listed on ASX with comparable size of Jokisivu; whilst for Fäboliden, the equity beta is assessed to be 1.301 to 1.400, with reference to observed asset betas of development stage mining companies.

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- (iii) tax rate of 20.0% for Jokisivu and 24.0% for Fäboliden, in line with the effective tax rates faced by the DML Group in Finland and Sweden respectively.

As a result of the foregoing, the cost of equity for Jokisivu is assessed to be 8.2% to 9.0%, and that for Fäboliden is assessed to be 14.4% to 15.0%. For the purpose of discount rate assessment, Grant Thornton has adopted a pre-tax cost of debt ranging between 8% and 10% having considered the interest rate facilities available to other comparable companies listed on ASX, and a capital structure of between 10% to 0% of debt and between 90% to 100% of equity for both Jokisivu and Fäboliden. We note from the 2024 Annual Report that DML's gearing ratio was 0.5% as at 31 December 2024 (31 December 2023: 1.6%). Hence, we consider the capital structure assumption with relatively low debt level is reasonable.

Having considered the methods of assessing the WACC and the historical gearing of the DML Group, we are of the view that the basis of arriving at the discount rates adopted in the DCF Valuation is reasonable.

### *1.3.3 Technical Valuation of the Non-producing Assets*

We have referred to the ITER and discussed with the Independent Technical Expert in respect of the methodology it adopted to perform the valuation on the Non-producing Assets. According to the Technical Valuation set out in Appendix D to the ITER, RPM has assessed the values of the Non-producing Assets using the following market multiples valuation methods:

- 1) precedent transactions multiples (expressed in US\$/oz) to estimate the value of Post-LOM Mineral Resources (i.e. residual of mineral resources left in mine after the end of its LOM);
- 2) area multiples (expressed in US\$/hectare) for the Exploration Assets; and
- 3) precedent transactions multiples (expressed in US\$/oz) to estimate the value of the silver content estimated within the Fäboliden pit.

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We understand from RPM that the market multiples valuation method is the appropriate method for these asset types under the VALMIN Code, and is the commonly adopted for mineral assets that do not have proved ore reserve. As stated in the Technical Valuation, to estimate the value of the Non-producing Assets with mineral resources estimate but out of the LOM cash flow models, RPM has selected 19 precedent transactions of gold mine assets (“**Gold Mine Precedents**”) based on the criteria including: (i) the deals were closed over the last three years and were publicly reported with available data for use in the valuation; (ii) the deals included exploration and mineral resource assets that were considered to be at advanced stages of development; and (iii) the deals included mineral assets that were satellite to existing ore processing plants with reduced capital cost required for potential ore processing. For these Gold Mine Precedents, RPM reviewed the total consideration per ounces of gold contained in the target assets’ mineral resources estimate. The transaction values have been adjusted to reflect present-day prices, taking into account the current gold price and the average price for the month in which the relevant Gold Mine Precedent was announced. The resulting precedent transaction multiples has a low end (25th percentile) of US\$15/oz, median of US\$34/oz and the high end (75th percentile) of US\$90/oz.

To estimate the value for the Exploration Assets, RPM adopted the results from the previous study it had prepared for DML in 2021, which was included in previous DML’s circular dated 9 July 2021, where the area multiple (price per hectare) was categorised depending on the size of the areas. RPM has adjusted the area multiple up to reflect present-day prices, considering the gold price variation over the years. RPM has adopted the mean values of US\$1,684/hectare for the purposes of assessing the value of the Exploration Assets.

To estimate the silver content value in the Faboliden pit, which is projected at 250,000 oz in the ITER, RPM has utilised the mean average from three recent precedent transactions involving silver targets (“**Silver Precedents**”). The resulting precedent transaction multiples has a low end of US\$0.13/oz, median of US\$0.37/oz and the high end of US\$0.61/oz.

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We have obtained the list of Gold Mine Precedents and the Silver Precedents transactions, and note that the precedent transactions contained in the list was undertaken by companies listed in Australia, Canada, the United Kingdom and the United States, and the mining assets transacted are located in North America, South America, Australia, Africa and West Asia, and are at advanced development stage with reported mineral resource or ore reserves. Given the Gold Mine Precedents and the Silver Precedents cover a wide range of locations and were transacted amongst various buyers and sellers, we consider these precedent transactions adequately reflect how market participants would price the respective mining assets in the prevailing market environment.

Based on the above valuation methods, the Post-LOM Mineral Resources has an assessed value of US\$13.30 million to US\$20.50 million, the Exploration Assets has an assessed value of US\$1.22 million. and the silver content in the Faboliden pit has an assessed value of US\$0.09 million. The aggregate assessed value of the Non-producing Assets is within the range of US\$14 million and US\$21 million, with the median value of approximately US\$17 million, representing approximately 18% of the AEV of DML.

In summary, we are not aware of any matters that would cause us to doubt the DML Independent Expert's and the Independent Technical Expert's independence and expertise in relation to their respective engagements as well as the valuation approaches they have respectively adopted in performing their work on the DML Valuation. Overall, we consider the DML Valuation has been prepared by the DML Independent Expert with reasonable basis and assumptions, and the underlying financial estimations and forecasts are compiled with due care and consideration.



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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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### 1.3.4 Summary of the DML Valuation

According to the valuations set out in the DML Independent Expert Report and the 2024 Annual Report, we set out below a summary of the fair market value of the Mine Properties and the assessed equity value of DML (“AEV”) before the Offer as set out in the DML Valuation in comparison with the NAV of DML as at 31 December 2024.

	Fair market value (low end) <i>US\$ million</i>	Fair market value (high end) <i>US\$ million</i>
<b>Producing Assets</b>		
VPC – Jokisivu and Vammala Plant	50.0	62.0
SPC – Fäboliden (including its Post- LOM Mineral Resources and silver content) ( <i>Note 1</i> )	31.2	43.9
SPC – Svartliden Plant	–	4.0
<b>Residual resources (i.e. the Non-producing Assets)</b>	3.6	10.8
<i>Less:</i>		
Other rehabilitation costs ( <i>Note 2</i> )	(5.2)	(5.2)
Corporate costs ( <i>Note 3</i> )	(15.7)	(14.0)
<b>Enterprise value</b>	<u>63.8</u>	<u>101.5</u>

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	Fair market value (low end) <i>US\$ million</i>	Fair market value (high end) <i>US\$ million</i>
<i>Add:</i>		
Net cash	11.4	11.4
Gold in circuit ( <i>Note 4</i> )	1.3	1.3
Investment in Aurion Resources Limited ( <i>Note 5</i> )	1.1	1.1
Legal proceedings ( <i>Note 6</i> )	0.3	0.3
<i>Less:</i>		
Transaction costs in relation to the Offer	<u>(0.6)</u>	<u>(0.6)</u>
<b>Assessed equity value (AEV)</b>	<u>77.3</u>	<u>114.9</u>
	<i>AU\$ million</i>	<i>AU\$ million</i>
AEV expressed in AU\$ ( <i>Note 7</i> )	121.4	180.4
NAV of DML as at 31 December 2024	<u>82.8</u>	<u>82.8</u>
<b>Surplus of AEV over NAV</b>	<u><u>38.6</u></u>	<u><u>97.6</u></u>

*Notes:*

- the low end (25<sup>th</sup> percentage) of value range was adopted for the valuation of Post-LOM Mineral Resource at Fäboliden in RPM's technical valuation, having considered additional risks involved in the Fäboliden project given the environmental permit is still pending approval.
- Other rehabilitation costs refer to rehabilitation obligations relating to previous mining activities, which are not captured within any LOM cash flows or for which DML does not have an environmental bond.
- Corporate costs represent the NPV of expenses relating to head office costs, the Stock Exchange listing fees, costs of DML Directors, the Management and centralised functions of the DML Group.
- Gold in circuit is valued at US\$2,350/oz and assumed to be realised at the end of the LOM.

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5. It refers to the DML Group's holding of 2,452,910 common shares in Aurion Resources Limited, a company listed on the TSX Venture Exchange (stock code: TSX-V:AU). The share is valued at its trading price as at 2 June 2025.
6. Legal proceedings refer to the expected recoverable amount related to DML's debt recovery actions to enforce compensation from its crusher Supplier. The relevant amount was impaired by DML in its financial statements.
7. For the purpose of converting the market value of the DML Group to AU\$, the following exchange rates of were adopted: US\$1: AU\$1.57.
8. Figures extracted from the DML Valuation may not add up due to rounding.

As shown in the above table, there was a total revaluation surplus in the range of approximately AU\$38.6 million to AU\$97.6 million in the AEV as compared to DML's NAV of approximately as at 31 December 2024. We also note that a majority portion of the AEV was attributable to the Producing Assets and the net cash position of the DML Group as at the valuation date.

We have also compared the AEV per DML Share based on the DML Valuation and the NAV per DML Share as at 31 December 2024, which is summarised as follows:

		(low end)	(high end)
NAV per DML Share as at		AU\$0.52	AU\$0.52
31 December 2024 <i>(note)</i>	<i>(equivalent to)</i>	HK\$2.60	HK\$2.60
AEV per DML Share <i>(note)</i>		US\$0.49	US\$0.73
	<i>(equivalent to)</i>	HK\$3.80	HK\$5.66
<b>Premium over NAV per DML Share</b>		<b>46.2%</b>	<b>117.7%</b>

*Note:* Based on 158,096,613 DML Shares in issue as at the Latest Practicable Date, and the exchange rates of AU\$1.00 to HK\$4.97 and US\$1.00 to HK\$7.78.

The AEV per DML Share in the range of HK\$3.80 to HK\$5.66 per DML Share represents a premium of 46.2% to 117.7% over the NAV per DML Shares as at 31 December 2024.

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### ***1.4 Dividend***

As stated in the paragraph headed “1. Financial Summary of DML” in Appendix I to the Response Document, no dividend was declared or paid by DML for each of the years ended 31 December 2022, 2023 and 2024. Further, we understand from the Management that as at the Latest Practicable Date, (i) DML has no dividend or other distributions declared but not paid; and (ii) DML will not declare and pay any dividend or other distributions before the close or lapse of the Offer. In addition, we understand from the Management that there is no predetermined dividend distribution ratio set by DML. DML Independent Shareholders should however note that DML’s historical dividend record may not be indicative of its future dividend trend.

### ***1.5 Outlook and prospect of the DML Group***

Market consensus on the outlook for gold mining companies in 2025 remains positive, driven by favourable market conditions and increased exploration activities. According to a research published in February 2025 by World Gold Council, a gold industry organisation formed by 32 gold mining companies with mining operations in over 45 countries, the global demand for gold is expected to be strong amidst strengthening central banks’ appetite for gold<sup>1</sup>, and sustained interest from investors as a safe-haven asset in the face of economic uncertainties and inflationary pressures. Meanwhile, on the supply side, global gold production is expected to peak in 2025 before entering a decline due to depleting reserves and fewer new discoveries. According to a research analysis article<sup>2</sup> published in August 2024 by S&P Global Market Intelligence (“S&P Global”, a leading provider of financial and industry data, research, news, and analytics to investment professionals, government agencies, corporations, and universities worldwide), it found that the number and size of significant new gold discoveries has declined considerably over the past decade. The lack of major new discoveries raises concerns about the future trajectory of global gold supply. S&P Global expects gold production to peak in 2026 but will then decline through 2028. According to the quotation of the LBMA Gold Price published on the London Bullion Market Association (“LBMA”) website<sup>3</sup>, the gold price has increased by approximately 22% from US\$2,646.30/oz on 2 January 2025 to US\$3,230.15/oz on 19 May 2025 (i.e. the date of the May Joint Announcement). We also note from

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<sup>1</sup> “Gold Demand Trends: Full Year 2024”, World Gold Council (<https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-full-year-2024>)

<sup>2</sup> “Gold from major discoveries grows 3%, although recent discoveries remain scarce”, (<https://www.spglobal.com/market-intelligence/en/news-insights/research/gold-from-major-discoveries-grows-3-although-recent-discoveries-remain-scarce>)

<sup>3</sup> The LBMA Gold Price is a global benchmark price for unallocated gold delivered in London, and are administered by ICE Benchmark Administration Limited (<https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table>)

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research articles published by several multinational financial institutions in the first half of 2025<sup>4</sup> that the gold price is forecasted to maintain at a level exceeding US\$3,000/oz for the rest of the year 2025 due to inflationary pressures and adjustments of monetary policies by governments of major economies in the face of trade tension. Overall, we believe that the demand, supply and price trends of gold is expected to provide a positive impact for gold mining industry in near future as more existing producers are able to improve their operating margins at the prevailing gold price level.

The DML Group's ability to improve its financial performance amidst the buoyant forecasted gold price trend depends on its future production and financial capability. As discussed in the 2024 Annual Report, the DML Group has environmental bond funding requirements for both of its production centres, namely SPC and VPC, over the coming year. Additional bonds totalling approximately AU\$25.0 million are expected to be funded from existing cash reserves and the remaining restricted cash from the share placement of DML which was conducted in January 2021 (details of which is set out in the announcement of DML dated 1 January 2021). In respect of its existing mining operation, rehabilitation closure works are planned to commence during 2025 at Kaapelinkulma Gold Mine in the VPC. The DML Group also obtained a new environmental permit for Jokisivu in the SPC allowing the crushing of up to 350,000 tonnes of aggregates annually including earlier start times for loading and transport activities.

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<sup>4</sup> The financial institutions referred herein have global operations in the commodity markets and the research articles were prepared by their respective commodity research or strategist teams, and are based upon information, including market prices, data and other information, from sources believed to be reliable to them at the time of the article. Hence, we consider these articles were published by entities with relevant market exposure and experience, prepared objectively and reflected the market view on the gold price trend. These articles published by multinational financial institutions in first half of 2025 include:

- (i) "Gold prices are forecast to rise another 8% this year", by Goldman Sachs Research on 27 February 2025 (<https://www.goldmansachs.com/insights/articles/gold-prices-are-forecast-to-rise-another-8-percent-this-year>)
- (ii) "Will gold prices hit another all-time high in 2025?" by J.P. Morgan Research on 19 February 2025 (<https://www.jpmorgan.com/insights/global-research/commodities/gold-prices>)
- (iii) "Taking the gloves off – raising our forecast" by UBS Chief Investment Office on 11 April 2025. ([https://secure.ubs.com/public/api/v2/investment-content/documents/20hmroBmgNbuNO\\_vZNopvw?apikey=1AS8wxGGWLjxy6J92ees52Uz5ZrWmy6m](https://secure.ubs.com/public/api/v2/investment-content/documents/20hmroBmgNbuNO_vZNopvw?apikey=1AS8wxGGWLjxy6J92ees52Uz5ZrWmy6m))
- (iv) "Gold rush not slowing down" by ANZ Research on 28 April 2025 (<https://www.anz.com/institutional/insights/articles/2025-04/gold-rush-not-slowing-down/>)

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It is worth noting from the discussion in the paragraph headed “1.3.2 DCF Valuation of the Producing Assets” in this letter that, in respect of its operation at Fäboliden in the SPC, the Supreme Court of Appeal rejected the DML Group’s application for leave to appeal the rejection of its application for an environmental permit to commence full scale mining activities at Fäboliden in June 2024. Notwithstanding that the Environmental Impact Assessment (“EIA”) had been approved on 28 June 2022 and that the mining concession remains valid and in place, the DML Group would have to submit a new application for an environmental permit to commence full-scale mining activities to the Environment Court which will include additional measures to mitigate the concerns of the Environment Court issued in its ruling in June 2022.

We understand from the Management that all of the DML Group’s ore productions came from Jokisivu in FY2024. Meanwhile, according to mineral resources estimate set out in the ITER, Fäboliden possesses the highest level of mineral resources (inclusive of ore reserves) amongst the Mine Properties. The aforesaid revised application process for the environmental permit of Fäboliden is estimated to take two years and any significant further delay or failure of the application could materially and adversely affect DML Group’s profitability. Any delay in obtaining the environmental permits and limitation on annual production from Jokisivu may impact on the DML Group’s potential gold production capacity growth in the near future. Meanwhile, following the closure of Svartliden Gold Mine, no gold was produced through mining activities in the SPC.

Based on the above, we are of the view that the outlook of the gold industry is generally positive and the DML Group should be able to benefit from it. There are meanwhile areas of risks and uncertainties which are specific to the DML Group in the short to medium term which may bring uncertainties on the business prospects of the DML Group.

## **2. Information of the Offeror**

### ***2.1 Principal business of the Offeror***

As set out in the Letter from Morton Securities, the Offeror is principally engaged in investment holding and is an indirect wholly-owned subsidiary of AGL, the shares of which are listed on the Main Board (Stock Code: 373). Mr. Edwin Lo King Yau and Mr. Yang are the directors of the Offeror.

As at the Offer Document LPD, the Offeror did not own any DML Shares, and DML is a 29.65%-owned associate of Allied Properties. Allied Properties is an indirectly wholly owned subsidiary of APAC, the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 1104 and Warrant Code: 2478). APAC is a 47.32%-owned associate of AGL, which in turn is beneficially owned as to approximately (i) 74.99% by Lee and Lee Trust (inclusive of Mr. Lee's personal interests), being a discretionary trust; (ii) 9.02% by Ms. Chong Sok Un; and (iii) 15.99% by other public shareholder of AGL. According to the Letter from Morton Securities, the Offeror and the parties acting in concert with the Offeror own 51,441,727 DML Shares (comprising 46,877,727 DML Shares, 4,334,000 DML Shares, 220,000 DML Shares and 10,000 DML Shares held by Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively), representing approximately 32.54% of the entire issued shares of DML as at the Offer Document LPD.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are development and investment of residential, office and commercial properties, hospitality related activities, investment and operation of hospital, eldercare and health related businesses, provision of property management, cleaning and security guarding services, and the provision of finance, investments in listed and unlisted securities and funds management.

***2.2 The Offeror's intention in relation to the DML Group***

As stated in the Letter from Morton Securities, the Offeror is supportive of the DML Board and management team of DML and their current strategy. It is the intention of the Offeror to continue the existing business of the DML Group. The Offeror has no intention to put forward any major changes to the businesses of the DML Group after the close of the Offer (including in relation to its funding arrangements), to discontinue any employment of the employees of the DML Group, to dispose of or re-allocate the DML Group's assets which are not in the ordinary and usual course of business of the DML Group. The Offeror will be supportive of DML using its existing financial resources to expand its operations in gold mining and in hiring qualified staff for such expansion. The Offeror has no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of existing businesses of the DML Group. The Offeror has no intention to make any change to DML's current dividend policy. Notwithstanding, DML Independent Shareholders should note the Offeror also stated that its intention may vary as new information becomes available or circumstances change. In such case, the Offeror will notify the DML Shareholders of any material changes as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

***2.3 Proposed change of the DML's board composition***

As stated in the Letter from Morton Securities, the Offeror intends to nominate new DML Directors to the DML Board after the close of the Offer. It is expected that not more than three of the DML Directors as at the Latest Practicable Date will resign. Any changes to the composition of the DML Board and biographies of any new DML Directors to be appointed will be made as and when appropriate in compliance with the Takeovers Code and the Listing Rules and subject to all required approvals. As at the Offer Document LPD, the Offeror has not identified any candidates for nomination as new DML Directors and has not determined the existing DML Directors who will resign. The potential change in the DML Board's composition may lead to adjustments in business management and decision making processes, the effects of which is currently unknown.



### ***2.4 Maintaining the listing Status of DML***

According to the Letter from Morton Securities, if, at the close of the Offer, less than the minimum prescribed percentage applicable to DML, being 25% of the DML Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the DML Shares; or (ii) there are insufficient DML Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the DML Shares until the prescribed level of public float is restored.

The Offeror intends to retain the listing of the DML Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any DML Shares outstanding after the close of the Offer.

Under the Corporations Act, if at the end of the offer period the Offeror and its associates (as defined in the Corporations Act) have a relevant interest (as defined in the Corporations Act) in at least 90% of the DML Shares, the Offeror must offer to buy out (the “**Buy Out Offer**”) the remaining holders of DML Shares and the holders of securities that are convertible into DML Shares (of which there are none on issue as at the Latest Practicable Date). The Buy Out Offer provides a right to the remaining holders of DML Shares to dispose of their interest in DML to the Offeror. The remaining holders of DML Shares may accept or reject the Buy Out Offer. For the avoidance of doubt, the Buy Out Offer does not constitute a compulsory acquisition. Subject to this obligation, the directors of the Offeror and the new directors to be appointed to the DML Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the DML Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offer (which could be after the close of the Buy Out Offer process, if applicable) shall include placing down of sufficient number of accepted DML Shares by the Offeror where appropriate. DML and the Offeror will issue a further announcement as and when necessary in this regard. DML Independent Shareholders are advised to monitor the actions of the Offeror and consider the impact to the DML Share price in relation thereof.

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### 3. Principal terms of the Offer

As set out in the Offer Document, the Offer is made on the following basis:

**For every Offer Share . . . . . HK\$2.60 in cash**

DML Independent Shareholder should also note that the Offeror can vary the Offer by:

- (a) waiving the Conditions (subject to the Takeovers Code and the Corporations Act);
- (b) extending the Offer Period (subject to the Takeovers Code and the Corporations Act); or
- (c) increasing the consideration offered under the Offer.

If you accept the Offer and the Offeror subsequently increases the consideration offered in respect of that Offer, you are entitled to receive the improved consideration.

#### **3.1 Conditions of the Offer**

We would like to draw the DML Shareholders' attention to the fact that the Offer is subject to the Conditions being fulfilled or waived (where applicable). The DML Independent Shareholders should read the conditions of the Offer set out in the paragraph headed "4. The Offer – Conditions to the Offer" in the Letter from the DML Board, which is excerpted as follows:

- 1. the Offeror obtaining any necessary waivers, approvals, modifications or consents from the SFC or ASIC that have been applied for by the Offeror before the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), and are required to facilitate or complete the Offer in circumstances where the Offeror faces a conflict between the regulations and laws of Hong Kong and Australia;;
- 2. no Prescribed Occurrence happening between the date of the May Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later);
- 3. between the date of the May Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), the DML Group maintaining and complying with its mining tenement and processing licenses and all related Authorisations, and no regulatory authority taking any action in respect of the DML Group that is adverse to such tenements, processing licenses or Authorisations; and

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4. valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the closing date of the Offer (or such later time or date as the Offeror may, subject to the Takeovers Code and the laws of Australia, decide) in respect of such number of the DML Shares which, together with the DML Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it together holding more than 50% of the voting rights of DML. valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date of the Offer (or such later time or date as the Offeror may, subject to the Takeovers Code and the laws of Australia, decide) in respect of such number of the DML Shares which, together with the DML Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it together holding not less than 50% of the voting rights of DML;

Subject to the Corporations Act, the Offeror alone is entitled to the benefit of the Conditions, or to rely on any non-fulfilment of any of them. Each Condition is a separate, severable and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

In respect of Condition 1, Practice Note 27 issued by the SFC permits the Closing Date be automatically extended to the next Business Day where certain extreme weather declarations or warnings are in force in Hong Kong on the Closing Date at 12:00 or after (see paragraph 8(b) in the section headed “Change in Expected Timetable of The Offer” in the Delay Announcement for more information), while the Corporations Act does not have such provision and does not permit an extension of the Closing Date in those circumstances. To rectify this conflict, the Offeror has applied to ASIC for, and ASIC has granted, the 624 Declaration. As at the Latest Practicable Date, save for the 624 Declaration, the Offeror is not aware of any waivers, approvals, modifications or consents it needs to obtain from the SFC or ASIC to facilitate and complete the Offer.

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Conditions 1, 2 or 3 can be waived while Condition 4 cannot be waived. As at the Latest Practicable Date, none of the Conditions have been satisfied or (if capable of being waived) waived. Further announcement(s) will be made by the Offeror as and when appropriate in respect of the satisfaction or (if capable of being waived) waiver of the Conditions. The DML Independent Shareholders are reminded that once you accept the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you, and you will consequently be unable to withdraw your DML Shares from the Offer (except as permitted under Rule 17 of the Takeovers Code and the Corporations Act) or otherwise dispose of your DML Shares, unless the Offer lapses. If the Conditions are not satisfied or waived (as applicable) on or before the Closing Date, the Offer will lapse unless the offer period is extended by the Offeror in accordance with the Takeovers Code and the Corporations Act.

In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all Conditions must be fulfilled or waived, or the Offer will lapse within 21 days after the First Closing Date or after the date the Offer becomes or is declared unconditional as to acceptances, whichever is later.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any Conditions, other than the acceptance condition, so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke the Conditions are of material significance to the Offeror in the context of the Offer. Unless the circumstances of Conditions 1, 2 or 3 to be involved are of material significance to the Offeror in the context of the Offer, the Offeror will not invoke any Conditions so as to cause the Offer to lapse.

DML Independent Shareholders should note that the Offeror will give notice to DML and ASIC on the Condition Status Update as required by the Corporations Act on 1 August 2025 (subject to extension if the Bid Period (as defined in the Offer Document) is extended), and further announcement will be made by the Offeror in this regard. In the event that the Offer becomes or is declared unconditional in all respects before the First Closing Date, the Offer will close on the First Closing Date or 14 days after the Offer becomes or is declared unconditional in all respects, whichever is later.

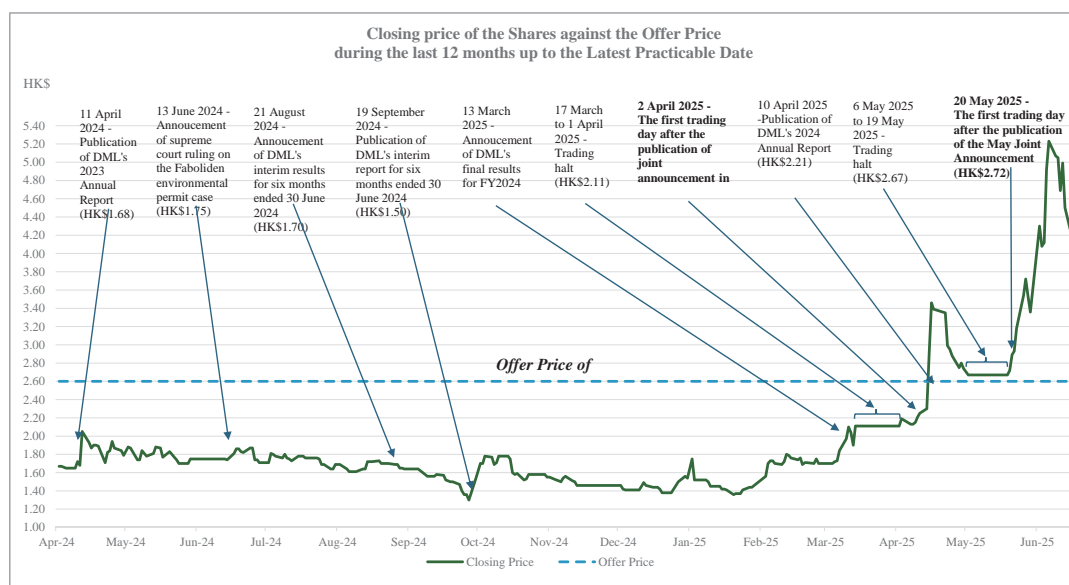
## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

### 3.2 Evaluation of the Offer Price

To assess the fairness and reasonableness of the Offer Price of HK\$2.60 per Offer Share, our analysis makes reference to (i) the historical price performance of the DML Shares; (ii) the historical trading liquidity of the DML Shares; (iii) the Offer Price against NAV per DML Share and the DML Valuation per DML Share; and (iv) market comparables.

#### 3.2.1 Historical price performance of the DML Shares

The chart below depicts the closing price level of the DML Shares as quoted on the Stock Exchange from 2 April 2024 (being the first trading day of the month falling 12 months preceding the last trading day of the DML Shares on the Stock Exchange before the commencement of the Offer Period until 1 April 2025 (being the date of the publication of the joint announcement in respect of the Allied Properties Offer issued by Allied Properties, DML and APAC) (“**Pre-Offer Period**”), (ii) from 2 April 2025 to the last trading day of the DML Shares on the Stock Exchange before the date of the publication of the May Joint Announcement (“**Last Trading Day**”) (being the commencement of the Offer Period up until the announcement of potential Allied Properties Offer Withdrawal, “**Allied Properties Offer Period**”); and (iii) from 20 May 2025 (being the first trading day after the publication of the May Joint Announcement in relation to the Offer and the possible Allied Properties Offer Withdrawal) up to and including the Latest Practicable Date (“**Post-May Joint Announcement Period**”) (collectively, the “**Review Period**”).



Source: The website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

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From the commencement of the Review Period, being 2 May 2024 to the mid-June 2024, the closing price of the DML Shares fluctuated between the range of HK\$1.70 and HK\$1.88, with no major public announcement being made by the DML Group. Afterwards, the closing price of the DML Shares showed a downward trend from mid-June 2024 till the end of September 2024, with a period low of HK\$1.3 recorded on 27 September 2024. During this period, DML announced (i) on 13 June 2024, that the Supreme Court of Sweden delivered its ruling not to grant leave to appeal regarding its Fäboliden project as mentioned in the paragraph headed “1.5 Outlook and prospect of the DML Group” above; and (ii) on 21 August 2024, DML’s financial results for the six months ended 30 June 2024, which recorded a period-on-period decrease in gold production for both its Finland and Sweden operations. The closing price of the DML Share fluctuated between the range of HK\$1.36 and HK\$1.76 from October 2024 to January 2025 when the gold market price maintained at a level around US\$2,700/oz. The closing price of the DML Share increased from HK\$1.56 on 3 February 2025 to HK\$2.11 on 14 March 2025, during a period when gold market price had increased from around US\$2,800/oz level to over US\$3,000/oz level.

The trading of the DML Shares was suspended from 17 March 2025 to 1 April 2025 (being the date of the joint announcement in respect of the Allied Properties Offer). Subsequently, the closing price of the DML Shares increased from a period low of HK\$2.11 on 2 April 2024 to a period high of HK\$3.46 recorded on 16 April 2025, and then decreased back to HK\$2.67 on the Last Trading Day. The increase of closing price during the Allied Properties Offer Period was possibly attributable to the (i) continuous effect from the publication of DML’s annual results for FY2024 on 13 March 2025, which indicated a significant growth of its net profit as compared to FY2023; (ii) the announcement of the Allied Properties Offer, which had an offer price of HK\$2.20 per DML Share, and (iii) upward trend of gold price during this period which reached a level of over US\$3,400/oz amidst the weakening of US\$ as a result of investors’ concerns over the economic implications of trade tensions and newly announced tariffs by major economies, and sustained central bank demand for gold with a view to increasing their gold reserves.

In summary, throughout the Pre-Offer Period, the DML Share closing price fell within a range of HK\$1.30 and HK\$2.11, which was below the Offer Price, whilst it went above the Offer Price for most of the Allied Properties Offer Period. The Offer Price of HK\$2.60 per Offer Share represents:

- (i) a discount of approximately 2.62% to the closing price of HK\$2.67 per DML Share as quoted on the Stock Exchange on the Last Trading Day;

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- (ii) a discount of approximately 6.14% to the average closing price of approximately HK\$2.77 per DML Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 13.33% to the average closing price of approximately HK\$3.00 per DML Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 10.17% over the average closing price of approximately HK\$2.36 per DML Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 31.31% over the average closing price of approximately HK\$1.98 per DML Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;

Meanwhile, the DML Share closing price increased and stayed above the Offer Price subsequent to the date of publication of the May Joint Announcement up until the Latest Practicable Date in the range of HK\$2.72 and HK\$5.23. In particular, the Offer Price represents a substantial discount of 26.8% to the closing price of the DML Shares of HK\$3.55 per DML Share on the Latest Practicable Date.

From the perspective of historical closing price of the DML Shares prior to the Pre-Offer Period, the Offer Price proposed by the Offeror appears to be justifiable given it was at a premium to the then closing prices. From the perspective of recent prices of the DML Shares throughout most of the Allied Properties Offer Period and following the publication of the May Joint Announcement means DML Independent Shareholders may be better off selling their DML Shares in the market if they wish to liquidate their investments in DML (where liquidity of DML Shares allow).

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### 3.2.2 Historical trading liquidity of the DML Shares

The table below sets forth the total number and the average daily number of Shares traded per month on the Stock Exchange, and the respective percentage of such monthly average daily trading volume as compared to the total number of issued DML Shares and the total number of DML Shares held by the DML Independent Shareholders during the Review Period.

Month/Period	Trading days	Average daily trading volume for the month (Shares)	% of average daily trading volume to total number of DML Shares in issue (Note 1)	% of average daily trading volume to total number of Shares held by the DML Independent Shareholders (Note 2)
<b>Pre-Offer Period</b>				
April 2024	20	106,420	0.07%	0.10%
May 2024	21	64,667	0.04%	0.06%
June 2024	19	127,877	0.08%	0.12%
July 2024	22	43,455	0.03%	0.04%
August 2024	22	7,455	<0.01%	0.01%
September 2024	19	14,895	0.01%	0.01%
October 2024	21	59,041	0.04%	0.06%
November 2024	21	38,052	0.02%	0.04%
December 2024	20	23,842	0.02%	0.02%
January 2025	19	72,105	0.05%	0.07%
February 2025	20	254,105	0.16%	0.24%
March 2025 (Note 3)	10	421,918	0.27%	0.40%
<b>Allied Properties Offer Period and Post-May Joint Announcement Period</b>				
April 2025 (Note 3)	18	2,923,989	1.85%	2.74%
May 2025 (Note 4)	10	2,334,094	1.48%	2.19%
June 2025 (up to the Latest Practicable Date)	15	3,780,779	2.39%	3.54%

Source: The Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

Notes:

1. Based on the total number of issued DML Shares as at each month end.



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2. Based on the total number of issued DML Shares held by the DML Independent Shareholders of as at each month end.
3. The trading of the DML Shares was suspended from 17 March 2025 to 1 April 2025 pending the publication of the joint announcement in relation to the Allied Properties Offer.
4. The trading of the DML Shares was suspended from 6 May 2025 to 19 May 2025 pending the publication of the May Joint Announcement in relation to the Offer and the possible Allied Properties Offer Withdrawal.

From the table above, the monthly average daily trading volume of the DML Shares had been relatively thin throughout the Pre-Offer Period as compared to that after the commencement of the Offer Period (i.e. April 2025 onwards). The monthly average daily trading volume of the DML Shares ranged from less than 0.01% to 0.27% of the total number of the DML Shares in issue and approximately from 0.01% to 0.40% of the DML Shares held by the DML Independent Shareholders as at the respective month end date during the Pre-Offer Period. The average daily trading volume for April 2025 increased to 1.85% of the total number of the DML Shares in issue and 2.74% of the Shares held by the DML Independent Shareholders. Subsequent to the publication of the May Joint Announcement, the trading volume remained relatively high, where the average daily trading volume for May 2025 and June 2025 were 1.48% and 2.39% of the total number of the DML Shares in issue respectively, and 2.19% and 3.54% of the DML Shares held by the DML Independent Shareholders respectively. Out of the 234 active trading days (a trading day which the trading of Shares was not suspended) on the Stock Exchange during the Pre-Offer Period (“**Total Active Trading Days**”), there were (i) 65 trading days where no Shares were traded, representing approximately 28% of the Total Active Trading Days, and (ii) 98 trading days where less than 10,000 DML Shares were traded, representing approximately 42% of Total Active Trading Days. It can be concluded from the above statistics that the trading of the DML Shares during the Pre- Offer Period was generally not active. Trading activities increased during the Allied Properties Offer Period and Post-May Joint Announcement Period, and we believe this was likely underpinned by the existence of the Allied Properties Offer and the Offer.

It is uncertain whether there would be sufficient liquidity in the DML Shares for the DML Independent Shareholders to dispose of a considerable number of their DML Shares in the open markets without compromising the price level of the DML Shares in the absence of the Offer. The Offer provides an opportunity for the DML Independent Shareholders, in particular those holding a considerable number of DML Shares, to dispose of their Shares at the Offer Price, which is fixed, if they wish to.

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### 3.2.3 Offer Price vs DML's NAV and the DML Valuation

We note that the Offer Price of HK\$2.60 is at the same level as the audited consolidated NAV attributable to the DML (based on the audited consolidated NAV of DML of approximately AU\$82.8 million (equivalent to approximately HK\$409.7 million) as at 31 December 2024, 158,096,613 DML Shares in issue as at the Latest Practicable Date and the exchange rate of AU\$1.00 to HK\$4.97.

We have also compared the Offer Price to the AEV per DML Share based on the DML Valuation as discussed in the paragraph headed “1.3 Valuation of the DML Group” in this letter, which is summarised as follows:

	(low end)	(high end)
AEV of DML in the DML Valuation	US\$77.3 million	US\$114.9 million
AEV per DML Share <i>(note)</i>	US\$0.49	US\$0.73
<i>(equivalent to)</i>	HK\$3.80	HK\$5.66
<b>Discount of the Offer Price to AEV per DML Share</b>	<b>31.6%</b>	<b>54.0%</b>

*Note:* Based on 158,096,613 DML Shares in issue as at the Latest Practicable Date, and the exchange rate of US\$1 to HK\$7.78.

The Offer Price of HK\$2.60 per DML Share represents a substantial discount of 31.6% to 54.0% to the above low and high ends of AEV per DML Share.

### 3.2.4 Comparables analysis

To assess the fairness and reasonableness of the Offer Price from the perspective of relative valuation against its Hong Kong-listed industry peers, we have conducted a search, on a best effort basis, for listed companies engaging in similar business to the DML Group (the “**Comparable Companies**”) and analysed their price-to-earnings (“**P/E**”) ratios and price-to-book (“**P/B**”) ratios, which is a commonly adopted basis in conducting market comparable analysis.

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In selecting the Comparable Companies, our selection criteria focused on companies that (i) are listed on the Stock Exchange; (ii) are principally engaged in gold mining and processing business with at least 60% of their revenue derived therefrom; and (iii) generated profits (after deducting extraordinary gain or loss) in the most recent financial year. DML Independent Shareholders should note that despite of the aforesaid criteria, the principal places of business (i.e. geographical locations of the gold mining projects), the quality of the mines (i.e. level of mineral resources), and the mine production process (e.g. open-pit or underground mining), and scale of operations of the DML Group are not exactly the same as those of the Comparable Companies, and we have not conducted any in-depth investigation into the business and operations of the Comparable Companies.

We have identified eight Comparable Companies, which have been selected through our research using public information and based on the above criteria. Notwithstanding the fact that the market capitalisations of the Comparable Companies as at the Latest Practicable Date varied from approximately HK\$3.7 billion to approximately HK\$526.9 billion and were significantly higher than that of DML, given the fact that gold is a commodity with relatively transparent and uniform market price in global markets and the demand for gold does not differ significantly by the source of supply, we consider the Comparable Companies to be fair and representative samples for the purpose of P/E ratio and P/B ratio analysis, and the research on the Comparable Companies provides a meaningful analysis. We believe the following is an exhaustive list based on these criteria.

Company name	Stock code	Geographical location of gold mining projects	Market capitalisation as of the Latest Practicable Date (Note 1) HK\$ million	Revenue contribution from gold mining and processing business (Note 2)	Historical P/E ratio (Note 3) times	Historical P/B ratio (Note 4) times
Tongguan Gold Group Limited (潼關黃金集團有限公司)	0340.HK	PRC	10,554.5	81.2%	50.0	4.39 (Note 5)
Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司)	1787.HK (600547.SH)	PRC, Argentina	148,869.4	65.2%	44.5	4.5
Zhaojin Mining Industry Co. Ltd. (招金礦業股份有限公司)	1818.HK	PRC, Sierra Leone, Côte d'Ivoire	71,733.5	92.8%	45.5	3.1
Persistence Resources Group Ltd (集海資源集團有限公司)	2489.HK	PRC	3,720.0	100.0%	32.7	3.9

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Company name	Stock code	Geographical location of gold mining projects	Market capitalisation as of the Latest Practicable Date (Note 1) HK\$ million	Revenue contribution from gold mining and processing business (Note 2)	Historical P/E ratio (Note 3) times	Historical P/B ratio (Note 4) times
Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司)	2899.HK (601899.SH)	PRC, Tajikistan, Suriname, Guyana, Kyrgyzstan, Serbia	526,862.4	97.7%	14.6	3.4
Lingbao Gold Group Company Ltd. (靈寶黃金集團股份有限公司)	3330.HK	PRC, Kyrgyz Republic	12,534.2	98.3%	16.5	3.4
Chifeng Jilong Gold Mining Co., Ltd. (赤峰吉隆黃金礦業股份有限公司)	6693.HK (600988.SH)	PRC, Laos, Ghana	55,879.9	96.6%	29.5	5.0
GT Gold Holdings Limited (大唐黃金控股有限公司)	8299.HK	PRC	2,265.6	100.0%	41.0	5.3
<b>Maximum</b>					<b>50.0</b>	<b>5.3</b>
<b>Minimum</b>					<b>14.6</b>	<b>3.1</b>
<b>Average</b>					<b>34.3</b>	<b>4.1</b>
<b>Median</b>					<b>36.8</b>	<b>3.9</b>
<b>Based on the Offer Price (Note 4)</b>						
<b>DML</b>	<b>1712.HK</b>	<b>Finland, Sweden</b>	<b>411.1</b>	<b>100%</b>	<b>6.4</b>	<b>1.0</b>

Source: The Stock Exchange, 2024 annual reports of each Comparable Companies

Notes:

- Market capitalisation figures of the Comparable Companies are presented in HK\$ and are based on the total number of shares in issue of each of these companies (including H-shares, A-shares and domestic shares), and their respective share price (as the case may be).
- Revenue contribution from gold mining and processing business of the Comparable Companies over total revenue for their latest financial years is based on the information disclosed in their latest published annual reports.
- Historical P/E ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at the Latest Practicable Date as extracted from their respective latest monthly return on movements in securities, divided by their respective net profit attributable to shareholders after deduction of non-recurring gain or loss for FY2024.

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4. Historical P/B ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at the Latest Practicable Date as extracted from their respective latest monthly return on movements in securities, divided by the net assets attributable to shareholders as of the end of FY2024.
5. Tongguan Gold Group Limited completed a subscription of shares under its general mandate in April 2025. The historical P/B is calculated based on the adjusted net asset value taking into account the net proceeds of approximately HK\$225.5 million from the share subscription.
6. The implied market capitalisation, P/E Ratio and P/B Ratio of DML are calculated based on the Offer Price.

As shown in the table above, the implied P/E ratio and the implied P/B ratio of DML of 6.5 times and 1.0 times respectively, calculated based on the Offer Price, were lower than (i) the historical P/E ratios of the Comparable Companies which ranged from 14.6 times to 50.0 times, with average and median of approximately 34.3 times and 36.8 times respectively; and (ii) the historical P/B ratios of the Comparable Companies which ranged from 3.1 times to 5.3 times, with average and median of approximately 4.1 times and 3.9 times respectively. We note that the implied P/E ratio and implied P/B ratio are significantly lower than the range of historical P/E ratios and the historical P/B ratios of the Comparable Companies. On this basis, from the perspective of relative valuation between DML and the Comparable Companies, we are of the view that the Offer Price is not fair and not reasonable to DML Independent Shareholders.

### RECOMMENDATION

Having considered the aforesaid principal factors as summarised below (which should be read in conjunction with and interpreted in the full context of this letter):

- i. the Offer Price is not fair and not reasonable from the perspective of relative valuations as the implied P/E Ratio and P/B Ratio of the Offer Price are below the ranges of the Comparable Companies;
- ii. the Offer Price is at the same level as the NAV per DML Share as at 31 December 2024, and at substantial discounts of 31.6% and 54.0% to the low end and high end of the AEV per DML Share of HK\$3.80 and HK\$5.66 respectively, after taking into account the DML Valuation performed by the DML Independent Expert;

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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- iii. the Offer Price represents a discount of 2.62%, 6.14%, 13.33%, on the closing price of the DML Shares on the Last Trading Day, and the average closing price of the Shares for the five (5) and ten (10) consecutive trading days prior to and including the Last Trading Day respectively. Also, it represents discounts to the DML Share closing prices in the Post-May Joint Announcement Period as well as on the Latest Practicable Date; and
- iv. the improved financial performance of DML underpinned by buoyant gold price trend in FY2024; and that the DML Group should be able to benefit from the generally positive outlook of the gold industry, where the demand, supply and price trends of gold are expected to provide a positive impact for gold mining industry in near future,

we are of the view that the Offer Price is not fair and not reasonable from a business valuation standpoint and the Offer Price does not reflect the recent positive development of the gold mining industry and the gold price trend. While we noted the areas of risks and uncertainties which are specific to the DML Group in the short to medium term which may bring uncertainties on the business prospects of the DML Group, having weighed the factors above, we would advise the DML Independent Board Committee to recommend the DML Independent Shareholders not to accept the Offer.

We are cognizant of the fact that the DML Independent Shareholders had not received any monetary return in the form of dividend in the past few financial years, and the Offer provides an opportunity for the DML Independent Shareholders to realise their investment with certainty at the fixed Offer Price.

Given that prevailing market price of the DML Shares had been higher than the Offer Price during the Post-May Joint Announcement Period up until the Latest Practicable Date, in cases where the DML Independent Shareholders wish to realise all or part of their investment in the DML Shares, they should firstly consider selling their DML Shares in the open market if the market price of the DML Shares exceeds the Offer Price and the net proceeds from the sale of the DML Shares in the open market after deducting all related costs exceed the amount receivable from the Offer. However, if the price of DML Shares decreased to below the Offer Price before the end of the offer period of the Offer, DML Independent Shareholders should accept the Offer (if they can receive higher net proceeds from the Offer than selling their DML Shares in the open market). We therefore advise such DML Independent Shareholders to closely monitor the market trading of DML Shares during the Offer Period.

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## LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER

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DML Independent Shareholders who wish to accept the Offer should read carefully the procedures for accepting the Offer as detailed in the Offer Document. As different DML Independent Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any DML Independent Shareholders who may require advice in relation to any aspect of the Offer, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**

**Chang Sean Pey**  
*Responsible Officer*

**Chan Ying Wai Freddy**  
*Responsible Officer*

*Mr. Chang Sean Pey (“Mr. Chang”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Chan Ying Wai Freddy (“Mr. Chan”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chan has worked in investment banking and corporate finance advisory for over 15 years. He has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

\* *for the purpose of this letter and for illustration only, amounts in this letter denominated in AU\$, US\$ and RMB have been translated into HK\$ at the following exchange rates:*

*– AU\$1.00 to HK\$4.97*

*– US\$1.00 to HK\$7.78*

*– RMB0.92 to HK\$1.00*

This section sets out additional disclosures required under the Corporations Act and should be read in conjunction with the other detailed information set out in this Response Document. You should read this Response Document in full before deciding whether or not to accept the Offer.

This Response Document qualifies as a target's statement issued by the Offeree under Part 6.5 of the Corporations Act.

This Response Document is dated 23 June 2025 and is issued in response to an Offer dated 2 June 2025 as set out in the Offer Document.

## **1. DML INDEPENDENT BOARD COMMITTEE RECOMMENDATION**

Each member of the DML Independent Board Committee recommends that you reject the Offer by the Offeror in the absence of a Superior Proposal.

Up to the Latest Practicable Date, the DML Board or the DML Independent Board Committee has not received any Superior Proposal.

In considering whether to reject the Offer, the DML Independent Board Committee encourages you to:

- (a) refer to the reasons set out below under heading "Reasons to Reject the Offer";
- (b) refer to the reasons set out below under the heading "Reasons why DML Independent Shareholders may choose to Accept the Offer";
- (c) read the whole of this Response Document (including the DML Independent Expert Report and the letter from the DML Independent Financial Adviser) and the Offer Document;
- (d) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (e) consider the reasons for the DML Independent Board Committee recommendations noted in this Response Document;
- (f) carefully consider the terms and conditions of the Offer; and
- (g) obtain financial advice from your broker or financial adviser about the Offer and obtain taxation advice on the effect of accepting the Offer.



The other DML Directors not included on the DML Independent Board Committee are not making a recommendation on the Offer, as they have current or historical connections with the Offeror (or the prior potential offeror, Allied Properties, through APAC), due to Mr. Dew's common directorship of DML and the AGL. In the case of Mr. Brett Robert Smith, as an executive director of DML, he is not eligible to sit on the DML Independent Board Committee pursuant to the Takeovers Code. He was a former executive director of APAC until November 2023.

### **1.1 Reasons to Reject the Offer**

The DML Independent Board Committee recommends that you reject the Offer in the absence of a Superior Proposal for the following key reasons:

- (a) **DML Independent Expert conclusion:** The DML Independent Expert appointed for the purposes of the Corporations Act has concluded that the Offer is “not fair and not reasonable”. The DML Independent Expert Report, which is included in full in this Response Document, and includes the underlying report of the Independent Technical Expert, should be read in full. The DML Independent Expert's opinion is that the Offer is “not fair and not reasonable” for DML Independent Shareholders based on a comprehensive valuation indicating the Offer Price is materially below the assessed fair market value, lack of compelling alternative justifications, and comparative market evidence all pointing to higher intrinsic value for DML Shares than what is being offered.
- (b) **DML Independent Financial Adviser conclusion:** The DML Independent Financial Adviser appointed for the purposes of the Takeovers Code has concluded that the Offer is not fair and not reasonable, and recommended to the DML Independent Board Committee that it should recommend to DML Independent Shareholders that they reject the Offer. The Letter from the DML Independent Financial Adviser, which is included in full in this Response Document, should be read in full.
- (c) **Fairness Assessment:** The DML Independent Expert Report compares the Offer Price of HK\$2.60 per DML Share to the assessed fair market value of DML Shares on a 100% control basis. The fair market value range determined by the DML Independent Expert (being a range of low of HK\$3.81 and high of HK\$5.66) is higher than the Offer Price. Thus, the Offer is not considered fair.

- (d) **Valuation Methodology:** The DML Independent Expert uses a sum-of-parts (SOP) approach, including discounted cash flow (DCF) models for key mining assets, market multiples for resources outside life-of-mine (LOM) plans, and adjustments for corporate costs, rehabilitation liabilities, and other assets. The resulting per-share value range exceeds HK\$2.60, meaning the Offer undervalues DML on a control basis.
- (e) **Share Price Performance:** DML's Share price in the months leading up to the Offer was consistently below the Offer Price, but there was a significant increase in trading volume and price following the announcement, with prices reaching as high as HK\$3.99 in April 2025 and closing at HK\$2.74 at the end of that month. DML Share prices have been even higher more recently and are discussed further in the independent advice from the DML Independent Financial Adviser at section 3.2.1 and the DML Independent Expert Report at sections 1.11, 1.26 and 10.18. As at the Latest Practicable Date, the closing price of a DML Shares was HK\$3.55. This suggests that the market values DML Shares above the Offer Price, especially when factoring in control premiums typically paid in takeovers.
- (f) **Liquidity and Trading:** The DML Independent Expert Report notes that while DML Shares have historically been illiquid, the surge in trading volume post-announcement in April 2025 indicates heightened market interest and a potential willingness to pay above the Offer Price, further supporting the view that the Offer does not reflect the fair value of the DML Shares.
- (g) **Jokisivu and Fäboliden Mines:** The DML Independent Expert's DCF analysis of the Jokisivu (Finland) and Fäboliden (Sweden) mines, which are DML's principal assets, indicates that their combined value – along with other assets and after accounting for liabilities – results in an equity value for DML above the Offer Price.
- (h) **Fäboliden Permit Scenario Weighting:** The valuation carried out by the DML Independent Expert considers both scenarios where Fäboliden receives a mining permit and where it does not, applying a probability weighting (50-70% chance of mining permit being granted). Even after adjusting for this risk, the fair value remains above the Offer Price.

- (i) **Reasonableness Assessment:** According to regulatory guidance (ASIC Regulatory Guide 111), an offer that is not fair may still be reasonable if there are compelling factors (such as no alternative offers, significant risks if the offer lapses, or other strategic benefits). The DML Independent Expert finds no such factors that would justify the acceptance of the Offer at HK\$2.60.
- (j) **No Superior Proposal or Imminent Risks:** The DML Independent Expert found there is no evidence of a superior competing offer or imminent financial distress that would necessitate accepting a sub-fair offer. DML maintains a healthy cash balance, has undrawn debt facilities, and is not under immediate threat of insolvency or delisting.
- (k) **Control Premium:** The DML Independent Expert found that the Offer does not include an adequate control premium (or any premium), which is typically expected in takeovers to compensate shareholders for relinquishing control and future upside.
- (l) **Board and Management Changes:** If the Offer is successful, the Offeror intends to appoint new directors to the DML Board, which may affect the direction and governance of DML. However, this does not provide additional value to minority shareholders under the current Offer terms.
- (m) **Peer Comparison:** The DML Independent Expert found that the implied resource and reserve multiples from the Offer are lower than those observed in comparable listed companies and recent transactions, further indicating that the Offer undervalues DML relative to its peers.

It is noted by the DML Independent Board Committee that you may choose to reject the Offer but you may, alternatively, wish to realise your investment in DML through the sale of some or all of your DML Shares on-market, given that the recent trading prices are higher than the Offer Price. If you sell your DML Shares on-market, you will lose the ability to accept the Offer, participate in any potential increase in the Offer Price (if any), or any other offer which may eventuate. You may also incur a brokerage charge.

All DML Directors who hold DML Shares presently intend to reject the Offer in respect of their personal shareholdings (subject to no material change in their respective personal or external circumstances occurring before the expiry of the Offer Period).

**1.2 Reasons DML Independent Shareholders may decide to Accept the Offer*****(a) You may disagree with the conclusions of the DML Independent Board Committee, the DML Independent Financial Adviser and the DML Independent Expert***

In the DML Independent Board Committee recommending to reject the Offer (in the absence of a Superior Proposal), the DML Independent Board Committee is making judgments based on the DML Independent Financial Adviser and the DML Independent Expert's opinions as to future events which are not predictable with certainty, and which may prove to be incorrect (either positively or negatively).

You may believe the Offer Price is sufficient, and you may hold a different view as to the value of the DML Shares to that of the DML Independent Board Committee, the DML Independent Financial Adviser and the DML Independent Expert.

***(b) You may prefer to sell and not to participate in the future performance of DML***

You may consider your preference is to sell your DML Shares and cease your exposure to DML and the potential for future improvements in financial performance and dividends (if any).

You may hold the view that the immediate cash consideration at the Offer Price, having regard to historical trading prices, outweighs the future prospects of DML. The DML Independent Board Committee have evaluated the risks and benefits and prospects of the current DML business against the Offer Price and the other terms of the Offer. In deciding to not recommend the Offer, the DML Independent Board Committee has decided that the current, short-and medium term realisation of value from holding DML Shares is greater than the value provided by the Offer.

As set out in the Letter from the DML Independent Financial Adviser, the DML Independent Financial Adviser has advised the DML Independent Board Committee to recommend to DML Independent Shareholders that they do not accept the Offer. However, the DML Independent Financial Adviser also acknowledges that DML Independent Shareholders had not received any monetary return in the form of dividend in the past few financial years, and the Offer does provide an opportunity for the DML Independent Shareholders to realise their investment with certainty at the fixed Offer Price. Given that prevailing market price of the DML Shares had been higher than the Offer Price during the period from 20 May 2025 (being the first trading day after the publication of the Joint Announcement) and up until the Latest Practicable Date, the DML Independent Financial Adviser also acknowledges that in cases where the DML Independent Shareholders wish to realise all or part of their investment in the DML Shares, they should firstly consider selling their DML Shares in the open market if the market price of the DML Shares exceeds the Offer Price and the net proceeds from the sale of the DML Shares in the open market after deducting all related costs exceed the amount receivable from the Offer.

***(c) You may consider that there is no potential for a Superior Proposal to emerge***

You may believe that a Superior Proposal for all DML Shares will not emerge in the future. Once you accept the Offer in respect of all of your DML Shares, you will not be able to sell those Shares or otherwise deal with the rights attaching to them unless the Conditions are not fulfilled or waived, in which case the Offer will terminate and your DML Shares will be returned to you.

Consequently, if a Superior Proposal is announced, DML Shareholders who have accepted the Offer may not be able to withdraw their acceptance in order to accept a Superior Proposal.

As at the date of this Response Document, no Superior Proposal has been forthcoming, and the DML Independent Board Committee is not aware of any Superior Proposal for DML Shareholders to consider. The DML Independent Board Committee is also not aware of any possibility that an alternative Superior Proposal for all of the DML Shares will be made in the foreseeable future, although the opportunity remains available for an alternative offer to be made.

***(d) The Potential Tax Consequences of Accepting a Cash Consideration May Be Acceptable to You***

The tax consequences of the Offer will depend on your personal situation. You may consider that the tax consequences of the Offer are acceptable to you.

DML Shareholders should refer to the section headed “Australian Tax Considerations” of the Offer Document for further information.

***(e) You May Prefer to Sell Your DML Shares On-Market***

You may wish to realise your investment in DML through the sale of some or all of your DML Shares on-market. If you sell your DML Shares on-market, you will lose the ability to accept the Offer, participate in any potential increase in the Offer Price (if any), or any other offer which may eventuate. You may also incur a brokerage charge. However, the DML Independent Shareholders should note that there is no guarantee that the trading price of the DML Shares will persistently remain above the Offer Price subsequent to the publication of this Response Document or during the Bid Period. The DML Independent Shareholders are therefore reminded to closely monitor the market price of the DML Shares.

As set out in the Letter from the DML Independent Financial Adviser Letter, the DML Independent Financial Adviser has advised the DML Independent Board Committee to recommend to DML Independent Shareholders that they do not accept the Offer. However, the DML Independent Financial Adviser also acknowledges that given that the prevailing market price of the DML Shares had been higher than the Offer Price during the period since announcement of the Offer up until the Latest Practicable Date, that in cases where the DML Independent Shareholders wish to realise all or part of their investment in the DML Shares, they should firstly consider selling their DML Shares in the open market if the market price of the DML Shares exceeds the Offer Price and the net proceeds from the sale of the DML Shares in the open market after deducting all related costs exceed the amount receivable from the Offer. The DML Independent Financial Adviser advised that, if the price of DML Shares decreased to below the Offer Price before the end of the Offer Period of the Offer, DML Independent Shareholders should consider accepting the Offer (if they can receive higher net proceeds from the Offer than selling their DML Shares in the open market). The DML Independent Financial Adviser therefore advised such DML Independent Shareholders to closely monitor the market trading of DML Shares during the Offer Period.

**2. SUMMARY OF THE OFFER**

This section answers some of the key questions that you may have regarding the Offer, the Offeror and its intentions with respect to DML and the DML Group and the DML Directors and DML Independent Board Committee's recommendation in relation to the Offer. The information in this section is qualified by and should be read in conjunction with the other more detailed information set out elsewhere in the Offer Document, including the terms and conditions of the Offer set out in the Offer Document, this Response Document and each of its included letters and reports.

Question	Answer	Further Information
<b>1. What is the Offer?</b>	<p>The Offeror is offering to buy all of your Offer Shares for HK\$2.60 cash per Offer Share, pursuant to an off-market takeover offer on the terms and conditions set out in the Offer Document and the accompanying Form of Acceptance.</p> <p>The Offer relates <b>only</b> to DML Shares that exist as at 4:30 p.m. (Hong Kong time) on 29 May 2025 (<b>Register Date</b>), being the time and date that the Offeror has set for determining the persons to whom information is to be sent in accordance with section 633(2) of the Corporations Act.</p> <p>As at the Latest Practicable Date and Register Date, DML:</p> <ul style="list-style-type: none"> <li>– had on issue 158,096,613 DML Shares; and</li> <li>– does not have on issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares.</li> </ul>	<p>Section headed “<b>THE OFFER</b>” in section 4 of the Letter from the DML Board in this Response Document</p>

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
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The requirement of the Corporations Act for determining the Offer Shares contradicts with the Takeovers Code which requires the Offer to extend to all DML Shares that are issued or come into existence, if any, during the period from the Register Date to the end of the Offer Period. However, no new DML Shares can be issued by DML after the Register Date up to the end of the Offer Period as DML does not have on issue any outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares and DML is restricted from issuing any new securities during the Offer Period under the Takeovers Code.

Further, DML has confirmed to the Offeror that it will not issue any additional relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) during the Offer Period.

Accordingly, the Offer will only relate to the DML Shares in issue as at the Register Date. The Offeror will be able to comply with the requirements under the Corporations Act and the Takeovers Code in this regard.

The Offer is subject to certain Conditions. Please refer to section 4 of the Letter from the DML Board contained in this Response Document to which this target's statement is annexed to.



<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>2. Who is making the Offer?</b>	<p>The Offer is being made by Wah Cheong Development (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability. However, under Hong Kong Law, the Offer must be made by a corporation licensed under the SFO for that regulated activity. Accordingly, Morton Securities is making the Offer for and on behalf of the Offeror. The Offeror is principally engaged in investment holding and is an indirect wholly-owned subsidiary of AGL. For more information on the Offeror and the AGL Group, please refer to the section headed “INFORMATION ON THE OFFEROR AND AGL GROUP” in this Response Document.</p>	<p>Section headed “INFORMATION ON THE OFFEROR AND AGL GROUP” in the Offer Document</p>
<b>3. What are the Conditions of the Offer?</b>	<p>The completion of the Offer is subject to a number of Conditions set out in section 4 of the Letter from the DML Board to contained in this Response Document and more fully in the Letter from Morton Securities in the Offer Document under the section headed “Conditions to completion of the Offer”. In summary, the Conditions are:</p> <ul style="list-style-type: none"> <li>– the Offeror obtaining any necessary waivers, approvals, modifications or consents from the SFC or ASIC that have been applied for by the Offeror before the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), and are required to facilitate or complete the Offer where there is a conflict of law;</li> <li>– no Prescribed Occurrence occurring in relation to DML;</li> </ul>	<p>Section headed “<b>THE OFFER</b>” in section 4 of the Letter from the DML Board in this Response Document and section headed “Conditions to completion of the Offer” in the Letter from Morton Securities in the Offer Document</p>

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
	<ul style="list-style-type: none"> <li>– the DML Group maintains and complies with its mining tenements and processing licences and all related Authorisations, and there is no adverse action from any regulatory authority in relation to such tenements, processing licences or Authorisations; and</li> <li>– valid acceptances of the Offer which will result in the Offeror and parties acting in concert with it together holding more than 50% of the voting rights of DML.</li> </ul> <p>The Offer is subject to the Conditions, which are set out in detail in section 4 of the Letter from the DML Board contained in this Response Document, and more specifically in the Letter from Morton Securities under the section headed “Conditions to completion of the Offer” of the Offer Document.</p>	
<b>4. What are my alternatives?</b>	<p>As a Shareholder you have the following choices in respect of your DML Shares:</p> <ol style="list-style-type: none"> <li>1. accept the Offer (as recommended by the DML Directors in the absence of a Superior Proposal);</li> <li>2. reject the Offer by doing nothing; or</li> <li>3. sell your DML Shares on the Stock Exchange at the prevailing market price (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance).</li> </ol> <p>When deciding what to do, you should carefully consider the DML Directors’ recommendation and other important considerations in this Response Document.</p>	

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**SCHEDULE 1****ADDITIONAL DISCLOSURES UNDER  
THE CORPORATIONS ACT**

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<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>5. What does the DML Independent Board Committee recommend?</b>	<p>The DML Directors comprising the DML Independent Board Committee recommend that you reject the Offer (in the absence of a Superior Proposal).</p> <p>The reasons for this recommendation are set out in this Response Document.</p> <p>If there is a change in this recommendation or any other material developments in relation to the Offer, DML will lodge a supplementary Response Document/supplementary target's statement.</p>	<p>Letter from DML Independent Board Committee and section headed "ADDITIONAL DISCLOSURES REQUIRED UNDER CORPORATIONS ACT" in section 1 of Schedule 1 to this Response Document</p>
<b>6. If I accept the Offer, can I withdraw my acceptance?</b>	<p>Once you accept the Offer, you will be unable to revoke your acceptance except in the limited circumstances where a withdrawal right exists or arises as set out in the section headed "RIGHT OF WITHDRAWAL" in Appendix I of the Offer Document.</p>	<p>Section headed "RIGHT OF WITHDRAWAL" in Appendix I to the Offer Document</p>
<b>7. Can the Offeror vary the Offer?</b>	<p>Yes, the Offeror can vary the Offer by increasing the consideration or waiving the Conditions. The Directors do not know if the Offeror will vary its Offer. Any such variation will be announced on the Stock Exchange website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>.</p>	
<b>8. When does the Offer close?</b>	<p>The Offer closes at 4:00pm (Hong Kong time) on 8 August 2025, unless extended or withdrawn in accordance with the Corporations Act and the Takeovers Code.</p>	<p>Section headed "CHANGE IN EXPECTED TIMETABLE OF THE OFFER" in the Delay Announcement</p>

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>9. What will happen if the Offeror improves the consideration under the Offer?</b>	<p>If the Offeror improves the consideration offered under the Offer, all DML Shareholders who have accepted the Offer will be entitled to the benefit of that improved consideration (whether they accepted the Offer before or after the consideration is improved).</p> <p>If this occurs, the DML Directors will carefully consider the revised Offer and advise the DML Shareholders accordingly. However, there is no guarantee that the Offeror will improve the consideration offered.</p>	
<b>10. What happens if I do nothing?</b>	<p>If you do not accept the Offer, you will retain your DML Shares and will not receive the Offer consideration.</p> <p>If you do not accept the Offer, or only accept the Offer in respect of some of your Offer Shares, and the Offer becomes unconditional:</p> <ul style="list-style-type: none"> <li>(a) you will remain a DML Shareholder and will not receive any payment from the Offeror in respect of your Offer Shares that are not the subject to your acceptance (if any); and</li> <li>(b) you will remain a shareholder in a company controlled by the Offeror and which will have lower public float than it did prior to the Offer.</li> </ul> <p>While there are many factors that might influence the market price of DML Shares, if you do not accept the Offer and the Offer lapses there is a risk that the DML Share price may trade at levels below the Offer Price, at least in the short term, if there is not a competing bid at above the Offer Price. As a result, DML Shareholders may not have another opportunity to sell their DML Shares for the Offer Price.</p>	

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>11. Can I be forced to sell my DML Shares?</b>	No. If the Offeror obtains sufficient acceptances from other DML Shareholders to give it a relevant interest in 90% or more of the total number of DML Shares, the Offeror has the right to compulsorily acquire your DML Shares. However, the Offeror has stated in the Offer Document that it does not intend to exercise its rights to compulsory acquisition.	
<b>12. How many Shares does the Offeror hold in DML?</b>	As at the date of the Offer Document and as at the date of the Offer: the Offeror and parties acting in concert with it own 51,441,727 DML Shares (comprising 46,877,727 DML Shares, 4,334,000 DML Shares, 220,000 DML Shares and 10,000 DML Shares held by Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively), representing approximately 32.54% of the entire issued shares of DML.	Section headed “THE OFFER” and sections headed “DISCLOSURE OF INTERESTS” and “ADDITIONAL DISCLOSURES OF INTERESTS AND DEALING AND OTHER ARRANGEMENTS” in Appendix II to the Offer Document
<b>13. How do I accept the Offer?</b>	<p>Full details of how to accept the Offer are set out in Appendix I and the Form of Acceptance of the Offer Document.</p> <p>Overseas DML Shareholders should carefully note the terms of the Form of Acceptance which require the posting or mailing of the Form of Acceptance to the Registrar in Hong Kong.</p>	Appendix I and the Form of Acceptance of the Offer Document.
<b>14. What happens if I accept the Offer?</b>	<p>If you accept the Offer while it is still conditional, unless withdrawal rights are available, you will not be able to:</p> <ol style="list-style-type: none"> <li>1. sell your DML Shares accepted under the Offer on the Stock Exchange (that is, you will not be able to settle the trade using those Shares);</li> </ol>	

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
	<p>2. sell your DML Shares accepted under the Offer to any other bidder that may make a takeover offer; and</p> <p>3. otherwise deal with your DML Shares accepted under the Offer while the Offer remains open.</p> <p>If the Conditions are not satisfied or waived and the Offer lapses, all contracts resulting from acceptance of the Offer will be void and you will be free to deal with your DML Shares accepted under the Offer.</p>	
<b>15. Can the Offeror withdraw the Offer?</b>	Yes, but only in limited circumstances with the consent of ASIC and the SFC.	
<b>16. Can I accept the Offer for less than all of my DML Shares?</b>	Yes, you may accept the Offer in respect of all or part of your Offer Shares.	Section headed “ACCEPTANCES OF THE OFFER” and Letter from Morton Securities in the Offer Document
<b>17. What do DML Directors intend to do with their DML Shares?</b>	Each DML Director who holds DML Shares presently intends to reject the Offer in respect of their personal shareholdings.	Section headed “General Information of DML” in section 2(iv) of Appendix II to and section 1 in Schedule 1 of this Response Document

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>18. What are the tax consequences of an Australian resident DML Shareholder accepting the Offer?</b>	<p>There may be tax implications from the sale of your DML Shares.</p> <p>You should obtain independent advice from your professional adviser or tax adviser in this regard.</p> <p>The section headed “Taxation advice” in Schedule 1 – Additional Disclosures under the Corporations Act of the Offer Document specifies the possible tax implications for DML Shareholders arising from the Offer.</p>	<p>Section headed “Taxation advice” in Schedule 1 of the Offer Document</p>
<b>19. Will I need to pay stamp duty if I accept the Offer?</b>	<p>The Offer Document says that Offer Shareholders will be liable for ad valorem stamp duty under Hong Kong laws on accepting the Offer. This will be paid by the Offeror, and deducted from the consideration payable to you.</p> <p>Shareholder’s ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each Offer Shareholder at the rate of 0.1% of:</p> <ul style="list-style-type: none"> <li>(i) the consideration payable by the Offeror to such DML Shareholders in respect of the relevant Offer Shares; or</li> <li>(ii) if higher, the market value of the Offer Shares subject to such acceptance, and will be deducted from the cash amount due to such accepting Offer Shareholder.</li> </ul> <p>The Offeror will arrange for payment of sellers’ ad valorem stamp duty on behalf of such accepting Offer Shareholder.</p>	<p>Section headed “Hong Kong stamp duty” in the Offer Document</p>

<b>Question</b>	<b>Answer</b>	<b>Further Information</b>
<b>20. What if I want to sell my DML Shares on-market?</b>	<p>During the Offer Period, you may sell your DML Shares on market for cash (less brokerage), provided you have not accepted the Offer for those DML Shares. If you have already accepted the Offer, you will be unable to settle any subsequent on-market sale of your DML Shares, unless you become entitled to withdraw your acceptance.</p> <p>You should contact your Broker for information on how to sell your DML Shares on the Stock Exchange and your tax adviser to determine your tax implications of such a sale.</p>	
<b>21. When will I receive my consideration if I accept the Offer?</b>	<p>Subject to the Offer becoming or being declared unconditional and provided that a valid Form of Acceptance and the relevant DML Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities and any other document(s) required in respect thereof) are complete and in good order in all respects and have been received by the Receiving Agent before the Closing Date, a cheque for the amount due to each of the DML Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the DML Shares tendered by it/him/her under the Offer will be despatched to such DML Shareholder by ordinary post as soon as possible but in any event no later than seven (7) Business Days after the later of (i) the Unconditional Date, and (ii) the date on which the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares are received by the Receiving Agent.</p>	<p>Appendix I and the Form of Acceptance of the Offer Document.</p>



**3. RISK FACTORS****3.1 Risks associated with accepting the Offer*****Conditions of the Offer***

As described in the Offer Document, the Offer is subject to the Conditions.

If the Conditions are not satisfied by the applicable date (or waived by the Offeror), the Offer will not be free of the Conditions and therefore will not proceed.

***Limited withdrawal rights***

Once you have accepted the Offer, you will only be able to withdraw such acceptance in very limited circumstances pursuant to the Takeovers Code. Such a withdrawal right will arise if, after you have accepted the Offer, the Offeror varies the Offer in a way that postpones, for more than one month, the time when the Offeror has to meet its obligations under the Offer, and at that time, the Offer is subject to one of the Conditions.

Otherwise, you will be unable to withdraw your acceptance even if the value of the Offeror varies significantly from the date of your acceptance of the Offer or a Superior Proposal is announced.

**3.2 Risks associated with not accepting the Offer*****No certain price or premium***

DML Shareholders who do not accept the Offer may not receive the certain price of HK\$2.60 available by the Offer. Further, in the absence of the Offer, the price of DML Shares on the Stock Exchange may potentially decline.

***Minority ownership consequences***

If AGL achieves the minimum acceptance condition of 50.1%, then it is possible that effective control of DML passes without the ability of the Offeror to compulsorily acquire the remaining DML Shares (which requires a relevant interest in at least 90% of DML Shares, although see comments below as to Offeror not intending to proceed to compulsory acquisition if it does reach 90% at the end of the Bid Period).

Once effective control passes, the Offeror will have the ability to appoint a majority of directors to the DML Board and, in doing so, take control of the day-to-day operations of the business. DML Shareholders who do not accept the Offer will remain as minority shareholders and be subject to a number of additional risks, including:

- reduced liquidity;
- greater difficulty in realising value for DML Shares with the Offeror likely to hold a blocking stake to any proposals received from a rival bidder; and

- if the Offeror acquires 75% or more of the DML Shares, the Offeror will be able to pass special resolutions of (which will enable the Offeror to amend the constitution of DML).

DML Shareholders should note that the Offeror has disclosed in the Offer Document that it has a relevant interest for Corporations Act purposes in 29.65% of DML. Further, the Offeror has disclosed in the Offer Document that the Offeror and parties acting in concert with it own 51,441,727 DML Shares (comprising 46,877,727 DML Shares, 4,334,000 DML Shares, 220,000 DML Shares and 10,000 DML Shares held by Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively), representing approximately 32.54% of the entire issued shares of DML.

The Offeror is required to advise if the minimum acceptance condition of more than 50% is satisfied and DML Independent Shareholders are advised to monitor announcements as to the status of the Conditions which may influence their decision as to whether to accept or reject the Offer.

***Compulsory acquisition rights***

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the Closing Date.

However, under the Corporations Act, if at the end of the Bid Period the Offeror and its Corporations Act associates have in aggregate a Relevant Interest in at least 90% of the DML Shares, the Offeror must offer to the remaining DML Shareholders the right to sell their DML Shares to the Offeror (on the same terms of the Offer immediately prior to the Bid Period) and the holders of securities that are convertible into DML Shares (either on terms agreed between the Offeror and holder or determined by a court) to the Offeror (the “Buy Out Offer”). The Offeror is not obligated to offer to acquire any DML Shares or securities convertible into DML Shares issued after the date of the Condition Status Update. As at the Latest Practicable Date and Register Date, DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares. Further, DML has confirmed to the Offeror that it will not issue any relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code and which includes securities convertible into DML Shares) during the Offer Period. Accordingly, the Buy Out Offer will only apply to the DML Shares in issue. For the avoidance of doubt, the Buy Out Offer does not constitute a compulsory acquisition.

If the Offeror acquires a majority of the DML Shares and does not proceed to compulsory acquisition, DML Shareholders who have not accepted the Offer risk becoming minority shareholders with limited liquidity for, and opportunity to sell, their DML Shares. Further, if on completion of the Offer, DML is unable to satisfy the requirements for continuation of its listing with the Stock Exchange or for any other reason is made to delist, DML Shareholders who have not accepted the Offer would become minority shareholders in an unlisted company.

***Ongoing exposure to Risks associated with Holding DML Shares***

If you decide not to accept the Offer and retain your DML Shares, you will continue to be exposed to the risks associated with being a DML Shareholder (refer section 3.3 below in this Schedule as to these risks). Holding DML Shares provides an economic interest in the ongoing operational activities of DML. However, there is no guarantee that DML will be profitable in the future as the business is affected by many risk factors.

**3.3 Risks associated with Holding Shares**

The following summary represents some of the major risk factors which affect DML. These risk factors ought not to be taken as exhaustive of the risks faced by DML or DML Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of DML and the value of DML Shares. Where relevant, the risk factors below assume the Offer will not be successful, or will be partly successful, and DML will continue to develop its projects.

***(a) General market risks***

The economic condition of both domestic and global markets may affect the performance of companies such as DML. Adverse changes in macroeconomic conditions, including global, regional and local economic growth, the costs and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, sentiment and levels of employment, amongst others, are outside of the control of DML and may have a material adverse effect on the financial performance of DML.

***(b) Fluctuations in the market price of gold could materially and adversely affect DML's results of operations and cash flow***

DML's revenue is primarily generated from the sale of gold at the global market spot price of gold. Historically, while the gold price has increased in value over time, it has fluctuated widely and there can be no assurance that the gold price will not continue to fluctuate in the future or that such prices will otherwise remain at sufficiently high levels to support DML's results of operations and cash flow.

Fluctuations in gold price are inherently difficult to predict, being dependent on numerous factors such as (i) global macro-economic and political events and sentiments; (ii) supply and demand for gold; (iii) interest rate and inflation rate expectations; (iv) actual and predicted behaviour of central banks in relation to gold acquisition and disposals; and (v) performance of exchange traded gold funds and speculative trading in gold. If the gold price should fall below or remain below DML's cost of production for any sustained period, our business and results of operations would be materially and adversely affected.

***(c) Future Share price***

There is a risk that the DML Share price may fall if the Offer is unsuccessful. The DML Directors are not in a position to speculate on the future trading price of the DML Shares, including if the Offer lapses. The future price of Shares is dependent not only on DML's performance, but also on external market and other factors.

***(d) Financing and capital***

Substantial capital expenditure is required for exploration, appraisal, development and production. The future prospects of DML, including the successful development of DML's assets and/or the acquisition of new assets will be influenced by the ability of DML to access funding via operating cash flows or debt or equity markets on commercially acceptable terms. Operating cash flows and access to debt and equity markets is affected by a number of factors beyond the control of DML including commodity prices and general economic conditions.

There is also no assurance that DML will be successful in raising capital in the future as and when it is required, in order to fully finance and develop DML's projects. Volatile market conditions may prevent or make it difficult for DML to obtain debt financing or equity financing on commercially acceptable terms. If access to adequate funding is not maintained by DML, DML may not be able to take advantage of opportunities or otherwise respond to market conditions. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause DML to postpone or abandon development plans, or to relinquish or forfeit rights in relation to the DML's assets, which may delay or suspend DML's business strategy and could have a material adverse effect on DML's activities.

***(e) Permitting***

DML may encounter difficulties in obtaining all permits necessary for its exploration, evaluation, and production activities at its existing operations or for pre-production assets. It may also be subject to ongoing obligations to comply with permit requirements, which can incur additional time and costs. Specifically, DML has faced ongoing difficulty obtaining the necessary permits to commence full-scale mining activities at its Fäboliden Gold Mine which are discussed further below and noted in the Letter from the DML Independent Financial Adviser and the DML Independent Expert Report.

***(f) Fäboliden Environmental Permit Application***

DML submitted its Environmental Permit application for full-scale mining activities at its Fäboliden Gold Mine (“**Fäboliden**”) to the Swedish Land and Environment Court (“**Environment Court**”) in July 2018. On 28 June 2022, the Environment Court issued its ruling, and while the Environmental Impact Assessment (“**EIA**”) was approved, the Environmental Permit application was rejected.

DML submitted a detailed appeal to Land and Environment Court of Appeal (“**Court of Appeal**”) on 15 December 2022, which was denied on 14 March 2023. The Court of Appeal did not provide the reasons for its decision. DML further appealed the Court of Appeal decision to the Supreme Court on 6 April 2023, which was denied on 11 June 2024. The Supreme Court did not provide the reasons for its decision.

Notwithstanding that the EIA has already been approved, and the mining concession remains valid and in place, the path to production for Fäboliden must now be via a revised application to the Environment Court. The revised application will be updated to include the DML’s measures aimed to mitigate the Environment Court concerns issued in its ruling on 28 June 2022.

This revised application process is estimated to take 2 years, however significant further delay could materially and adversely affect DML’s results of operations. Any significant further delay or failure of the application could materially and adversely affect DML’s results of operations.

***(g) Bond/Rehabilitation Obligations***

DML will need to fund substantial bond requirements for both of its production centres, namely Svartliden Production Centre (“**SPC**”) and Vammala Production Centre (“**VPC**”), over the coming year.

Additional bonds totalling approximately AU\$25.0 million are expected to be funded from existing cash reserves and the remaining restricted cash from the share placement of DML which was conducted in January 2021. In respect of its existing mining operation, rehabilitation closure works are planned to commence during 2025 at Kaapelinkulma Gold Mine in the VPC. DML also obtained a new environmental permit for Jokisivu Gold Mine (“**Jokisivu**”) in the SPC allowing the crushing of up to 350,000 tonnes of aggregates annually including earlier start times for loading and transport activities.

***(h) Social and Political Risk***

DML has faced, and may continue to face, activist opposition from groups or individuals opposed to mining generally, or to specific projects, resulting in delays or increased costs. Such opposition may also have adverse effects on the political climate generally. DML's awareness of the risks from political and economic instability have been heightened by ongoing and recent geo-political events, which have contributed to an increase in the costs of some key inputs.

***(i) Exploration***

Mining exploration inherently involves significant risks, so that no assurances can be given that funds spent on exploration will result in discoveries that will eventually become commercially viable. As such, the value of DML Shares is directly related to the results of exploration activities which are currently being undertaken by DML. The future operating and financial performance and development strategies of DML will be influenced by the ability of DML to successfully explore for and identify further resources and commercially viable reserves which may support further production in the future.

***(j) Environment***

Mining exploration, development and production can potentially be environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses. DML is subject to environmental laws and regulations in connection with its operations. If DML is responsible for environmental harm it will be required to remediate the harm which may involve substantial expenditure. Additionally, a material environmental incident may result in operations being suspended, forfeiture of a critical permit or permits, and the imposition of a financial guarantee, surety, financial penalty or compensation order, as well as damage to DML's reputation.

***(k) Joint venture activities***

As is common in the mining industry, DML participates in joint venture arrangements and many of DML's assets are held, or may in the future be held, in joint ventures which enable the participants to share technical, operational and commercial risks associated with mining activities. With some exceptions, decisions regarding the exploration, development and production activities of joint ventures require approval of a specific majority of participants in the joint venture.

Whether or not DML holds majority interests or acts as the operator of the relevant joint ventures, joint venture participants may:

- have commercial or other interests or objectives for the relevant joint venture which may not be aligned with those of DML;
- exercise voting rights for joint venture decisions to prevent or delay activity which DML considers to be in the best interests of the joint venture and the commercial objectives of DML; or
- be unable or unwilling to fulfil their respective obligations, including their proportionate share of joint venture capital and operating costs in which case DML may have to make the increased contribution to ensure that programmes proceed.

Where joint venture activities are not operated by DML, DML will monitor the performance of the operator and may seek to influence joint venture activities by providing technical advice, but it has limited ability to control the day to day conduct of the activities of the joint venture.

Improper management of joint venture activities, including a failure to have effective policies and systems in place, may adversely affect the value of DML's interests in the relevant joint venture and, by association, may result in damage to the reputation of DML which may, in turn, impact on DML's other operations and access to new opportunities.

Participants in the joint venture to which DML is or becomes a party are required to pay its percentage interest share of all costs and liabilities incurred by the joint venture in connection with the joint venture activities (i.e., the costs of exploration, appraisal and development programs). If a participant fails to pay its cash calls, penalty provisions will apply under the joint venture or joint operating agreements. Such penalties could have a material adverse impact on DML through actions such as loss of rights to production, dilution or loss of interests in the projects.

***(I) Security of tenure***

The business activities of DML are dependent on the grant and maintenance of appropriate licences, permits and consents over their exploration interests. Licences and permits may be subject to compulsory work or expenditure obligations for each year which must be met to keep the licence or permit in good standing. It may be possible for these commitments to be varied by deferment and combination with later year requirements on application of the holders but any such variation is at the discretion of the government authority administering the relevant legislation. If a variation is not approved by the government authority then a failure to meet compulsory obligations could lead to forfeiture of the licence or permit. Any failure to meet tenure conditions may result in a loss of tenure and may impact on DML's reputation which, in turn, may hinder or prevent DML from successfully obtaining extensions to its existing tenure or new tenure associated with future opportunities.

***(m) Land access***

Land access is critical to the operations of DML. Immediate and continuing access to land within DML's licence and permit areas cannot in all cases be guaranteed as DML may be required to obtain the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers by DML in order for DML to carry out exploration activities.

***(n) Contractors***

The business activities of DML rely on the engagement of experienced and qualified contractors and suppliers on commercially reasonable terms.

DML's business, operations and financial performance may be materially and adversely affected if any of its proposed contractors are not available as and when required or do not perform their contractual obligations as expected by DML. Where DML relies on third parties to deliver goods or perform services, there can be no guarantee that the relevant third parties will deliver those goods or perform those services in the manner that delivers upon DML's plans and expected outcomes which, in turn, may adversely affect the financial position, performance and prospects of DML.

***(o) Insurances***

DML maintains insurance either directly or through a joint venture for certain activities within ranges of coverage that they each believe to be consistent with industry practice. However, in certain circumstances insurance proceeds may not be adequate to cover all potential liabilities and losses. Additionally, recovery under insurances is subject to the terms and conditions of the relevant insurance policies which may include material exclusions and uninsured excess amounts (or deductibles).

Where DML does not have insurances in place in respect of a relevant loss or hazard, or a relevant insurance policy does not respond as anticipated, DML may be exposed to material uninsured losses which, in turn, may impact upon the financial performance of DML. In addition, insurance of all risks associated with mining exploration, development and production is not always available and, where, available this cost can be prohibitive. There is a risk that insurance premiums may increase to a level where DML considers it is unreasonable or, not to a level of coverage which is in accordance with industry practice. No assurance can be given that DML will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate to cover claims.



***(p) Exchange rate risk***

Fluctuations in exchange rates between operational currencies and other currencies may result in foreign exchange gains or losses which may affect the financial performance of DML.

***(q) Interest rate risk***

The DML Group is exposed to interest rate risk as regards any debt finance arrangements or borrowings. Borrowings issued at variable rates will expose the DML Group to cash flow interest rate risk. Borrowings issued at fixed rates will expose the DML Group to fair value interest rate risk. Increases in interest rates, either through increases in base rates or borrowing margins, may adversely impact the DML Group's financial position and financial performance.

***(r) Compliance risk***

DML is required to comply with a wide range of laws and regulations which govern the undertaking of mining exploration, development and production (and associated activities) in Finland and Sweden.

A failure to comply with relevant laws and regulations, including conditions imposed on DML's activities under relevant permits, may result in operations being suspended, a forfeiture of critical permits, the imposition of a financial guarantee or surety, or financial penalty or compensation order, along with the potential for associated reputational damage to DML.

***(s) Loss of key personnel***

DML relies on a number of well qualified and experienced key senior personnel. Loss of such personnel, or a failure to recruit and retain suitably qualified and experienced personnel in the future may adversely affect the financial performance of DML. Such failure may also result in damage to the reputation of DML which may have additional adverse consequences for the financial performance and prospects of DML.

***(t) Litigation***

DML may be involved in disputes and litigation relating to the conduct of its business. The risk of litigation is a general risk of DML's business and it may incur costs in making payments to settle claims or in complying with any court order (which may not be covered adequately, if at all, by insurance). Any material dispute or litigation could adversely affect the financial position and the financial performance of DML.

**(u) Other risks**

Additional risks and uncertainties not currently known may also have an adverse effect on and the value of DML Shares. The information set out in this section 3.3 does not purport to be, nor should it be construed as representing, an exhaustive summary of the risks that may affect the performance of DML Shares.

**4. ADDITIONAL INFORMATION****4.1 Allied Properties Offer**

On 1 April 2025, Allied Properties, APAC and DML jointly announced the Allied Properties Offer. The Offer is on substantially the same terms as the Allied Properties Offer, other than its higher Offer Price of HK\$2.60 (compared to HK\$2.20 under the Allied Properties Offer) and reduced conditionality. Specifically, the Allied Properties Offer was subject to APAC's shareholders approving the Allied Properties Offer (whether before or after Allied Properties issued an offer document for the Allied Properties Offer). The Offer is not subject to AGL shareholder approval.

The Allied Properties Offer is discussed in further detail in Schedule 1 "ADDITIONAL DISCLOSURES UNDER THE CORPORATIONS ACT" of the Offer Document.

As (i) the Offer Price of the Offer at HK\$2.60 is higher than the offer price of HK\$2.20 of the Allied Properties Offer; (ii) Allied Properties has no budgeted or approved financial resources (whether cash or debt) to raise the offer price of the Allied Properties Offer; and (iii) the Offer carries no shareholder approval condition and no other additional conditions compared with the Allied Properties Offer, Allied Properties has withdrawn the Allied Properties Offer with the consent of the Executive pursuant to Note 2 to Rule 5 of the Takeovers Code following which the possible major transaction for APAC in respect of the Allied Properties Offer has been terminated.

The Allied Properties Offer was withdrawn with the consent of the Executive on 2 June 2025. For the purposes of the Takeovers Code, the offer period (as defined in the Takeovers Code) in respect of the Allied Properties Offer has come to an end on 2 June 2025.

**4.2 Consent to early despatch**

The DML Directors consented to the Offeror sending the Offer Document to DML Shareholders earlier than would otherwise be permitted under the Corporations Act after giving DML a copy of the Offer Document, and the Offer Document was formally given to DML for Corporations Act purposes.

With the consent of the DML Directors, on 2 June 2025, the Offer Document was despatched earlier than would otherwise be permitted under the Corporations Act to DML Shareholders.

#### **4.3 DML Directors' interests**

The interests of the DML Directors in DML Shares and any share in the Offeror, and in contracts or benefits arising from the Offer or cessation of office, and their respective intentions as to the acceptance or otherwise of the Offer are set out in the section headed "Disclosure of interests" of Appendix II – General information of DML to this Response Document or is otherwise set out in this Schedule.

#### **4.4 No payments or benefits**

No DML Director has agreed to receive, or is entitled to receive, any benefit in the Offeror or DML which is conditional on, or is related to, the Offer, other than in their capacity as a DML Shareholder.

As a result of the Offer, no benefit (other than a benefit permitted by sections 200F or 200G of the Corporations Act) has been or will be given to a person:

- in connection with the retirement of a person from the DML Board or management of DML or its Related Bodies Corporate; or
- who holds, or has held a position on the DML Board or management of DML or its Related Bodies Corporate, or a spouse, relative or associate of such person, in connection with the transfer of the whole or any part of the undertaking or property of DML; or
- which would require approval of DML Shareholders under section 200B of the Corporations Act

#### **4.5 No agreement or arrangement with any DML Director**

Except as described above, there is no agreement or arrangement made between any DML Director or any Related Body Corporate or associate (as defined in the Corporations Act) of any DML Director and any other person in connection with or conditional upon the outcome of the Offer.

**4.6 No other material information**

This Response Document is required under the Corporations Act to include all information that DML Shareholders and their advisers would reasonably expect to receive to make an informed assessment whether to accept the Offer, but only to the extent that:

- it is reasonable for the DML Shareholders and their advisers to expect to receive that information in the Offer Document; and
- the information is known to the DML Directors.

The DML Directors are of the opinion that the information that the DML Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or reject the Offer is contained within:

- this Response Document;
- the Offer Document (to the extent that the information contained in that document is not inconsistent with the Offer Document); and
- the annual and other financial reports, releases, announcements and documents lodged by DML with Stock Exchange and/or ASIC.

In preparing this Response Document, the DML Directors have assumed that the information contained in the Offer Document is accurate. However, the DML Directors do not take any responsibility for the contents of the Offer Document and are not to be taken as endorsing, in any way, any or all of the statements contained within it.

In deciding what information should be contained in this Response Document, the DML Directors have had regard to:

- the nature of the DML Shares;
- the matters that DML Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of DML Shareholders; and
- the time available to DML to prepare this Response Document.

**4.7 Date of this Response Document**

This Response Document (which includes the target's statement for the purposes of the Corporations Act) is dated 23 June 2025, which is the date on which it was lodged with ASIC.

**4.8 Approval of Response Document**

This Response Document has been approved by a resolution passed by the DML Directors.

Signed for and on behalf of Dragon Mining Limited

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**Grant Thornton**

The Independent Directors  
Dragon Mining Limited  
22nd Floor  
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Wanchai, Hong Kong

23 June 2025

**Grant Thornton Corporate Finance Pty Ltd**

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Dear Independent Directors

### **Introduction**

*All capitalised terms in this report are defined in the glossary included in Appendix E.*

- 1.1 DML is an established gold producer that engages in the exploration, development and production of gold, with a portfolio of projects across Sweden and Finland. Since entering the Nordic Region in 2000, the Company has produced over 800Koz from a series of open-cut and underground gold mines. DML is headquartered in South Perth, Australia and legally domiciled in Australia. The Company is listed on the HKEx with a market capitalisation of c. HK\$561 million or US\$72 million<sup>1</sup> as at the last trading close price as at 20 June 2025.
- 1.2 APAC is an investment company focused on the mining and energy sectors. APAC is listed on the HKEx with a market capitalisation of c. HK\$1,789 million<sup>2</sup> as at the last trading close price as at 20 June 2025. Allied Properties, a wholly owned subsidiary of APAC, currently owns 46,877,727 shares in DML, representing approximately 29.65% of the DML issued share capital or 32.54% including Allied Properties' related parties.

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<sup>1</sup> Sourced from S&P Global.

<sup>2</sup> Sourced from S&P Global and based on a share price of c. HK\$1.27 and 1,408 million shares outstanding.

<sup>3</sup> *The Offer is extended to the parties acting in concert with the Offeror. Further detail is provided within Section 3 of this IER.*

- 1.3 On 1 April 2025, DML announced that Morton Securities, for and on behalf of Allied Properties, made a pre-conditional voluntary cash offer of HK\$2.20 per share for all the shares not already owned by Allied Properties, totalling 111,218,886 Offer Shares<sup>3</sup> owned by the DML Independent Shareholders. The Allied Properties offer on 1 April 2025 is referred to as the Allied Offer.
- 1.4 On 19 May 2025, DML announced that Morton Securities, for and on behalf of the Offeror, has made a conditional voluntary cash offer of HK\$2.60 per share for all the Offer Shares not already owned by the Offeror and parties acting in concert with it. On 2 June, it was announced that the Allied Offer was withdrawn by Allied Properties.
- 1.5 Our report will be included in the circular of DML in order to assist DML Independent Shareholders in their assessment of the Offer in accordance with the requirements of the Corporations Act. The Offer is subject to the conditions precedent summarised in Section 3 of this IER.
- 1.6 The DML Independent Board Committee have unanimously recommended that DML Independent Shareholders reject the Offer.

**Purpose of the report**

- 1.7 The DML Independent Board Committee has engaged Grant Thornton Corporate Finance to prepare an IER stating whether, in its opinion, the Offer is fair and reasonable to the DML Independent Shareholders for the purpose of Section 640 of the Corporations Act.
- 1.8 When preparing this IER, Grant Thornton Corporate Finance has had regard to the ASIC Regulatory Guide 111 Contents of expert reports and Regulatory Guide 112 Independence of experts. The IER also includes other information and disclosures as required by ASIC.
- 1.9 For the purposes of this report, Grant Thornton Corporate Finance has engaged SLR to review and opine on the reasonableness of the technical assumptions adopted in the Producing Assets financial model and to assist in the valuation of the other mineral assets of the Company. SLR's conclusions were completed in accordance with the requirements of RG 111 and are included within the Independent Technical Expert Report (ITER) which is available in Appendix F to this IER.

### Summary of the opinion

**1.10 Grant Thornton Corporate Finance has concluded that the Offer is NOT FAIR AND NOT REASONABLE to DML Independent Shareholders in the absence of a superior alternative proposal.**

1.11 RG 111 establishes that an offer might also be reasonable if, despite being not fair, there are sufficient reasons for the security holders to accept the offer in the absence of any superior proposal. In assessing that the Offer is NOT reasonable, we have considered the following (refer to the reasonableness section for further details):

- DML Shareholders can currently sell their shares on the market for a price that is materially greater than the consideration under the Offer. The closing trading prices per share since the Offer have ranged between a minimum of HK\$2.67 and a maximum of HK\$5.23.
- The Offer does not reflect the significant recent uplift in the gold prices and implications for the value of DML.
- We have reviewed DML share trading activity since the Allied Offer. As illustrated in the chart below, the rise in DML's trading price has been accompanied by a notable increase in trading volumes which enhances the reliability of the publicly quoted trading prices of DML and reduces the impact of isolated trades on price movements.

**Figure 1 – DML's share trading volumes**



Source: GTCF analysis, S&P Global



1.12 While we do not consider the Offer to be fair or reasonable, we note that if acceptance levels result in the Offeror acquiring more than 50% of the issued share capital, they will gain control of the Company's day-to-day operations. This could reduce liquidity in DML, limit the contestability of any future takeover, and negatively affect trading prices. Should any material new information emerge during the Offer period, we may reassess our opinion. We recommend that DML Independent Shareholders closely monitor acceptance levels and share price movements before the Offer period concludes.

### Fairness Assessment

1.13 In accordance with the requirements of the ASIC RG 111, in forming our opinion in relation to the fairness of the Offer, Grant Thornton Corporate Finance has compared the value per DML Share before the Offer on a controlling and 100% basis to the Offer Price of HK\$2.60 per DML Share. The following table summarises our fairness assessment.

**Figure 2 – Fairness assessment**

<b>Fairness assessment</b>		
<b>HK\$ per DML Share</b>	<b>Low</b>	<b>High</b>
Fair market value of DML before the Offer (control basis)	3.80	5.66
Offer Price	<u>2.60</u>	<u>2.60</u>
<b>Premium/(discount)</b>	<b>(1.20)</b>	<b>(3.06)</b>
<b>Premium/(discount) (%)</b>	<b><u>(31.6%)</u></b>	<b><u>(54.0%)</u></b>
<b>FAIRNESS ASSESSMENT</b>	<b>NOT FAIR</b>	

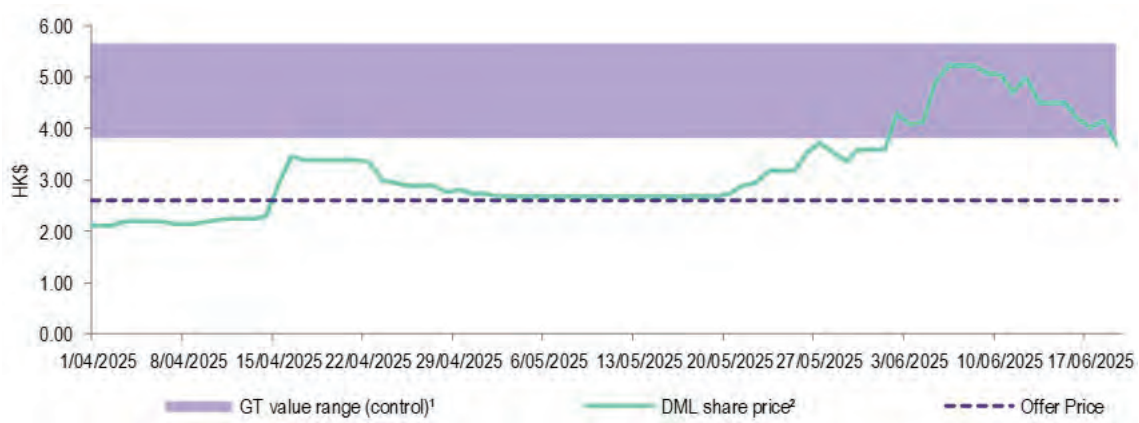
*Source: Financial Model, GTCF analysis.*

1.14 The Offer Price is below our assessed valuation range of a DML Share on a 100% basis. Accordingly, we conclude that the Offer is **NOT FAIR to DML Independent Shareholders**.

1.15 DML Independent Shareholders should be aware that the valuation of DML represents a range of possible outcomes for which there are numerous different value comparisons that can be made and so there are intrinsically significant uncertainties.

1.16 As set out in the graph below, our valuation assessment of DML Shares on a control basis before the Offer is in line with the recent trading prices (also on a control basis given the Offer was announced several weeks ago).

**Figure 3 – DML’s share price performance relative to our valuation assessment**



Source: GTCF analysis, DML ASX Announcements, S&P global.

Notes: (1) The GTCF fair market value range per DML share is HK\$3.80 to HK\$5.66 on a control basis. (2) The DML share price after the Allied Offer date of 1 April 2025 is likely to reflect control. (3) Trading performance is observed in the table above between 31 March 2025 and the last trading close price as at 20 June 2025.

1.17 DML’s trading prices after the initial offer announcement on 1 April 2025<sup>4</sup> are likely to reflect a control premium. Since then, gold prices have remained elevated and continued to grow but exhibiting volatility amid ongoing geopolitical tensions, trade tariffs and broader global unrest. While the relationship between gold prices and the trading performance of gold companies is not perfectly linear, there is a strong positive correlation. As illustrated in the chart above, movements in gold prices after 1 April 2025 may have contributed to fluctuations in trading prices of DML which have recently moved well above the Offer Price.

<sup>4</sup> The Offer was made on 19 May 2025.

**Valuation assessment of DML before the Offer**

1.18 The table below summarises our valuation assessment of DML before the Offer based on a SOP approach of the Jokisivu and the Fäboliden Gold Mines, the Residual Resources outside the LOM, exploration potential, and other assets and liabilities.

**Figure 4 – DML Valuation Summary (SOP approach)****Valuation summary**

<i>US\$'million</i>	<b>Low</b>	<b>High</b>
Jokisivu Gold Mine	50.0	62.0
Fäboliden Gold Mine	31.2	43.9
Svartliden current operations	–	4.0
Residual resources outside LOM & exploration potential	3.6	10.8
Less: Other rehabilitation costs	(5.2)	(5.2)
Less: Corporate Costs	<u>(15.7)</u>	<u>(14.0)</u>
<b>Enterprise Value</b>	<b><u>63.8</u></b>	<b><u>101.5</u></b>
Add: Net Cash	11.4	11.4
Add: Gold in Circuit	1.3	1.3
Add: Shares held in Aurion	1.1	1.1
Add: legal proceedings	0.3	0.3
Less: Transaction costs yet to be paid	<u>(0.6)</u>	<u>(0.6)</u>
<b>Equity Value (US\$)</b>	<b>77.3</b>	<b>114.9</b>
US\$:HK\$ exchange rate	<u>7.780</u>	<u>7.780</u>
<b>Equity Value (HK\$)</b>	<b>601.3</b>	<b>894.1</b>
Shares outstanding	<u>158.1</u>	<u>158.1</u>
<b>Value per share HK\$ (control basis)</b>	<b><u>3.80</u></b>	<b><u>5.66</u></b>

Source: GTCF analysis

1.19 The SOP approach is based on aggregating the estimated market value of DML's interests in various mineral assets, together with the assessed value of financial assets and cash holdings after deducting allowances for corporate overheads and net liabilities. The assessed value range represents a 100% equity interest in DML and incorporates direct corporate cost savings that would typically be available to a broad pool of potential acquirers.

1.20 DML's principal asset is the Jokisivu Gold Mine, which is currently in production, and has been valued using the DCF methodology.

1.21 For the Fäboliden Gold Mine, in June 2022, the Environment Court rejected the Environmental Permit application, a decision that was later confirmed by the Court of Appeal and the Supreme Court. Hence, in order for the Fäboliden Gold Mine to progress towards production, a revised application must be submitted to the Environment Court. Accordingly, we have assessed the Fäboliden Gold Mine's value using two approaches to reflect the uncertainty of obtaining the mining permit:

- *Mining permit granted:* We have applied the DCF Method to the Fäboliden Financial Model, based on the assumption that a mining permit will be granted, capital projects will be undertaken to address the Environmental Court's initial concerns, and production will commence in 2029, in line with SLR's recommendation. We have added to this, the market value of the residual resources not included within the LOM cash flows based on SLR's assessment.
- *Mining permit rejected:* We have utilised the multiple estimated by SLR for the valuation of the inferred resources to value the Ore Reserves included within the Fäboliden Financial Model, and we have applied a further discount to the valuation of the residual resources not included within the LOM.

1.22 In accordance with ASIC's regulatory guidance, SLR was engaged by DML, under the instruction of Grant Thornton, to prepare an ITER, review the technical assumptions underpinning the LOM cash flows of the Jokisivu Gold Mine and of Fäboliden Gold Mine, and to assess the value of the resources outside the LOM including the exploration potential. SLR's ITER, which forms a key input to our valuation, is provided in Appendix F.

1.23 As discussed in our valuation sections, there are a number of key assumptions which have a material impact on the value of the Jokivisu Gold Mine and the Fäboliden Gold Mine, and are difficult to predict with a high degree of certainty as most of them depend on exogenous factors which are outside the control of the Company. We have summarised these key assumptions below.

- *Gold prices:* Based on the discussions and analysis presented in Section 8 of this IER, we have estimated the future gold prices primarily using data from Consensus Economics<sup>5</sup>, which is market's best practice. Additionally, our assessment incorporates broker estimates, other independent expert opinions, and future contract gold prices. We have summarised the selected real gold price forecasts below. This is a key assumption which we have sensitised in our valuation.

**Figure 5 – GT selected real gold price**

GTCF real gold price calculation						Long-term
US\$/oz	2025	2026	2027	2028	2029	
GT selected real gold prices						
Low	3,200	3,000	2,700	2,600	2,400	2,300
High	3,400	3,200	2,900	2,700	2,500	2,400

Source: S&P Global, GTCF analysis, IMF World Bank.

- *EUR:US\$ Exchange Rate* – We have assumed a constant EUR:US\$ exchange rate over the LOM of 1.15 based on long-term historical averages and publicly available forecast consensus estimates.
- *SEK:US\$ Exchange Rate* – We have assumed a constant SEK:US\$ exchange rate over the LOM of 9.628 based on long-term historical averages and publicly available forecast consensus estimates.
- *US\$:HK\$ Exchange Rate* – We have assumed a rate of 7.78 based on the average of the last 30 days, with consideration for short-term broker estimates. This exchange rate is only used to convert our valuation assessment undertaken in US\$ into HK\$ to compare with the Offer Price.
- *Discount rate* – We have estimated a real discount rate between 5.90% and 6.80% for the Jokivisu Gold Mine and between 11.30% and 12.70% for the Fäboliden Gold Mine.

<sup>5</sup> Energy, Metals & Agriculture Consensus Forecast dated May 2025.

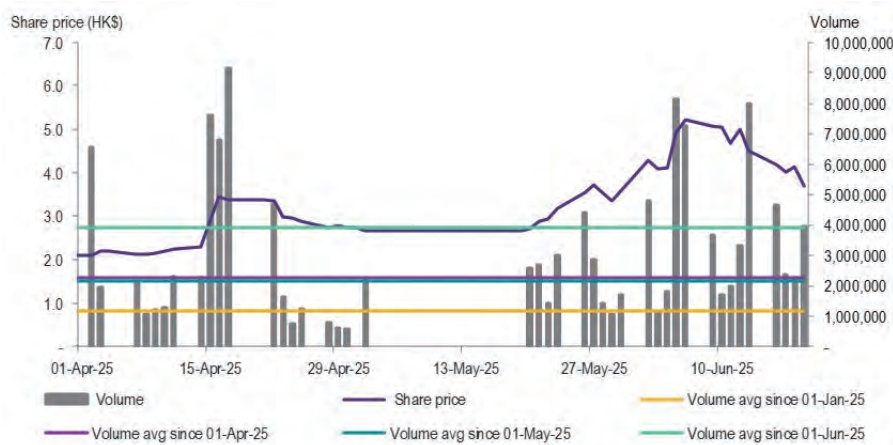
**Reasonableness Assessment*****Potential advantage of accepting the Offer***

1.24 Although the Offer Price is significantly lower than DML's current trading price of HK\$3.55 per share as at the last trading close price as at 20 June 2025 and our valuation assessment on a 100% basis, it nonetheless presents DML Independent Shareholders with an opportunity, should they choose to accept the Offer, to realise value and eliminate exposure to several key risks associated with holding an investment in DML, as outlined below:

- Gold prices are currently at record highs, and forecast estimates reflect this strength. Our review of the forecast of Consensus Economics gold prices indicates that current projections are significantly higher than those made historically. By accepting a cash offer, Independent Shareholders can eliminate the risk of adverse movements in gold prices compared to Consensus Economic forecast estimates, which would ultimately likely have a material impact on DML trading prices.
- DML shares have historically exhibited low trading liquidity. Should the DML Independent Shareholders choose not to accept the Offer and instead seek to sell their shares on the open market at prevailing prices, the historical limited liquidity may result in a significant decline in the trading price, potentially falling below the Offer Price. Accepting the cash Offer would mitigate this risk; however, it should be noted that the Offer is substantially below our assessment of the fair market value.
- The Offeror and parties acting in concert with it hold approximately 32.54% of the issued capital. If acceptances allow the Offeror to hold more than 50% of the issued capital, it will gain full control of the Company, which may further reduce the liquidity of DML, and it would give the Offeror the ability to control DML's Directors, Management, and strategy. Under these circumstances, the likelihood of a future takeover of the business would decline significantly, as any changes in control would require the Offeror's consent, thereby impacting an Independent Shareholders' ability to realise a value in line with our valuation assessment. We advise DML Independent Shareholders to monitor acceptance levels and share prices closely before the Offer period concludes.
- The Company is yet to resubmit its Environmental Permit application for full-scale mining activities at the Fäboliden Gold Mine to the Swedish Land and Environment Court after the previous application was rejected in 2022. There is significant risk for investors to consider regarding 1) the outcome of the new mining permit application; 2) the potential for delays in obtaining the outcome of the mining permit application and the associated implications of such delays.

***The Offer is not fair***

- 1.25 The Offer is not fair and the Offer Price is at a discount of between 31.8% and 54.1% to the low end and high end of our assessed valuation range of DML, respectively.
- 1.26 The trading price of DML was HK\$3.55 as at the last trading close price as at 20 June 2025. Subsequently, DML Independent Shareholders are able to dispose of their DML shares on the open market for a higher value compared to the Offer Price. For example, between 13 June 2025 and 17 June 2025, Sincere View International Limited reduced its holding in DML from 30,991,899 shares to 26,519,899 shares, representing a decline in ownership from 19.60% to 16.77%. This may also be one of the reasons for the recent reduction in the trading prices from HK\$4.50 on 13 June 2025 to HK\$4.02 on 17 June 2025. This may suggest that, although trading volumes have increased following the Allied Offer, historically low liquidity combined with large off-market disposals may be contributing to downward pressure on the share price due to factors such as oversupply dynamics.
- 1.27 We have reviewed DML's share trading activity since the Allied Offer, comparing current trading prices and liquidity with historical levels. As illustrated in the chart below, the rise in DML's trading price has been accompanied by a notable increase in trading volumes. This substantial uplift in volume enhances the reliability of the publicly quoted trading prices of DML, as higher liquidity typically reflects a broader consensus among market participants and reduces the impact of isolated trades on price movements. DML's trading price has exhibited an increase of 75.4% since the last undisturbed day before the Allied Offer<sup>6</sup>.

**Figure 6 – DML trading price and volume since the Allied Offer**

Source: GTCF analysis

Notes: (1) Trading performance data is between 31 March 2025 and 20 June 2025.

<sup>6</sup> From 31 March 2025, up until the last trading close price as at 20 June 2025.

***Gold price volatility***

- 1.28 The assessed fair values for a DML share are particularly sensitive to movements in the gold price and general market conditions. The precious metals markets have exhibited a significant degree of volatility in recent periods and there is a wide range of views from market analysts as to future gold prices. Grant Thornton Corporate Finance's forecast gold price assumptions have been determined after consideration of the forecasts from Consensus Economics, other market benchmarking and a review of the historical information. However, a wide range of assumptions could credibly be adopted, which could impact assessed fair values either positively or negatively. Depending upon the views taken by individual shareholders in relation to these assumptions, it is possible that individual shareholders could reach a different conclusion on the appropriate range of values for DML.
- 1.29 Given the significance of gold price forecasts on DML valuation, we conducted sensitivity analyses for the Jokivisu and Fäboliden Gold Mines. However, the gold prices adopted in these sensitivities are closely aligned with consensus estimates and emphasise a central scenario for gold prices, rather than significant fluctuations.
- 1.30 The Fäboliden Gold Mine is projected to begin production in 2029, with an expected lifespan of approximately 10 years. Consequently, its valuation is primarily influenced by the long-term gold price, which is significantly lower than the current gold price and anticipated to be less volatile. Additionally, the extended lifespan of 10 years permits fluctuations in gold prices to balance out over time. Conversely, the valuation of the Jokivisu Gold Mine, with its gold production expected to take place entirely within the next five years, is highly vulnerable to substantial fluctuations in gold prices. This volatility is challenging to offset due to the limited operational duration of the mine. Presented below is a sensitivity analysis of the Jokivisu Gold Mine's value and DML's share price in response to significant, unforeseen changes in gold prices.



Figure 7 – Value per share impact from theoretical gold price sensitivity analysis

	Value of Jokisivu Gold		Value range		Fairness assessment
	Mine (US\$'m)		(HK\$ per DML share)		
	Low	High	Low	High	
GT selected	50.0	62.0	3.80	5.66	NOT FAIR
GT status quo <sup>1</sup>	52.9	62.1	3.99	5.70	NOT FAIR
<b>Forecast gold prices adjustments<sup>2</sup>:</b>					
Decrease 25%	13.5	20.5	2.04	3.64	FAIR
Decrease 20%	21.4	28.8	2.43	4.05	FAIR
Decrease 15%	29.3	37.1	2.82	4.46	NOT FAIR
Decrease 10%	37.2	45.5	3.21	4.88	NOT FAIR
Decrease 5%	45.0	53.8	3.60	5.29	NOT FAIR
Increase 10%	68.7	78.8	4.77	6.53	NOT FAIR
Increase 20%	84.4	95.5	5.55	7.36	NOT FAIR

Source: GTCF analysis.

Notes: (1) While the GT status quo scenario is not included in our final valuation conclusion, we have used it to illustrate the value per share impact of adjusted forecast gold prices. This approach avoids the need to reperform all valuation scenarios when assessing the GT-selected value range of US\$50 million to US\$62 million. (2) Adjustments have been applied to each annual forecast period. The low and high valuation range for the Jokisivu Gold Mine reflects the application of annual low and high gold price estimates, with corresponding adjustments made to each period.

### US\$:HK\$ Exchange Rate volatility

1.31 The value of each DML share is highly sensitive to fluctuations in the US\$:HK\$ Exchange Rate. This is due to our valuation being performed in US\$, which is also the pricing currency of the Company's underlying commodity, before conversion into HK\$, the Company's trading currency. While we have justified our use of an Exchange Rate of 7.78, it is important to note that this is a significant assumption influenced by current spot market movements. Accordingly, we have included a sensitivity analysis for the US\$:HK\$ Exchange Rate to enable investors to form their own views.

**Figure 8 – DML value per share – US\$:HK\$ Exchange Rate sensitivity**

DML Value per share							
US\$:HK\$ exchange rate sensitivity	(7.50%)	(5.00%)	(2.50%)	Selected	2.50%	5.00%	7.50%
US\$:HK\$	7.20	7.39	7.59	7.78	7.97	8.17	8.36
Low value per share (HK\$)	3.52	3.61	3.71	3.80	3.90	3.99	4.09
High value per share (HK\$)	5.23	5.37	5.51	5.66	5.80	5.94	6.08

*Source: GTCF analysis.*

***Share price in the absence of the Offer***

1.32 If the Offer lapses, it is likely that DML Shares will trade at prices that are different to those that prevailed prior to the announcement of the Allied Offer.

1.33 It is difficult to predict what prices the Company's shares might trade if the Offer lapses, however, in our opinion, absent of any significant change in economic or market conditions, it is unlikely that the trading prices will revert back at the level they were trading before the announcement of the Offer. The information disclosed in the Offer Document, SLR's ITER and this Independent Expert's Report, may provide improved information and a more refined basis for the trading prices of DML shares if the Offer lapses.

***Tax implications***

1.34 DML Independent Shareholders who accept the Offer for each DML share currently held may, depending upon individual shareholders' taxation position, give rise to capital gains tax consequences. It is advised that DML Independent Shareholders consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer.

***Directors' recommendations and intentions***

1.35 The DML Independent Board Committee unanimously recommend that DML Independent Shareholders reject the Offer.

***Reasonableness conclusion***

1.36 Based on the qualitative factors identified above, it is our opinion that the Offer is **NOT REASONABLE** to DML Independent Shareholders.

**Overall conclusion**

1.37 After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that **the Offer is NOT FAIR AND NOT REASONABLE to the DML Independent Shareholders** in the absence of a superior alternative proposal emerging.

**Other matters**

1.38 Grant Thornton Corporate Finance has prepared a FSG in accordance with the Corporations Act. The FSG is set out in the following section.

1.39 The decision of whether or not to accept the Offer is a matter for each DML Independent Shareholder to decide based on their own views of value of DML and expectations about future market conditions, DML's performance, risk profile and investment strategy. If DML Independent Shareholders are in doubt about the action they should take in relation to the Offer, they should seek their own professional advice.

Yours faithfully

**GRANT THORNTON CORPORATE FINANCE PTY LTD**

[DRAFT]

[DRAFT]

**ANDREA DE CIAN**

*Director*

**MARK BUTTERFIELD**

*Director*

**2. FINANCIAL SERVICES GUIDE****Grant Thornton Corporate Finance Pty Ltd**

- 2.1 Grant Thornton Corporate Finance carries on a business, and has a registered office, at Grosvenor Place, Level 26, 225 George Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.
- 2.2 DML appointed Grant Thornton Corporate Finance Pty Ltd to provide general financial product advice in the form of an IER in relation to the Offer.

**Financial Services Guide**

- 2.3 This FSG has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

**General financial product advice**

- 2.4 In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.
- 2.5 Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

**Remuneration**

- 2.6 When providing the Report, Grant Thornton Corporate Finance's client is DML. Grant Thornton Corporate Finance receives its remuneration from DML. In respect of this IER, Grant Thornton Corporate Finance will receive from DML a fixed fee of A\$200,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

- 2.7 Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

### **Independence**

- 2.8 Grant Thornton Corporate Finance is required to be independent of DML in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 Independence of expert issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*“Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with DML (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.*

*Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 “Independence of expert” issued by the ASIC.”*

**Complaints process**

- 2.9 Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Compliance Authority (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Compliance Authority who can be contacted at:

Australian Financial Compliance Authority GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678

- 2.10 Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

**Compensation arrangements**

- 2.11 Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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**3. OUTLINE OF THE OFFER**

3.1 At the date of this IER, the Offeror and parties acting in concert with it, owned 51,441,727 DML shares, representing approximately 32.54%<sup>7</sup> of DML's share capital, comprising:

- 46,877,727 DML shares owned by Allied Properties;
- 4,334,000 DML Shares held by Mr Nagahara, who is the son of Mr. Akihiro Nagahara (the vice chairman and a non-executive director of AGL);
- 220,000 DML shares held by Mr Dew, being the Chairman and a non-executive of DML, and who is also the chairman and a non-executive director of each AGL and APAC; and
- 10,000 DML Shares held by Mr Yang, who is a director of the Offeror.

3.2 Allied Properties has provided the Offeror with an irrevocable undertaking not to accept the Offer and not to dispose of its DML Shares until the Offer completes. AGL is an investment holding company, with its core businesses focused on property development, property investment and financial service. AGL has a 45.32% shareholding in APAC at the date of this report.

3.3 We understand that DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares as at the date of this Report and hence there are only 158,096,613 DML Shares on issue. Based on 111,218,886 Offer Shares and the Offer Price of HK\$2.60, and assuming acceptance of the Offer in full (excluding those DML Shares held by Allied Properties), the total amount of cash required for the Offer will be HK\$289,169,103.60.

3.4 Assuming it is allowed to do so under the relevant regulatory environment, the Offeror intends to retain the listing of the DML Shares on the HKEx following the closing of the Offer period. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any DML Shares.

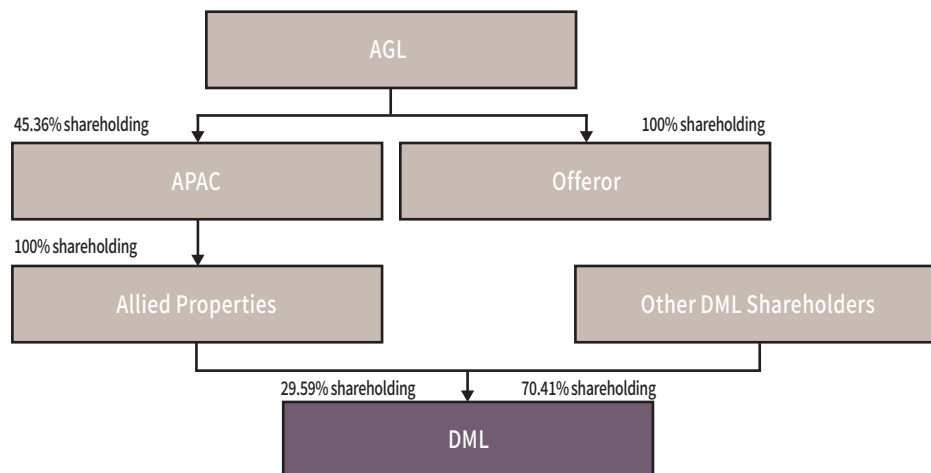
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<sup>7</sup> 158,096,613 total DML Shares on issue.



3.5 A simplified corporate structure is presented below.

**Figure 9 – Current corporate ownership structure of DML**



Source: (1) DML Management. (2) DML ASX Announcements.

3.6 The Offer is subject to a number of conditions which are set out in Section 4 within the ‘letter from the DML Board’ of the Offer Document.

3.7 If the Offer becomes unconditional, the Offeror intends to nominate up to three new DML Directors to the DML Board and up to three existing DML Directors may resign. Any changes to the composition of the DML Board will be made as and when is appropriate in compliance with the Takeovers Code and the Listing Rules.

#### 4. PURPOSE AND SCOPE OF THE REPORT

##### Purpose

4.1 Section 640 of the Corporations Act requires that a target’s statement made in response to a takeover offer for securities in an Australian publicly listed company must be accompanied by an IER if:

- the bidder’s voting power in the target is 30% or more; and
- for a bidder who is, or includes, an individual – the bidder is a director of the target company; or
- for a bidder who is, or includes, a body corporate – a director of the bidder is a director of the target company.

4.2 The IER must state whether, in the opinion of the independent expert, the takeover offer is fair and reasonable to the target company's independent shareholders and provide the reasons for forming that opinion.

4.3 At the date of this IER, the Offeror and parties acting in concert with it, owned 51,441,727 DML shares, representing approximately 32.54%<sup>8</sup> of DML's share capital. Accordingly, the Directors of DML have requested Grant Thornton Corporate Finance to prepare an IER for the purposes of Section 640 of the Corporations Act.

**Basis of assessment**

4.4 The Corporations Act does not define the meaning of "fair and reasonable". In preparing this IER, Grant Thornton Corporate Finance has had regard to RG 111 which establishes certain guidelines in respect of IERs prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" are in the context of a takeover offer.

4.5 As the Takeover Offer is a takeover bid, Regulatory Guide 111 "Content of expert reports" requires the following assessment:

- An offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject to the offer. The comparison should be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.
- An offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid. ASIC has identified the following factors which an expert might consider when determining whether an offer is reasonable:
  - The offeror's pre-existing entitlement, if any, in the shares of the target company.
  - Other significant shareholding blocks in the target company.
  - The liquidity of the market in the target company's securities.

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<sup>8</sup> 158,096,613 total DML Shares on issue.

- Taxation losses, cash flow or other benefits through achieving 100% ownership of the target company.
- Any special value of the target company to the offeror, such as particular technology or the potential to write off outstanding loans from the target company.
- The likely market price if the offer is unsuccessful.
- The value to an alternative offeror and likelihood of an alternative offer being made.

4.6 Grant Thornton Corporate Finance has determined whether the Offer is fair to the DML Independent Shareholders by comparing the fair market value range of DML Shares on a 100% basis with Offer Price of HK\$2.60 per DML Share.

4.7 In considering whether the Offer is reasonable to the DML Independent Shareholders, we have considered a number of factors, including:

- Whether the Offer is fair.
- The implications to DML and DML Independent Shareholders if the Offer lapses.
- Other likely advantages and disadvantages associated with the Offer as required by RG111.
- Other costs and risks associated with the Offer that could potentially affect the DML Independent Shareholders.

#### **SLR's ITER**

4.8 For the purpose of this IER, SLR was engaged to conduct an independent review and assessment of the mineral assets held by DML. SLR's ITER has been specifically commissioned and prepared in relation to the Offer. SLR's ITER is available in Appendix F.

#### **Independence**

4.9 Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Offer with reference to RG 112 issued by ASIC.

- 4.10 Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Offer, other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.
- 4.11 Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the Offer becoming unconditional.
- 4.12 In our opinion, Grant Thornton Corporate Finance is independent of DML and its directors and all other relevant parties of the Offer.

**Compliance with APES 225 Valuation Services**

- 4.13 This report has been prepared in accordance with the requirements of APES 225 as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

*“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member 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 Member at that time.”*

**5. INDUSTRY OVERVIEW**

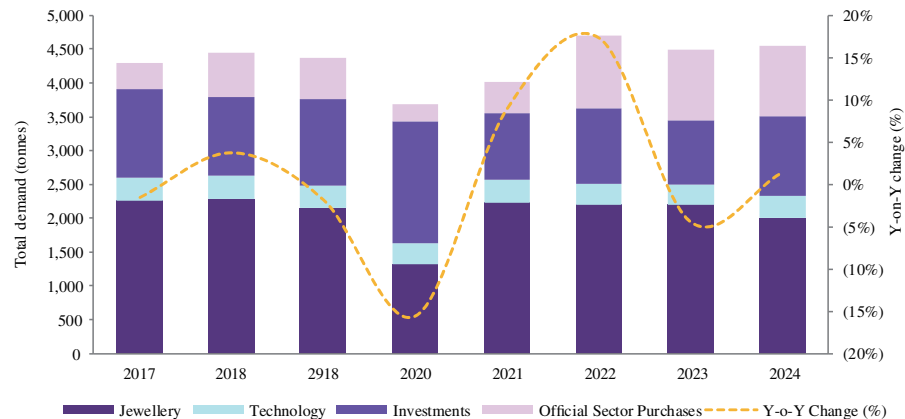
**Overview of the global gold market**

- 5.1 Gold is a precious metal used primarily in the fabrication of jewellery, electronics and other industrial applications as well as an investment asset for the store of value and hedging. Gold is actively traded on international commodity markets and experiences daily price fluctuations as determined by global demand and supply factors.
- 5.2 Gold is considered a safe haven asset with prices typically increasing at times of high market volatilities. In recent years, the gold price has exhibited significant upward trend supported by major global events, including the Covid-19 pandemic, the conflicts between Russia and Ukraine, and Israel and Hamas, as well as the recent US tariff threats under the Trump administration which have all contributed to changes in monetary policy, geopolitical tensions, inflation concerns, and stock market volatility. Gold is usually considered a natural hedge against inflation, but it is usually inversely correlated to Government bond yields due to the opportunity cost associated with holding gold, as it does not generate a yield.

## Demand

5.3 Demand for gold is mainly driven by gold jewellery, global investment trends and market/economic conditions. The graph below illustrates historic gold demand by category:

**Figure 10 – Historical global demand for gold by category (2017 to 2024)**



Source: World Gold Council, historical demand and supply as at 31 December 2024, GTCF analysis

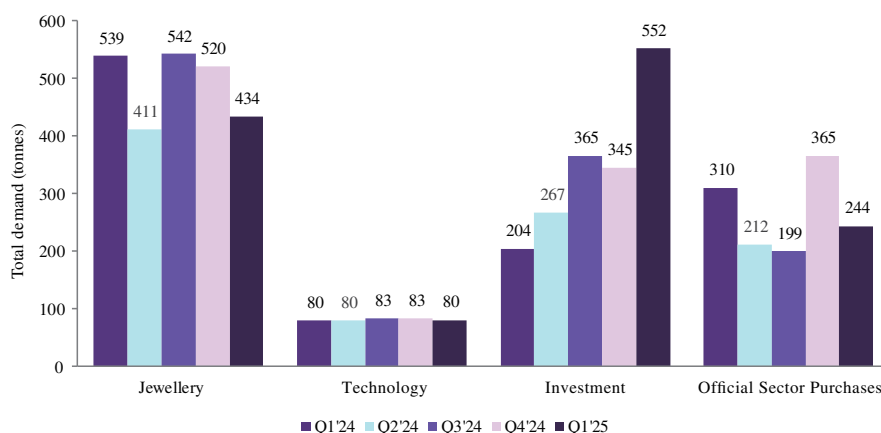
Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprise demand for bar and coin, ETF and other similar products.

5.4 The demand for jewellery fabrication is highly seasonal as it is largely linked to Indian and Chinese traditional festivities, noting that China and India are the largest consumers by volume, together accounting for approximately c. 57.2% of global demand for jewellery in 2024. Demand fluctuations have historically occurred, such as in 2020, when demand declined materially due to weak consumer confidence caused by the COVID-19 pandemic, which significantly impacted gold prices.

5.5 In addition, gold demand is affected by central banks' reserve requirements and more recently from gold backed ETFs which are relatively new financial instruments that allow investors to receive the benefits of owning physical gold without requiring storage.

- 5.6 Investors generally consider gold as a safe investment asset and the demand for gold has increased over the last year due to volatile market conditions. Annual gold investment grew by 25% in 2024, with demand being concentrated in the second half of the year coinciding with rate cuts, geopolitical uncertainty and strong price performance which attracted inflows into gold ETFs. Gold-backed ETFs experienced three consecutive quarters of inflows from Q3'24 to Q1'25, which followed nine consecutive quarters of net outflows. Official sector purchases were also strong in 2024, with 333 tonnes purchased in Q4'24. This was driven by the desire of central banks to increase stability amidst the recent geopolitical and economic uncertainty.
- 5.7 Although gold investment levels were already high in Q4'24, demand surged further in Q1'25, rising by c. 60.1% compared to the previous quarter, aligned with investors seeking refuge in gold amid heightened geopolitical uncertainty, driven by the threat of US tariffs under the Trump administration and increased stock market volatility. In contrast, jewellery demand declined by 16.6% over the same period, likely due to reduced discretionary spending as rising gold prices impacted affordability.

**Figure 11 – Historical global demand for gold (Q1'2024 to Q1'2025)**



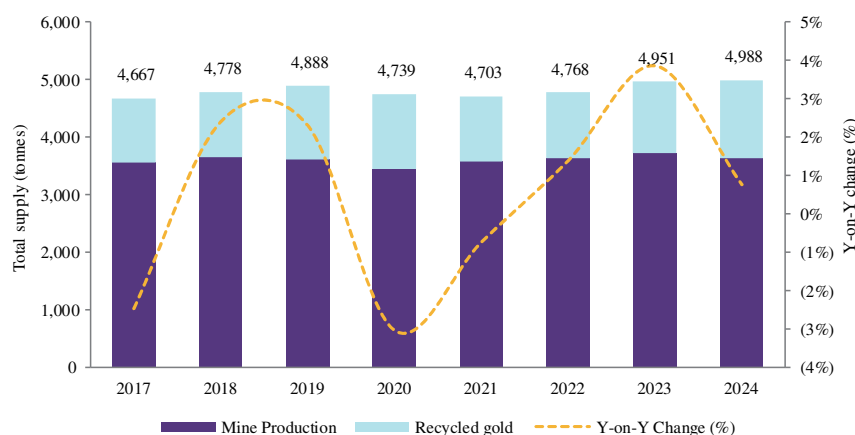
Source: World Gold Council, historical demand and supply as at 31 March 2025, GTCF analysis

Notes: (1) Official Sector Purchases refers to gold demand from Central bank and other institutions. (2) Investments comprise demand for bar and coin, ETF and other similar products.

## Supply

5.8 The supply of gold is mainly sourced from mine production and the recycling of scrap gold. The graph below illustrates historical gold supply by category:

**Figure 12 – Historical gold supply by category (2017 to 2024)**



Source: World Gold Council, historical demand and supply as at 31 December 2024, GTCF analysis

Notes: (1) Mine production is net of any hedging effect undertaken by the gold producers.

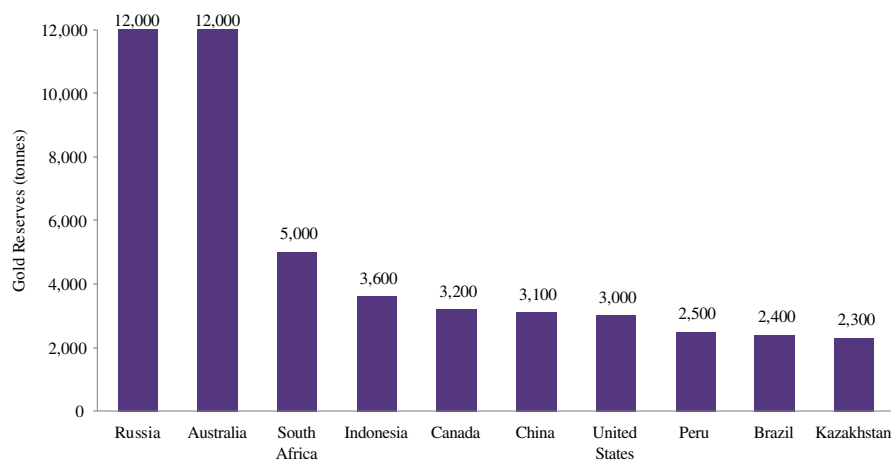
5.9 Gold supply has remained relatively flat over the last eight years, in contrast to the demand profile, which experienced a more significant decline in 2020 during the COVID-19 pandemic. In 2020 and 2021, supply of gold declined by c. 3.0% and 0.8% from the previous year respectively, primarily due to COVID-19 related disruptions to mining production. However, marginal gold supply increases occurred in 2022 and 2023 as the mining industry largely remained uninterrupted by COVID-19 restrictions. In 2024, total gold supply remained relatively flat, marginally increasing by c. 0.7% against the previous year. Gold recycling experienced strong growth of 11% in 2024, which was primarily driven by an increase in gold prices which makes scrap gold recycling more lucrative. Mine production, net of producer hedging, experienced a decline of c. 2.6% in 2024. Countries such as Mexico and Canada contributed to growth, however, this was offset by a decrease in production in other countries such as the United States, who experienced a decline of 18% due to lower grades and production volumes from several operations including Cortex and Carlin mines<sup>9</sup>. As seen in the chart below, it is estimated that China and Russia were the largest producers of gold in 2024, contributing over 20% of total global production combined.

<sup>9</sup> World Gold Council: Gold Demand Trends Q4 and Full Year 2024

**Figure 13 – Top 10 estimated gold production by country in 2024**

Source: U.S. Geological Survey, Mineral Commodity Summaries 2025, GTCF analysis

5.10 Despite being the largest producer, China has a much lower share of global gold reserves, as seen in the chart below. Of the 64,000 tonnes in global reserves, China makes up only 5% with 3,100 tonnes. Russia and Australia have the largest number of reserves, contributing a combined 38% of the global total.

**Figure 14 – Top 10 gold reserves by country in 2024**

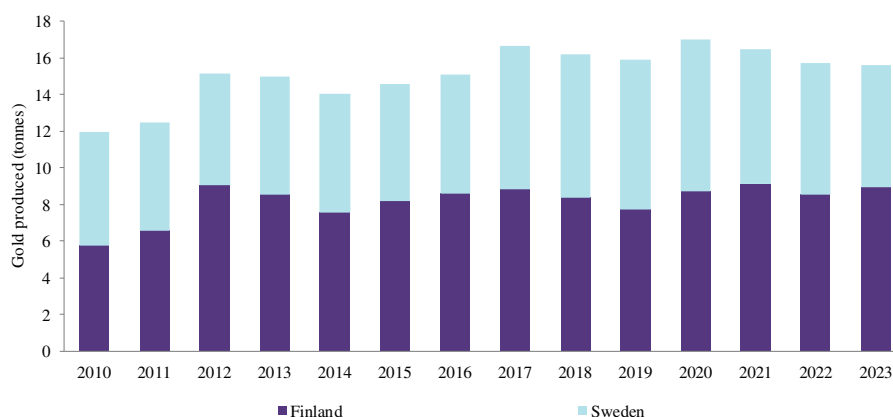
Source: U.S. Geological Survey, Mineral Commodity Summaries 2025, GTCF analysis



### Gold mining in the Nordics

5.11 Finland and Sweden are two of the largest gold producers in Europe, contributing to almost 40% of total European gold production in 2023<sup>10</sup>. They also ranked as the top two countries in Europe in terms of Investment Attractiveness in the Fraser Institute Annual Survey of Mining Companies in 2023<sup>11</sup>. The chart below shows that production in the Nordic region has increased steadily from 11.9 tonnes in 2010 to 15.6 tonnes in 2023.

**Figure 15 – Nordic Gold Production (2010 to 2023)**



Source: World Gold Council: Gold Mining Production Volumes, GTCF analysis

5.12 Finland boasts a robust mining heritage and remains largely under-explored, presenting significant potential, particularly in gold mining. The Kittilä mine, situated in the Lapland region and operated by Agnico Eagle Mines Limited, stands as the largest gold mine in the country. Finland's exceptional infrastructure, characterised by convenient access to roads and ports, further enhances its attractiveness for mining operations. It also ranked 8th (of 86) countries in terms of Policy Perception Index by the Fraser Institute in their Annual Survey of Mining Companies in 2023. In this survey they also increased from 29th (of 62) to 17th (of 86) in the overall Investment Attractiveness Index globally, with reduced concerns regarding the availability of skilled labour, community development conditions, labour regulations and the quality of the geological database<sup>12</sup>.

<sup>10</sup> Source: Metals Focus Ltd. The only other major European producer is Bulgaria.

<sup>11</sup> Fraser Institute Annual Survey of Mining Companies 2023. This survey ranks the investment attractiveness of countries globally and explores the impact of factors such as government intervention and regulatory uncertainty upon mining investment.

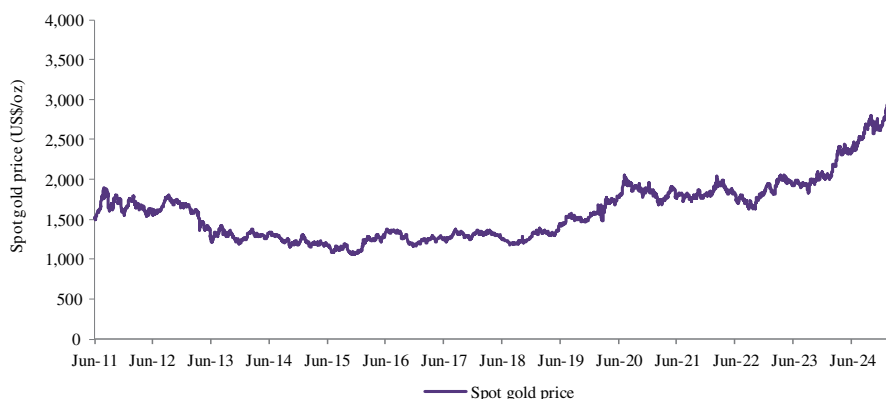
<sup>12</sup> Ibid

- 5.13 Finland’s regulatory environment is well-managed, with the Finnish Safety and Chemicals Agency (Tukes) overseeing mining activities to ensure sustainable practices. Tukes is responsible for issuing exploration permits, mining permits, mining safety permits, and gold planning permits. All mining operations also require an environmental permit from the relevant environmental authorities. The regulatory framework in Finland emphasises the protection of public and private interest, sustainable use of natural resources, and the rights of local communities. The political stability, transparent and supportive regulatory framework, tax incentives, infrastructure and geological potential all contribute to making Finland an attractive destination for mining investments.
- 5.14 Sweden’s primary gold activities are located within the “Gold Line” in Northern Sweden which consists of several gold mining projects including the Barsele project (First Nordic Metals) and the Svartliden and Fäboliden mines (DML). The Gold Line is a gold-rich belt which is characterised by its favourable geology, consisting of several sites considered to be highly prospective for finding orogenic gold deposits which are formed during mountain-building processes.
- 5.15 Sweden’s mining activities are governed by the Swedish Environmental Code, which emphasises sustainable development and the protection of human health and the environment for present and future generations. The Code mandates that all mining operations assess and mitigate their environmental impact, adhering to principles such as the precautionary principle and the polluter pays principle. These principles are designed to have a preventative effect, as operators are obliged to assess the environmental effects of their activities prior to starting, as well as continuously while the activity is ongoing.

### Gold price and outlook

5.16 Gold has consistently been viewed as a safe-haven asset and a reliable hedge against economic uncertainty. In recent years, gold prices have increased significantly as illustrated in the graph below.

**Figure 16 – Historical gold price**



Sources: S&P Global, GTCF analysis.

5.17 Since the GFC, asset prices have been supported by an unprecedented level of fiscal stimulus which has resulted in a steep decline in bond yields and returns required which have historically been inversely correlated with gold prices, to a large extent. As set out in the graph above, gold prices remained relatively stable until the outbreak of COVID-19 when they increased from a low of US\$1,052/oz in February 2020 to a high of US\$2,058/oz in August 2020, mostly due to the uncertainty in the global economy driven by the outbreak of the pandemic.

5.18 Following Russia's invasion of Ukraine in late February 2022, an increase in the prices for oil, gas, wheat and other commodities triggered a considerable rise in inflation expectations. This, in turn, supported gold prices, as it is considered a natural hedge against inflation. However, towards the end of 2022, bond yields reached an eight-year peak after the Federal Reserve continued to increase interest rates in an attempt to slow inflationary pressures. Whilst gold prices reduced to US\$1,629/oz in November 2022, due to rising bond yields and the strengthening of the US dollar, they recovered to US\$2,048/oz in April 2023 amidst fears of a banking crisis in the United States after the collapse of Silicon Valley Bank and the arranged takeover of Credit Suisse Group AG by UBS Group.

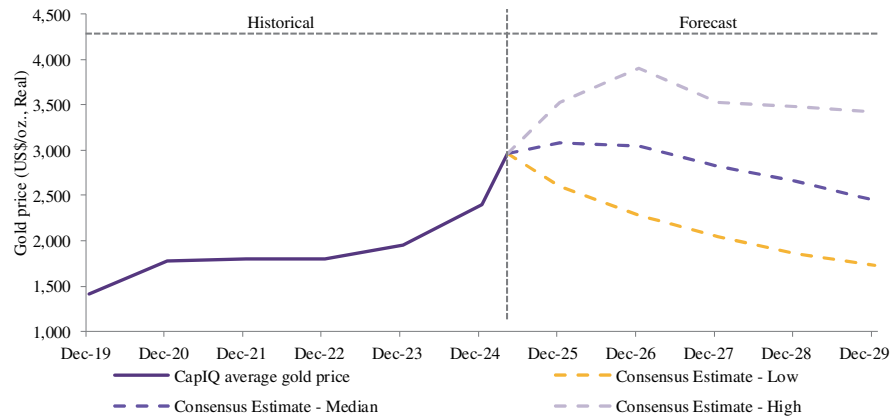
- 5.19 At the start of October 2023, war broke out between Israel and Hamas, which has led to investors seeking a financial safe haven amid intensifying conflict, contributing to international uncertainty. In the latter months of 2023 and during 2024, there were significant fluctuations and continued increases in gold prices, reaching record highs driven partially by central banks purchasing gold worldwide, global economic conditions, geopolitical tensions, and market dynamics.
- 5.20 On 20 January 2025, Donald Trump began his second term as the United States president, which resulted in the growth of gold prices at the start of 2025 largely driven by expected Federal Reserve rate cuts, a weaker US Dollar, and uncertainty surrounding Trump's economic policies, where he stated in his inaugural address that he promises to "tariff and tax foreign countries to enrich our citizens."<sup>13</sup> Since Trump's 'Liberation Day' tariffs in February 2025, the US have announced and adjusted the implementation of various tariffs on multiple countries including but not limited to, China, Canada, Mexico, the EU, and Australia. Most notably, as at 10 April 2025, China responded by implementing an 84% tariff on all American imports, which resulted in Trump raising tariffs on Chinese imports up to 125% on the same day. Subsequently, China matched this tariff on 11 April 2025. This volatile environment has heightened global uncertainty regarding the potential future economic impact of potential trade wars. As a result, gold prices rose to record highs, with spot rates growing c. 17.1% from c. US\$2,835/oz in February 2025 to US\$3,319/oz in April 2025.
- 5.21 While the long-term impact of the above trade war remains uncertain and it is premature to form definitive expectations before the resolution of trade policy discussions, an extended period of protectionist policies and global trade conflicts may continue to drive up the price of gold. The positive outlook for gold has been further bolstered by the depreciation of the US\$, which fell to a three-year low following concerns about higher inflation and slower growth as the trade conflict between the US and China intensifies. Consequently, it is unclear when and what the ultimate effects of these global tariffs will be on the gold market, as well as when prices will stabilise or what the normalised state might look like.
- 5.22 The ongoing conflict between Iran and Israel has significantly impacted global gold prices. Following Israel's strikes on Iran's nuclear and military sites on June 13, 2025, and Iran's retaliatory missile attacks, investors have turned to gold as a safe-haven asset amid heightened geopolitical uncertainty. This led to a sharp rise in gold prices, with the spot gold price climbing to around US\$3,433/oz, approaching its all-time high.

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<sup>13</sup> PBS.

5.23 The following chart sets out a summary of historical and forecast prices of gold:

**Figure 17 – Historical and forecast nominal gold prices**



Source: GTCF analysis, S&P Global, Consensus Economics forecasts which include consensus estimates from various providers including, but not limited to, JP Morgan, Goldman Sachs, Commonwealth Bank, Moody's Analytics, OCBC, ANZ, NAB, BoA, WestPac, Investec, ING Bank, Bank Julius Baer, etc.

5.24 There remains significant uncertainty for future gold prices, as it is challenging to predict the combined impact from global events, including tariff policy resolutions between nations with the US, global recessions, high inflation and interest rates, geopolitical risks, global energy shortages and ongoing conflicts.

## 6. PROFILE OF DML

### Company overview

6.1 DML is a gold mining company operating across production, development and exploration in the Nordic Region with reported 13.8 Mt of ore resources and 1,400 Koz of contained gold, based on an estimated gold grade of 3.1 g/t<sup>14</sup>. We have summarised DML's gold assets below:

- **Finland Operations:** located in southern Finland, operations include the Vammala Plant, a conventional 300 Kt per annum operating plant, the operational Jokisivu Gold Mine and exploration activities at the Uunimaki Gold Project<sup>15</sup>. Annual production is between 20 Koz and 30 Koz<sup>16</sup> of contained gold, dependent on the grade of the ore processed and grade of gold concentrate.
- **Sweden Operations:** located in northern Sweden, operations include the Svartliden Plant and development activities at the Fäboliden Gold Mine<sup>17</sup>. The Svartliden Plant is currently processing 100% of the Vammala flotation concentrate, along with external ore under the Botnia Toll Treatment agreement. The mining permit application for the Fäboliden Gold Mine, originally submitted in 2018, was rejected in 2022, and two subsequent appeals were also denied. DML is currently preparing a new application.

6.2 DML is headquartered in South Perth, Australia, where the company was originally incorporated and where its legal domicile remains.

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<sup>14</sup> Based on DML's Mineral Resources reported in the SLR Report, inclusive of Ore Reserves.

<sup>15</sup> Operations from Kaapelinkulma ceased production in April 2021. Operations from Orivesi ceased production in June 2019.

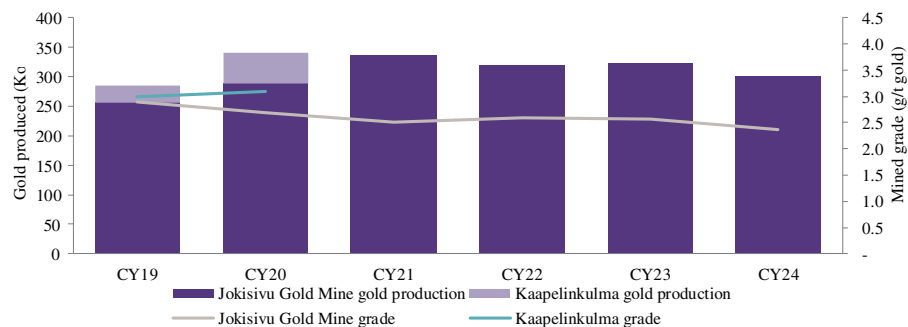
<sup>16</sup> DML CY24 Annual Report.

<sup>17</sup> Mining operations were completed at the Svartliden Gold Mine in 2013 and the mine is currently in care and maintenance.

### Finnish operations

6.3 The Jokisivu Gold Mine covers an area of 630.51 hectares of contiguous mining and exploration tenure, encompassing a segment of the highly prospective Vammala Migmatite Belt<sup>18</sup>. Initially, the operations focused on open-pit mining of the near-surface portion of the deposit within the Kujankallio area, however in 2011, the near-surface portion of the Arvola deposit was also mined using open-pit methods. Underground mining development commenced in 2010, and both mining methods have remained operational since. Below we have displayed the historical gold production of the Finnish operations.

**Figure 18 – Historical gold production from Finland operations**



Source: DML Annual Reports.

6.4 Mining activities at Kaapelinkulma ceased in April 2021, with all stripping costs incurred during the development phase fully amortised by the end of December 2024. Throughout CY24, DML explored potential uses for waste rock outside the mining area. However, despite interest from several companies, the proposals were not financially viable. Consequently, closure rehabilitation activities are scheduled for 2025-2026.

6.5 The Vammala Plant is a conventional 300 Kt per annum<sup>19</sup> crushing, milling and flotation facility that was recommissioned in June 2007 to process the ore from the Jokisivu Gold Mine, which is 40km southwest of the plant. Since the recommissioning, the plant has produced 471,148 ounces of gold in concentrate to 31 December 2024.

<sup>18</sup> Geological formation known for hosting several significant gold deposits.

<sup>19</sup> The production is capped at a maximum of 300,000 tonnes per annum following the Supreme Administrative Court's decision on 24 January 2024.

- 6.6 At the start of 2025, a new Environmental Permit was granted for the Jokisivu Gold Mine allowing the crushing of up to 350 Kt of aggregates annually, including earlier start times for loading and transport activities. We have provided an overview of the historical Vammala Plant operations below:

**Figure 19 – Vammala Plant KPI analysis**

<b>Vammala Plant KPIs</b>	<i>Notes</i>	<b>CY19</b>	<b>CY20</b>	<b>CY21</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>
Ore mined	<i>Tonnes</i>	314,752	341,270	359,945	319,535	322,277	300,964
Mined grade	<i>g/t gold</i>	3.0	2.8	2.6	2.6	2.4	2.6
Ore milled	<i>Tonnes</i>	303,713	316,237	305,933	324,940	321,096	299,952
Head grade	<i>g/t gold</i>	3.1	2.8	2.7	2.3	2.3	2.5
Process recovery	<i>%</i>	86.8%	85.2%	86.6%	85.9%	84.9%	84.4%
Gold produced	<i>oz</i>	25,938	23,934	23,411	21,030	20,159	20,517

*Source: DML Annual Reports.*

- 6.7 The majority of gold concentrate generated at the Vammala Plant is further processed at DML's Svartliden Plant, located in northern Sweden, in order to produce doré, which is then refined by Argor Heraeus in Switzerland.
- 6.8 The Company holds a granted Exploration Licence at Uunimäki which covers 89.22 hectares, encompassing the Uunimäki gold occurrence, which was first discovered in 2008. This represents an advanced gold opportunity for DML, with the area in trucking distance to the Vammala Plant. Whilst no drilling was performed during CY24, Management have stated their intention to commence drilling during CY25.
- 6.9 Mining activities at Orivesi ceased in June 2019. DML is awaiting approval of its Orivesi closure plan before it is able to commence the rehabilitation work. DML maintains valid exploration tenure at Orivesi with exploration and evaluation activities continuing in the area.



**Swedish operations**

6.10 DML's Swedish operations are located in northern Sweden, 700km north of Stockholm, in the central part of the 'Gold Line'<sup>20</sup>. The Svartliden Plant commenced production in 2005, marking the first integrated mine and treatment plant to be developed under the new Swedish Environment and Mining Acts. Since opening, the plant has produced 399.7 Koz of gold, sourced from the now-completed mining operations at the Svartliden Gold Mine, external concentrates predominantly from the Company's Finnish operations and ore from the test-mining campaign at the Fäboliden Gold Mine.

6.11 In July 2018, the Company submitted its Environmental Permit application for full-scale mining activities at the Fäboliden Gold Mine to the Swedish Land and Environment Court. Following a court hearing in April 2022, no material problems were identified, and the Country Administration Board stated the permit is permissible on their suggested conditions. On 28 June 2022, whilst the Environmental Impact Assessment was approved, the Environment Court rejected the Environmental Permit application, citing that the ore transport may impact reindeer herding and property owners along the public road and questioned the necessity of gold mining in general<sup>21</sup>. Further concerns were raised regarding water quality and discharge limit investigations.

6.12 On 15 December 2022, the Company submitted an appeal to the Land and Environment Court of Appeal which was denied on 14 March 2023. The Court of Appeal provided no reasoning for their decision. Following this, the Company escalated the matter by appealing to the Supreme Court on 6 April 2023. However, this appeal was also denied on 11 June 2024, and the Supreme Court similarly did not provide any reasons for its decision.

6.13 Whilst the EIA has been approved and the mining concession remains valid, in order for the Fäboliden Gold Mine to progress towards production, a revised application must be submitted to the Environment Court, which will include DML's measures aimed to mitigate the Environment Court's concerns issued in its June 2022 ruling.

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<sup>20</sup> The Gold Line has been a focus for exploration in northern Sweden, following the discovery of gold bearing boulder samples in area during the 1980's.

<sup>21</sup> As stated in the DML 2024 annual report.

- 6.14 The Svartliden Plant is a conventional comminution and CIL circuit which has a design capacity of 300 Kt per annum. Since obtaining the initial operating permit in 2003, DML has undertaken numerous environmental permitting processes to meet the requirements for both Svartliden Plant and Fäboliden Gold Mine. These processes have included securing permits for underground mining, tailings disposal in the completed open pit, updated discharge conditions, and rehabilitation requirements. Additionally, the Company has obtained permits for external ore and concentrate processing, as well as test mining at the Fäboliden Gold Mine.
- 6.15 In January 2024, DML entered into the Botnia Toll Treatment agreement with Botnia, the owner of mining properties in the Västerbotten County in Sweden<sup>22</sup>. Botnia freights ore from nearby gold mines to the Svartliden Plant for treatment and recovery of gold contained. Under the tolling agreement, DML receives a fixed fee per ore tonne delivered, as well as a production fee. The tolling agreement has a 12-month term and may be renewed annually for an additional 12 months upon mutual agreement by both parties, an extension that has been confirmed for 2025. Given the minimal production in Sweden since the completion of Svartliden Gold Mine, the contribution of Botnia has been instrumental in reducing the operational costs of the Svartliden Plant. The plant has continued to operate at below break-even to retain staff and maintain operational facilities, ensuring readiness for the resumption of ore processing when/if full-scale mining at the Fäboliden Gold Mine is achieved, however with the Botnia Toll Treatment, operations are currently operating marginally above break-even. DML may revisit its decision of continuing to operate the Svartliden Plant depending on the timing and outcome for the development of the Fäboliden Gold.
- 6.16 During CY24, the Svartliden Plant processed 100% of the Vammala flotation concentrate producing 19.3 Koz of gold and 2.1 Koz of gold from the toll treatment arrangement with Botnia. We have summarised the key historical KPIs of the Svartliden Plant below.

**Figure 20 – Svartliden Plant KPI analysis**

<b>Svartliden Plant KPIs</b>	<b>Notes</b>	<b>CY19</b>	<b>CY20</b>	<b>CY21</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>
Ore milled	<i>Tonnes</i>	60,393	39,581	26,264	n/a	n/a	n/a
Ore process recovery	<i>%</i>	77.3%	80.0%	80.8%	n/a	n/a	n/a
Gold production from ore	<i>oz</i>	4,094	2,712	1,260	n/a	n/a	n/a
Vammala flotation concentrate milled	<i>Tonnes</i>	3,433	3,825	4,642	4,771	5,478	5,288
Concentrate process recovery	<i>%</i>	93.9%	94.9%	94.4%	87.2%	95.4%	95.8%
Head grade	<i>g/t gold</i>	163.5	143.5	125.9	134.3	104.2	118.6
Gold produced from concentrate	<i>oz</i>	17,093	16,743	17,732	17,962	17,509	19,312

*Source: DML annual reports, GTCF analysis*

<sup>22</sup> CY24 revenue from toll milling services was A\$2.1 million (CY23: nil).

## Reserves and Resources

6.17 The table below summarises DML's Ore Reserves as at 31 December 2024 prepared in accordance with the JORC Code and presented on a 100% basis.

**Figure 21 – DML Reserves under Australasian Code as at December 2024**

DML Reserves – 31 December 2024									
Area	Proved			Probable			Total		
	Tonnes Kt	Gold g/t	Ounces Kozs	Tonnes Kt	Gold g/t	Ounces Kozs	Tonnes Kt	Gold g/t	Ounces Kozs
Jokisivu (UG)	300	2.5	24	930	2.2	66	1200	2.3	90
Fäboliden (OP)	98	3.5	11	2,700	3	260	2,800	3	280
<b>DML Total Reserves</b>	<b>400</b>	<b>2.7</b>	<b>35</b>	<b>3,600</b>	<b>2.8</b>	<b>330</b>	<b>4,000</b>	<b>2.8</b>	<b>360</b>

Source: DML 2024 Annual Report, GTCF analysis.

Notes: (1) 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 quantities contained in the above table have been rounded to two significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors. (2) The economic in-situ stope ore cut-off grade of 1.58 g/t gold and in-situ ore development cut-off grade of 0.85 g/t gold is based on a medium term consensus forecast gold price of US\$2,305 per troy ounce gold, a EUR:USD exchange rate of 1.10, process recovery of 85%, mining factors and costs. (3) The in-situ ore cut-off grade is 1.33 g/t gold is based on a long term consensus forecast gold price of US\$1,500 per troy ounce, a USD:SEK exchange rate of 8.66, process recovery of 80%, mining factors and costs. These Ore Reserves remain unchanged since 31 December 2021. The Company confirms that it is not aware of any new information or data that materially affects the Fäboliden Ore Reserve estimate and the assumptions and technical parameters underpinning the previous estimates.

6.18 We have also set out below all the Mineral Resources which represent the estimates at 31 December 2024 and reported in accordance with JORC Code. They are reported on a 100% basis.

**Figure 22 – DML Reserves under JORC Code as at December 2024**

<b>DML Resources – 31 December 2024</b>												
<b>Area</b>	<b>Measured</b>			<b>Indicated</b>			<b>Inferred</b>			<b>Total</b>		
	<i>Tonnes Kt</i>	<i>Gold g/t</i>	<i>Ounces Kozs</i>	<i>Tonnes Kt</i>	<i>Gold g/t</i>	<i>Ounces Kozs</i>	<i>Tonnes Kt</i>	<i>Gold g/t</i>	<i>Ounces Kozs</i>	<i>Tonnes Kt</i>	<i>Gold g/t</i>	<i>Ounces Kozs</i>
<b>Finland Assets:</b>												
Jokisivu Gold Mine	530	3.5	60	1,500	2.8	140	670	2.7	59	2,700	2.9	260
Kaapelinkulma Gold Mine	21	1.9	1	41	3.2	4	100	4.4	15	160	3.8	20
Orivesi Gold Mine	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	46
Total Finland Resources	644	3.7	77	1,600	3.0	160	850	3.1	85	3,100	3.2	320
<b>Sweden Assets:</b>												
Fäboliden Gold Mine	100	3.4	11	4,900	2.9	460	5,200	3.3	560	10,000	3.1	1,000
Svartliden Gold Mine	120	3.4	13	310	3.8	38	60	4.0	8	490	3.7	59
Total Sweden Resources	220	3.4	24	5,200	2.9	490	5,200	3.4	570	11,000	3.2	1,100
<b>DML Total Resources</b>	<b>860</b>	<b>3.6</b>	<b>101</b>	<b>6,800</b>	<b>3.0</b>	<b>660</b>	<b>6,100</b>	<b>3.3</b>	<b>650</b>	<b>14,000</b>	<b>3.2</b>	<b>1,400</b>

Source: DML 2024 Annual Report, GTCF analysis.

Notes: (1) 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 quantities contained in the above table have been rounded to two significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.

6.19 SLR has proposed certain limited revisions to the reported Reserves and Resources. For detailed information, please refer to SLR's ITER.

**Financial information**

***Financial performance***

6.20 The table below illustrates DML's audited consolidated statements of financial performance for the last three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

**Figure 23 – DML's consolidated statements of financial performance**

<b>Consolidated Statement of Profit or Loss</b> <i>A\$'000</i>	<b>CY22</b> <i>Audited</i>	<b>CY23</b> <i>Audited</i>	<b>CY24</b> <i>Audited</i>
<b>Revenue</b>	<b>52,514</b>	<b>60,495</b>	<b>72,804</b>
Cost of sales	(45,173)	(54,550)	(51,608)
<b>Gross profit</b>	<b>7,341</b>	<b>5,945</b>	<b>21,196</b>
Other revenue	104	602	736
Other income	752	9,089	2,589
Mineral exploration and expenditure	(262)	(274)	(206)
Management and administration expenses	(4,648)	(5,087)	(5,799)
Exploration and evaluation costs written off	(34)	(300)	0
Other operating (expenses)/benefits	879	658	(1,548)
Finance costs	(21)	(992)	(1,187)
Fair value gain/(loss) on financial assets	0	(411)	338
Foreign exchange gain/(loss)	628	(1,703)	924
<b>Profit before tax</b>	<b>4,739</b>	<b>7,527</b>	<b>17,043</b>
Income tax expense	(2,250)	(2,338)	(4,167)
<b>Profit after tax</b>	<b>2,489</b>	<b>5,189</b>	<b>12,876</b>

*Sources: DML Annual Reports, GTCF analysis.*

6.21 DML's revenue has primarily been driven by gold sales from its Finnish operations. In CY24, the Company sold 19,138 ounces of gold at an average price of US\$2,430 per ounce. This represented a 16.8% increase in gold sales, reaching A\$70.7 million compared to the previous year. Additionally, DML generated A\$2.1 million in revenue from the Botnia Toll Treatment agreement, which commenced on 1 September 2024 and has been a significant contributor to ensure the Svartliden Plant operates above break-even.

6.22 DML's cost of sales consists primarily of production costs, net of inventory movements, including: mining costs, processing costs, other production costs and gold inventory movements. The other cost of sales relates to the depreciation of mine property, plant and equipment. On 22 January 2024, the Supreme Administrative Court upheld the Vammala Environmental Permit, which amends the Vammala Plant production capacity from approximately 300 Kt per annum to a maximum of 300 Kt per annum. Accordingly, Vammala processed 299,952 ore tonnes (CY23: 321,096 ore tonnes) representing a decrease of 6.6%. Revenue increased by 20.3% compared to CY23, whilst cost of sales was down 5.4% partially due to the lower volumes processed, resulting in the gross margin increasing from 9.8% in CY23 to 29.1% in CY24.

6.23 Other revenue and other income on a normalised basis largely consist of finance revenue and interest, and service/other income. During CY24, there was a net gain from the cancellation of the crusher agreements in Finland totalling A\$1.6 million.

6.24 Management and other expenses include corporate costs, and rehabilitation provision changes associated with the Group's non-producing assets recognised directly in profit or loss and depreciation of non-mining assets. Other expenses include the cost of evaluation assets written off as part of the Group's regular review of capitalised exploration and evaluation costs and corporate related costs.

**Financial position**

6.25 The table below illustrates DML's audited consolidated statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024.

**Figure 24 – DML's consolidated statement of financial position**

Consolidated Statement of Financial Position A\$'000	31-Dec-22 <i>Audited</i>	31-Dec-23 <i>Audited</i>	31-Dec-24 <i>Audited</i>
<b>Current Assets</b>			
Cash and cash equivalents	17,671	22,168	40,313
Trade and other receivables	3,462	3,416	2,570
Inventories	19,991	19,631	19,257
Financial assets	0	1,406	1,826
Other assets	627	1,071	866
<b>Total current assets</b>	<b>41,751</b>	<b>47,692</b>	<b>64,832</b>
<b>Non-current assets</b>			
Property, plant and equipment	54,427	47,730	53,306
Mineral exploration and evaluations costs	2,242	1,848	1,436
Right-of-use assets	1,531	1,241	411
Other assets	4,927	9,804	12,587
<b>Total non-current assets</b>	<b>63,127</b>	<b>60,623</b>	<b>67,740</b>
<b>Total assets</b>	<b>104,878</b>	<b>108,315</b>	<b>132,572</b>
<b>Current Liabilities</b>			
Trade and other payables	8,101	7,967	8,318
Provisions	3,114	2,222	3,624
Interest bearing liabilities	572	603	180
Other liabilities	82	85	80
Current tax liabilities	2,291	1,337	3,122
<b>Total current liabilities</b>	<b>14,160</b>	<b>12,214</b>	<b>15,324</b>
<b>Non-current liabilities</b>			
Provisions	29,245	26,646	34,257
Interest bearing liabilities	877	697	227
<b>Total non-current liabilities</b>	<b>30,122</b>	<b>27,343</b>	<b>34,484</b>
<b>Total liabilities</b>	<b>44,282</b>	<b>39,557</b>	<b>49,808</b>
<b>Net Assets</b>	<b>60,596</b>	<b>68,758</b>	<b>82,764</b>
<b>Equity</b>			
Contributed equity	140,420	140,408	140,408
Reserves	(2,588)	397	1,527
Accumulated losses	(77,236)	(72,047)	(59,171)
<b>Total equity</b>	<b>60,596</b>	<b>68,758</b>	<b>82,764</b>

Sources: DML Annual Reports, GTCF analysis.

- 6.26 Inventory balances relate to ore and concentrate stockpiles, gold in circuit, gold bullion on hand and raw materials and stores, all which are held at cost.
- 6.27 Property, plant and equipment largely consists of mine properties, with a net carrying amount of A\$47.3 million as at 31 December 2024 (A\$40.8 million as at 31 December 2023). The remainder of the PPE relates to land, buildings and the two processing plants.
- 6.28 On 10 July 2023, the Company and Aurion entered an agreement for the sale of DML's interests in the Kutuvuoma Project and the Silasselkä Project. The consideration was a mix of cash and shares. The Company still holds 2,452,910 common shares of Aurion, representing 1.89% of their issued share capital.
- 6.29 The Company has an unsecured loan facility with AP Finance Limited for A\$27.0 million, with an expiry date of 31 December 2026. DML has not made any drawdowns at the date of this IER, although immediate drawdowns are available.
- 6.30 A significant proportion of the Company's 31 December 2024 cash balance has been utilised on new environmental bonds during May 2025. We have provided below a high-level cash reconciliation between DML's cash balance as at 31 December 2024 and the pro-forma cash balance as at 30 June 2025.

**Figure 25 – DML cash reconciliation**

<b>Cash reconciliation</b>	<i>A\$'million<sup>1</sup></i>	<i>US\$'million</i>
Cash balance as at 31 December 2024 <sup>2</sup>	40.3	25.3
Cash paid for environmental bonds	(28.1)	(17.7)
Other operating activities	<u>6.1</u>	<u>3.8</u>
<b>Proxy surplus cash balance as at 30 June 2025</b>	<b><u>18.1</u></b>	<b><u>11.4</u></b>

*Sources: DML Annual Reports, DML Management Information, GTCF analysis.*

*Notes:* (1) The cash balance as at 31 December 2024 is presented in A\$ as reported in the 2024 annual report. The other A\$ figures have been converted from the US\$ cash estimates provided by DML in their short-term cash flow projections. (2) There is a small restricted cash balance of A\$0.5 million as at 31 December 2024 (A\$2.7 million as at 31 December 2023) which represents the net proceeds remaining from the Placement of shares completed in January 2021.



- 6.31 The other non-current assets balance relates to the environmental bonds, which are amortised at cost. The Company is eligible to apply for the progressive release of these environmental bonds from the Regional State Administration Agency upon the successful completion of the rehabilitation work. These environmental bonds represent cash deposits held with Swedish and Finnish government authorities, which are held in an interest-bearing account and can only be accessed once the rehabilitation programs have been completed and approved by the relevant government authority.
- 6.32 The relevant rehabilitation provisions are recorded in relation to the gold mining operations for the rehabilitation of disturbed mining area to an acceptable condition in accordance with the various Swedish and Finnish authorities. We have provided a summary table below, showing DML's rehabilitation liabilities and any associated bond in place.

**Figure 26 – Rehabilitation provisions and environmental bonds**

<b>Rehabilitation provisions and bonds</b>	<b>A\$'000<sup>1</sup></b>	<b>US\$</b>
Total environmental bonds –		
'Non-current other assets'	12,587	7,930
Rehabilitation provisions –		
'Current and non-current provisions'	<u>(36,043)</u>	<u>(22,707)</u>
<b>31 December 2024 net rehabilitation liability balance<sup>2</sup></b>	<b>(23,456)</b>	<b>(14,777)</b>
Cash paid for environmental bonds up to		
30 June 2025	<u>28,064</u>	<u>17,680</u>
<b>30 June 2025 net environmental bond balance<sup>3</sup></b>	<b><u>4,608</u></b>	<b><u>2,903</u></b>

*Source: DML Annual Reports, DML Management, GTCF analysis.*

*Notes: (1) Balances as at 31 December 2024 as taken from the CY24 Annual Reported in A\$ and converted into US\$. Cash paid for environmental bonds up to 30 June 2025 are estimated in US\$ and converted into A\$. The US\$:A\$ Exchange Rate has been used for conversion. (2) As at 31 December 2024, DML had rehabilitation provisions exceeding the environmental bonds in place for the rehabilitation works. (3) The pro-forma 30 June 2025 shows the net environmental bond balance, with the bonds in place for the rehabilitation works exceeding their associated provisions.*

6.33 The ceased mining activities have rehabilitation costs yet to be incurred. Kaapelinkulma's rehabilitation liability is US\$1,031k whereas the associated bond is only US\$81k. Management have confirmed the variance will result in an additional cash outflow in the short-term. Orivesi is waiting for the grant of an environmental bond of c. US\$4.6 million, with the decision expected in mid-2026, in order to cover the rehabilitation liabilities of US\$3.5 million. Forecast rehabilitation costs relating to the Fäboliden Gold Mine do not have an environmental bond.

### **Cash flows**

6.34 DML's cash flow statements for the last three financial years are set out below.

**Figure 27 – DML's consolidated statements of cash flows**

<b>Consolidated Statement of Cash Flows</b> <i>A\$'000</i>	<b>CY22</b> <i>Audited</i>	<b>CY23</b> <i>Audited</i>	<b>CY24</b> <i>Audited</i>
<b>Cash flows from operating activities</b>			
Receipts from customers	54,256	60,541	76,239
Payments to suppliers and employees	(44,252)	(49,588)	(49,763)
Payments for mineral exploration	(482)	(456)	(206)
Interest received	103	601	736
Interest paid	(6)	(7)	(28)
Income taxes paid	(1,233)	(2,423)	(2,382)
<b>Net cash from operating activities</b>	<b>8,436</b>	<b>8,668</b>	<b>24,596</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(1,461)	(2,478)	(1,160)
Payments for development activities	(2,754)	(1,385)	(1,865)
Payments for exploration and evaluation	(1,075)	(1,161)	(1,152)
Proceeds from sale of net smelter royalty	0	6,435	0
Payment for rehabilitation bonds	0	(4,640)	(2,782)
<b>Net cash used in investing activities</b>	<b>(5,290)</b>	<b>(3,229)</b>	<b>(6,959)</b>
<b>Cash flows from financing activities</b>			
Lease liability payments	(231)	(167)	(165)
Payments for share buy-back	(7)	(5)	0
<b>Net cash used in financing activities</b>	<b>(238)</b>	<b>(172)</b>	<b>(165)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,908</b>	<b>5,267</b>	<b>17,472</b>
<b>Cash at the beginning of the year</b>	<b>14,370</b>	<b>17,671</b>	<b>22,168</b>
Foreign exchange cash changes	393	(770)	673
<b>Cash at the end of the year</b>	<b>17,671</b>	<b>22,168</b>	<b>40,313</b>

Sources: DML Annual Reports, GTCF analysis.

6.35 Net cash from operating activities relates to the operating cash flows and financial performance of DML, which have been impacted by the rising gold prices whilst production has decreased. The Company is exposed to movements in the gold price, however DML does not have any commodity derivatives as at 31 December 2024.

6.36 Net cash used in investing activities is primarily related to: 1) investment in PPE, which largely relates to capitalised mine properties payments; 2) investment in development activities; and 3) exploration and evaluation expenditure which remained stable across CY22 to CY24. Exploration and evaluation expenditure relates to each separate areas of interest and includes costs associated with the rights to explore, studies, exploratory drilling, trenching and sampling and associated activities.

6.37 On 22 January 2021, DML issued 20,000,000 ordinary shares at a price of HK\$2.05 per share, which represented a 2.5% premium over the closing stock price on 7 January 2021 of HK\$2.00 per share. The net proceeds from the placement were HK\$39.6 million (approximately A\$7.6 million). The entire amount will be used by DML to contribute in part to the funding of the various environmental bonds relating to the Company's operations in Finland and Sweden. During CY24, the Company utilised HK\$12.4 million (approximately A\$2.3 million) of the net proceeds to fund the environmental bond for Vammala of €1.4 million in Finland. In aggregate, the Company has utilised HK\$37.0 million (approximately A\$7.0 million) of the net proceeds to fund these environmental bonds by 31 December 2024. The unutilised net proceeds of HK\$2.6 million (approximately A\$0.5 million) is expected to be utilised by 30 June 2025. The Company must apply for the release of the environmental bonds from the Regional State Administration Agency upon completion of rehabilitation work.

#### **Share capital structure**

6.38 The Company has 158,096,613 ordinary shares.

6.39 The Company does not hold any options at the date of this IER.

### Top Shareholders

6.40 The relevant shareholders of DML as at the date of this IER are set out below:

**Figure 28 – Top shareholders of DML**

#### Top shareholders of DML

Shareholder	No. of shares	Interest (%)
Allied Properties	46,877,727	29.7%
Sincere View International Limited	26,519,899	16.8%
Individuals	322,602	0.2%
Publicly held shares	<u>84,376,385</u>	<u>53.3%</u>
<b>Total DML shares outstanding</b>	<b><u>158,096,613</u></b>	<b><u>100.0%</u></b>

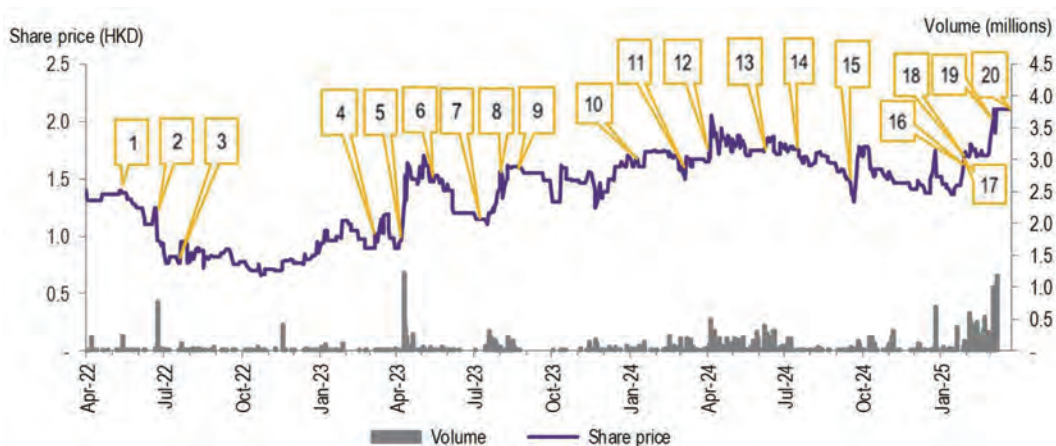
Source: S&P Global, DML CY24 Annual Report, GTCF analysis.

Notes: (1) The interest in 46,877,727 shares of the Company are held by Allied Properties, a wholly-owned subsidiary of APAC, which is a subsidiary of AGL.

### Share price and market analysis

6.41 Our analysis of the daily movements in DML's trading price and volume for the period from April 2022 to May 2025 is set out below.

**Figure 29 – Historical share price and volume for DML**



Source: S&P Global, GTCF analysis.

The following table describes the key events which may have impacted the share price and volume movements recently as shown above.

<b>Event</b>	<b>Date</b>	<b>Comments</b>
1	25 May 2022	<p>DML made a voluntary announcement that they had entered an agreement with Outokumpu Mining Oy to jointly manage and fund the clearing of waste material from the Orivesi Gold Mine, which is part of the Vammala Production Centre in Finland. DML operated the mine between 2007 and 2019, and the Pirkanmaa Centre for Economic Development, Transport and the Environment concluded that both DML and the historic operators were jointly responsible for clearing for the waste.</p> <p>The announcement also stated that Finland and Sweden have announcement they intend to join NATO and warned that this could potentially increase the geopolitical risk associated with DML's assets in these countries, given Russia's strong objection to joining NATO and the war in Ukraine. They also advised that the situation had increased supply chain shortages and added to inflationary pressures.</p>
2	30 June 2022	<p>DML announced that on 28 June 2022, the Swedish Land and Environmental Court rejected DML's application for an environmental permit to commence full-scale mining at the Fäboliden Gold Mine, despite the fact that the environmental impact assessment was actually approved. The Company advised that they were in the process of reviewing the ruling to determine the appropriate course of action moving forward.</p>
3	22 July 2022	<p>The Company provided a further update in regard to their announcement on 30 June 2022 stating that they have lodged an initial appeal to the Court on 19 July 2022 to request for an extension of time until 15 December 2022 to submit the full and detailed grounds on the ruling.</p>

<b>Event</b>	<b>Date</b>	<b>Comments</b>
4	15 March 2023 & 16 March 2023	<p>The Company provided a further update in regard to the status of their application for an environmental permit to commence full scale mining at the Fäboliden Gold Mine. They advised that the leave of appeal application that was submitted on 15 December 2022 had been denied. DML advised that they would appeal this judgement, however, they expect the process to take between 6 and 8 months.</p> <p>DML issued an update in relation to their Mineral Resource and Ore Reserve estimates as at 31 December 2022. The results showed that there had been a 1% decrease in tonnes, 3% decrease in grade and 4% decrease in ounces for the Mineral Resource estimate compared to 31 December 2021. The Company also reported a 4% decrease in tonnes and 4% decrease in ounces for the Ore Reserve estimate compared to the previous period. These decreases are primarily due to the depletion from mining activities throughout the period.</p>
5	13 April 2023	<p>DML released their Annual Report for the year ended 31 December 2022. The Company reported an increase in net profit after tax from A\$0.3m for the year ended 31 December 2021 to A\$2.5m for the year ended 31 December 2022. This was driven by a significant decrease in operation expenses, particularly rehabilitation costs.</p>
6	31 May 2023	<p>The Company made an announcement to inform shareholders of two disclosable transactions, being a grant of option and a possible acquisition of shares in Aurion. The consideration was 37,500 option grant shares in Aurion. This agreement was completed on 10 July 2023, which was disclosed to the market on 12 July 2023.</p>

<b>Event</b>	<b>Date</b>	<b>Comments</b>
7	20 July 2023	DML announced that based on the preliminary review of their unaudited management accounts the half-year ended 30 June 2023, it is expected that the group will record a net profit after tax for the half-year ranging between approximately A\$0.01m and A\$0.1m, compared to the net profit after tax of A\$3.6m for the half-year ended 30 June 2022. The decrease in net profit was attributed to an increase in costs associated with mining at depth, price increase due to inflation, an increase in unrealised foreign exchange losses, and an increase in depreciation and amortisation charges associated with a decrease in Ore Reserves.
8	16 August 2023	The Company provided an update in relation to the exercise of option by Aurion. The Company announced that they had accepted proposals from Aurion in which consideration for the exercise of the option would be paid by Aurion on 8 September 2023, of which approximately A\$6.7m shall be settled in cash and approximately A\$1.7m shall be settled by way of an issue of consideration shares.
9	25 August 2023	<p>The Company announced their interim results for the half-year ended 30 June 2023. Key takeaways include:</p> <p>Net profit of A\$0.03m, compared to A\$3.6m in the six months to 30 June 2022.</p> <p>Increase in revenue to A\$33.2m, compared to A\$24.4m in the six months to 30 June 2022.</p> <p>Increase in cost of sales to A\$29.1m, compared to A\$17.9m in the six months to 30 June 2022, largely driven by an increase depreciation and movements in gold inventory.</p> <p>Foreign exchange loss of A\$1.4m, compared to a gain of A\$0.5m in the six months to 30 June 2022.</p>

<b>Event</b>	<b>Date</b>	<b>Comments</b>
10	15 January 2024	<p>DML announced that based on the preliminary review of their unaudited management accounts the year ended 31 December 2023, it is expected that the group will record a net profit after tax for the year ranging between approximately A\$4.2m and A\$5.5m, compared to the net profit after tax of A\$2.5m for the year ended 31 December 2022. The increase in net profit was primarily attributed to the sale of the Company's interests in the Kutuvuoma Gold Project and Silassekä Vanadium Project in Northern Finland for a consideration of approximately A\$8.4m. However, this was partially offset by an increase in mining costs, foreign exchange losses and depreciation and amortisation charges.</p>
11	14 March 2024	<p>DML announced its results for the year ended 31 December 2023. Key highlights include:</p> <p>An increase in net profit to A\$5.2m, up from A\$2.5m in the previous period.</p> <p>Other income of A\$9.1m, primarily driven by the sale of its 3% net smelter royalty to Aurion Resources Limited with respect to the Kutuvuoma Gold Project and Silassekä Vanadium Project in northern Finland.</p>
12	11 April 2024	<p>DML released their Annual Report for the year ended 31 December 2023. The report confirmed the results released by the Company on 14 March 2024, showing an increase in net profit after tax from A\$2.5m to A\$5.2m for the year, which was driven by the sale of its net smelter royalty to Aurion Resources Limited.</p>



<b>Event</b>	<b>Date</b>	<b>Comments</b>
13	13 June 2024	DML provided an update on the Supreme Court ruling on the environmental permit for the Fäboliden Gold Mine. The Company advised that on 11 June 2024, the Supreme Court of Sweden delivered its ruling that they would not grant leave to appeal the decision by the Land and Environmental Court of Appeal delivered on the 14 March 2023. The Company advised that they need to make a new permit application for the Fäboliden Gold Mine project that includes changes that may be acceptable to the Land and Environment Court. DML suggested that they were reviewing alternate configurations and mitigation strategies for the revised permit application.
14	25 July 2024	DML announced that based on the preliminary review of their unaudited management accounts the half-year ended 30 June 2024, it is expected that the group will record a net profit after tax for the half-year ranging between approximately A\$1.5m and A\$2.7m, compared to the net profit after tax of A\$0.03m for the half-year ended 30 June 2023. The increase in net profit was primarily attributed to higher average gold prices over the period.
15	19 September 2024	The Company released their Interim Report for the half-year ended 30 June 2024. Key highlights included the net profit \$2.0m, up from A\$0.03m in the six months to 30 June 2023.
16	4 February 2025	The Company announced that they had received assays for the final two underground diamond core drilling campaigns undertaken in 2024 at the Jokivisu Gold Mine. The results returned several encouraging intercepts as the Company continues to develop this area deeper. The Company also indicated that exploration activities had resumed at Jokivisu.

<b>Event</b>	<b>Date</b>	<b>Comments</b>
17	6 February 2025	DML announced that its application for a new Environmental Permit had been granted by the Regional State Administrative Agency for the Jokisivu Gold Mine. This allows the Company to crush a maximum of 350 kt, including approximately 300 kt of ore and 50 kt of waste rock each year. It also permits the Company to commence loading and transport activities at Jokisivu an hour earlier at 6:00 AM, subject to noise and pollution provisions.
18	11 February 2025	DML announced that based on the preliminary review of their unaudited management accounts the year ended 31 December 2024, it is expected that the group will record a net profit after tax for the year ranging between approximately A\$12.2m and A\$13.3m, compared to the net profit after tax of A\$5.2m for the year ended 31 December 2023. The increase in net profit was primarily attributed to higher average gold prices over the period, a positive contribution for the toll treatment of gold bearing ore from Botnia, lower production-based depreciation and amortisation charges, a net gain from the cancellation of an unwanted crusher agreement in Finland and recognition of the fair value gain on the group's shares in Aurion.
19	13 March 2025	<p>The Company reported its results for the year ended 31 December 2024. Key highlights include:</p> <p>Net profit of A\$12.9m, up from A\$5.2m in the previous period.</p> <p>Total revenue of A\$72.8m, up from A\$60.5m in the previous period. Revenue in the current period included A\$2.1m in revenue from toll milling services with nearby operation, Botnia.</p>

<b>Event</b>	<b>Date</b>	<b>Comments</b>
20	1 April 2025	<p>The Company released a Joint Announcement with APAC and Allied Properties which detailed the pre-conditional voluntary cash offer by Morton Securities on behalf of Allied Properties to acquire all issued shares of DML for HK\$2.20 for every offer share. The announcement detailed pre-conditions and conditions of the offer, including the fact that since the possible acquisition constitutes a major transaction of APAC and is subject to APAC shareholder approval, the APAC shareholder approval is a pre-condition. This may or may not be obtained by the Two Month Australian Deadline, and will become a condition of the offer in the event it is not obtained by this deadline.</p> <p>The Joint Announcement also provided details on the resumption of trading in the securities of APAC and DML shares, which were halted on 17 March 2025 pending the release of this announcement. APAC and DML announced that they had made an application for the resumption of trading in the securities with effect from 2 April 2025.</p>

*Source: DML ASX announcements, GTCF analysis*

6.42 The monthly share price performance of DML since April 2024 is summarised below:

**Figure 30 – Month and week ended DML share price performance**

Dragon Mining Limited	Share Price			Average weekly volume 000'
	High \$	Low \$	Close \$	
<b>Month ended</b>				
Apr 2024	2.100	1.600	1.790	484
May 2024	1.940	1.700	1.750	295
Jun 2024	1.920	1.520	1.710	607
Jul 2024	1.810	1.640	1.690	208
Aug 2024	1.750	1.550	1.640	37
Sep 2024	1.600	1.300	1.530	67
Oct 2024	1.800	1.500	1.550	270
Nov 2024	1.600	1.430	1.460	190
Dec 2024	1.590	1.360	1.560	114
Jan 2025	1.770	1.350	1.440	311
Feb 2025	1.840	1.450	1.700	1,271
Mar 2025	2.230	1.670	2.110	1,005
Apr 2025	3.990	2.100	2.740	11,962
<b>Week ended</b>				
7 Feb 2025	1.780	1.450	1.700	408
14 Feb 2025	1.840	1.620	1.760	2,061
21 Feb 2025	1.770	1.690	1.710	1,315
28 Feb 2025	1.780	1.650	1.700	1,298
7 Mar 2025	1.840	1.670	1.840	730
14 Mar 2025	2.230	1.800	2.110	3,489
21 Mar 2025	–	–	2.110	–
28 Mar 2025	–	–	2.110	–
4 Apr 2025	2.230	2.100	2.190	8,497
11 Apr 2025	2.500	2.100	2.250	7,982
18 Apr 2025	3.990	2.250	3.390	25,824
25 Apr 2025	3.980	2.850	2.880	8,349
2 May 2025	2.920	2.580	2.670	4,169
9 May 2025	–	–	2.670	–
16 May 2025	–	–	2.670	–
23 May 2025	3.380	2.560	3.180	9,698

*Source: S&P Global, GTCF analysis*

*Note:* The share price analysis is based on 27 May 2025.

## **7. VALUATION METHODOLOGIES**

### **Introduction**

7.1 As discussed in Section 1 of this IER, our fairness assessment involves comparing the Offer Price with the fair market value of DML on a control basis. Grant Thornton Corporate Finance has assessed the value of DML using the concept of fair market value, which is commonly defined as:

*“the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length.”*

7.2 Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

7.3 We note, RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

### **Valuation methodologies**

7.4 RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow and the estimated realisable value of any surplus assets.
- Application of earnings multiples and or capitalisation rates to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Comparable market transactions, considering multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

- 7.5 Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.
- 7.6 RG111 does not prescribe any above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

**Selected valuation methodologies**

- 7.7 In order to assess the fair market value of DML, Grant Thornton Corporate Finance has adopted the SOP approach based on the following:
- *LOM Cash Flows* – We have utilised the DCF Method for the Jokisivu Financial Model and Fäboliden Financial Model summarising the LOM cash flows for each project. The DCF methodology is based on the net present value of the future ungeared cash flows which are expressed in real terms using a real WACC to take into account the time value of money and risks associated with the cash flows. The DCF methodology is particularly appropriate for valuing mining assets with depleting ore reserves, varying production levels and capital requirements. Grant Thornton have appointed SLR to review the technical assumptions underlying the LOM cash flows. Grant Thornton has undertaken an assessment of the economic inputs, including gold price, Exchange Rate, discount rate and taxation.
  - *Resources outside the LOM and exploration value* – SLR has valued the resources outside of the LOM models using a market approach having regard to the US\$/oz paid for similar assets. Other methodologies were used by SLR to value the exploration assets and other mineral assets as discussed in SLR's ITER.
  - *Other assets and liabilities* – Based on the unaudited balance sheet estimate by Management as at the date of this IER.
- 7.8 We have cross-checked the valuation assessment based on Reserve Multiples and Resource Multiples of listed peers, together with the prices at which DML shares have traded on the HKEx.

**DCF Method**

- 7.9 Both financial models were provided by Management on a real and post-tax basis. Based on SLR's review and suggested changes, Grant Thornton Corporate Finance has assessed the net present value of the Jokisivu Gold Mine and the Fäboliden Gold Mine using real, ungeared, post-tax cash flows, having regard to Grant Thornton Corporate Finance assessment of gold prices, exchange rates and discount rates.
- 7.10 In accordance with the requirement of RG111, we have undertaken a critical analysis of the forecasts contained in the Jokisivu Financial Model and the Fäboliden Financial Model before relying on them for the purpose of our valuation assessment, including conducting high level checks on the mathematical accuracy and having regard to key industry risks, growth prospects and general outlook.
- 7.11 Whilst Grant Thornton Corporate Finance believes that the assumptions underlying the Jokisivu Financial Model and the Fäboliden Financial Model are reasonable and appropriate to be adopted for the purpose of our valuation, we have not disclosed them in our IER as they contain commercially sensitive information and they do not meet the requirements for presentation of prospective financial information as set out in ASIC Regulatory Guide 170 "Prospective Financial Information".
- 7.12 The assumptions adopted by Grant Thornton Corporate Finance do not represent projections by Grant Thornton Corporate Finance but are intended to reflect the assumptions that could reasonably be adopted by industry participants in their pricing of similar businesses. We note that the assumptions are inherently subject to considerable uncertainty and there is significant scope for differences of opinion. It should be noted that the value of DML could vary materially based on changes to certain key assumptions.

**8. ECONOMIC ASSUMPTIONS**

- 8.1 We have discussed in this section of the report the macro-economic assumptions, being exchange rates, commodity prices and inflation, adopted across the valuation assessment of DML.

**Gold prices**

- 8.2 For the purpose of forming a view on the appropriate gold prices to use for the valuation, Grant Thornton Corporate Finance has had regard to both historical and forecast prices prepared by various investment analysts and other publicly available information.

8.3 Given the volatility in global markets and macro-economic uncertainties, the current levels of precious metal prices relative to historical long run prices, and the widely varying views of industry analysts, assumptions regarding future gold prices are inherently subject to considerable uncertainty. It should be noted that the value of the mineral assets could vary materially based on changes in precious metal price expectations. In assessing the future gold prices, we have considered the following:

- Historical real price and current spot price.
- Broker forecasts for the price of gold from Consensus Estimates dated May 2025.
- Other publicly available industry estimates and commentary.

8.4 Forecast nominal gold prices based on Consensus Estimates are summarised below:

**Figure 31 – Consensus Economics forecast nominal gold prices**

Nominal gold price forecast from Consensus Economics								Long-term <sup>1</sup>	
US\$/oz	Spot <sup>2</sup>	Sep-25	Dec-25	2026	2027	2028	2029	Nominal	Real
Low		2,650	2,500	2,375	2,175	2,023	1,921	1,931	1,740
Average	3,397	3,178	3,188	3,181	2,958	2,827	2,788	3,096	2,411
Median		3,193	3,138	3,172	3,000	2,886	2,724	3,504	2,250
High		3,600	3,750	4,068	3,758	3,789	3,809	4,000	3,174
Number of observations		29	29	29	19	17	17	7	9

Source: S&P Global, Consensus Economics, May 2025, GTCF analysis.

Notes: (1) Long term nominal and real gold prices are provided by different consensus providers. (2) Spot rate sourced as at 1 June 2026 (3) Number of observations relates to the number of firms providing forecast estimates. (4) 2025 relates to the remainder of the year forecast price estimates.

8.5 As of early June 2025, the gold spot price was trading around US\$3,400/oz, having recently pulled back from its all-time high of approximately US\$3,500/oz reached at the beginning of April. Despite this short-term consolidation, gold remains historically elevated, underpinned by persistent macroeconomic uncertainty, central bank demand, and its role as a hedge against both inflation and geopolitical instability.

- The US Federal Reserve is expected to maintain its current policy stance at its upcoming June meeting, with limited expectations of a rate cut.
- A recent trade truce between the US and China has temporarily reduced safe-haven demand, contributing to gold's pullback from April highs. However, ongoing tensions and uncertainty around tariff implementations continue to inject volatility into the market.
- Central banks remain net buyers of gold, with continued accumulation by emerging market economies. This structural demand provides a strong floor for prices, even amid short-term volatility.



8.6 As a result, and as shown in the table above, nominal gold prices are expected to remain elevated over the medium term by historical averages. However, estimating long term prices present additional challenges as the number of providers offering long-term forecasts drops to just seven, down from seventeen for 2029, highlighting the heightened uncertainty of long-term pricing. Nevertheless, the available long-term forecasts continue to reflect a strong outlook on future gold prices.

8.7 As part of our benchmark, we have also considered the gold prices adopted in other recent IERs and broker reports, as set out below.

**Figure 32 – Nominal gold price forecast benchmarking**

**Nominal gold price forecast benchmarking**

US\$/oz	2025	2026	2027	2028	2029	Long-term
<b>Recent IERs</b>						
Aston Minerals – April 2025 <sup>1</sup>	n/a	n/a	2,634	2,634	2,634	2,880
De Grey – March 2025	2,740	2,725	2,675	2,615	2,585	n/a
<b>Nominal Gold price – Broker Reports<sup>23</sup></b>						
Low	2,601	2,275	2,150	2,155	n/a	2,200
Average	2,723	2,860	2,730	2,475	n/a	2,416
Median	2,730	2,888	2,674	2,442	n/a	2,450
High	2,950	3,228	3,358	2,800	n/a	2,800

Source: EVLI, Bell Potter, Canaccord, CitiGroup, Jarden, Jefferies, JP Morgan, Macquarie, RBC, CE, Bloomberg, IBIS, WGC

Notes: (1) Market estimates stated in the Aston Minerals IER between 2027 and 2030 was stated as a range of US\$2,713/oz and US\$2,554. (2) Broker reports were obtained for Endonminees, Evolution Mining, Northern Star and Regis Resources. (3) The broker reports were dated between 8 February 2025 and 22 April 2025

8.8 We have also had regard to future contracts of gold, which are priced at US\$3,316/oz<sup>23</sup> for December 2025 maturity. However, only 4.6% of total available contracts have been traded, and liquidity is even lower for contracts extending into 2026 and beyond. While this data may offer a general directional signal, we treat it as a high-level reference only, given that the limited trading activity in longer-dated contracts reduces their reliability as a pricing benchmark.

<sup>23</sup> Sourced from S&P Global as at 27 May 2025

8.9 We have presented our forecast for nominal gold prices based on the market data referenced above. To express these prices in real terms, ensuring consistency with projected cash flows, we applied US CPI rates sourced from the IMF World Bank as an inflation deflator. Given the inherent subjectivity and level of judgment involved in this process, the resulting annual real gold price estimates have been rounded to the nearest US\$100 per ounce.

**Figure 33 – Selected annual forecast gold prices**

GTCF real gold price estimates						Long Term	
US\$/oz	2025 <sup>3</sup>	2026	2027	2028	2029	Nominal	Real
<b>Nominal gold prices</b>							
Low	3,200	3,100	2,900	2,800	2,700		
High	3,400	3,300	3,100	2,900	2,800		
<b>Deflation adjustment<sup>1</sup></b>							
US CPI	1.8%	2.5%	2.1%	2.2%	2.2%		
US CPI Index	1.02	1.04	1.06	1.09	1.11		
Deflation rate	1.8%	4.3%	6.5%	8.8%	11.2%		
<b>Real gold prices<sup>2</sup></b>							
Low	3,200	3,000	2,700	2,600	2,400	n/a	2,300
High	3,400	3,200	2,900	2,700	2,500	n/a	2,400

Source: S&P Global, GTCF analysis, IMF World Bank.

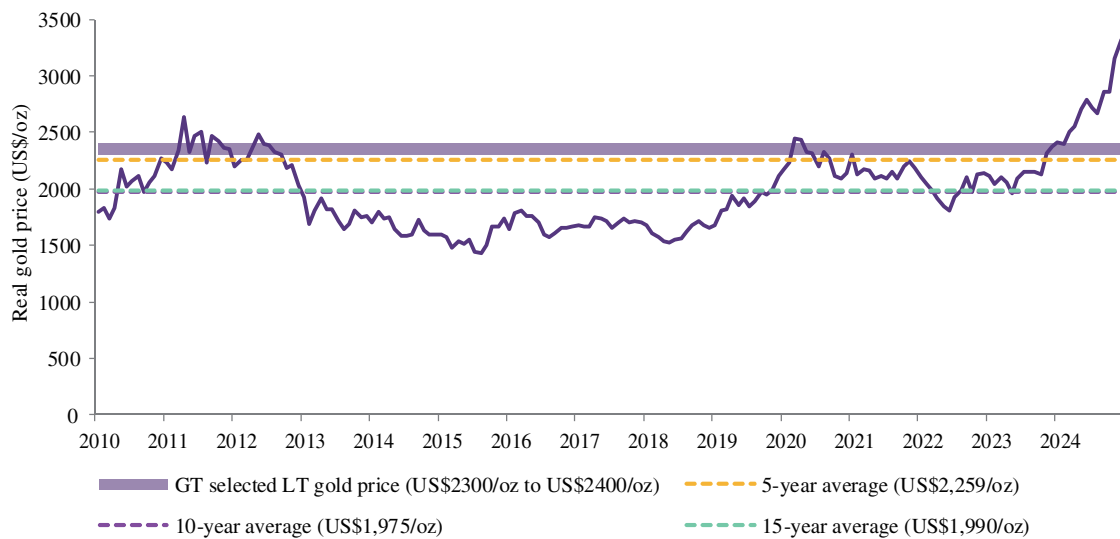
Notes: (1) We have converted forecast nominal gold prices into real gold prices using a deflation adjustment which utilises CPI estimates for the US provided by the IMF World Bank – April 2025. (2) Nominal and real gold price estimates have been rounded to the nearest US\$100/oz. (3) 2025 gold prices represent forecast estimates for the remainder of CY25 with no inflation adjustment assumed between nominal and real gold prices.

8.10 In estimating the nominal and real gold prices to adopt in our valuation assessment, we have mainly relied on the following:

- For the balance of 2025: short term nominal Consensus Estimates, the spot gold price and short-term gold futures.
- For the period between 2026 and 2029: median and average nominal gold prices derived from Consensus Estimates.
- Long term prices: We have estimated directly on a real basis having regard real Consensus Estimates and the real gold prices adopted at the end of 2029.

8.11 Before reaching our conclusion, we have also considered the historical average gold price over long periods from 2010 (in today's purchasing power) to smooth the impact of short-term volatilities as set out in the graph below.

**Figure 34 – Long term movement of real gold prices**



Source: S&P Global, GTCF Analysis.

8.12 Our long-term estimates for the price of gold are marginally above historical averages, including those from the past five years. This projection is justifiable considering the recent record-high prices, change in the market conditions and information from various providers and sources.

**Exchange rates**

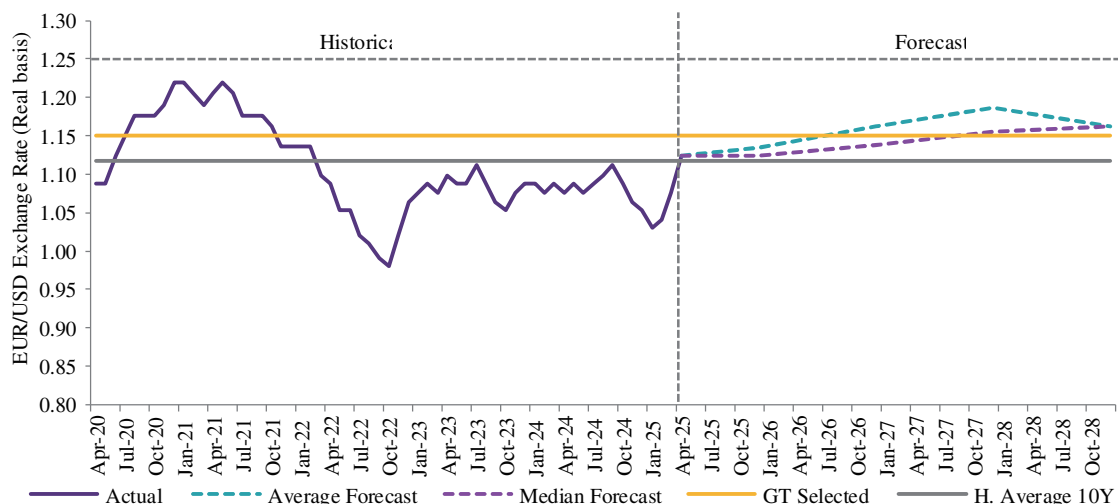
8.13 DML is an Australian-domiciled company listed on the Hong Kong Stock Exchange, with operational activities in Sweden and Finland. Given that its core commodity, gold, is denominated in US\$, both DML and our valuation thereof are exposed to multiple exchange rates. The key exchange rates relevant to this valuation are summarised below.

- EUR:US\$ Exchange Rate – The Jokisivu Financial Model is presented in US\$ to align with gold trading conventions, however the majority of the operating costs are denominated in EUR. A constant exchange rate has been applied to convert these EUR cost assumptions into US\$ across the LOM.
- SEK:US\$ Exchange Rate – The Fäboliden Financial Model is also presented in US\$, however the operating cost assumptions are denominated in SEK assumptions. A constant exchange rate has been used to convert these SEK cost assumptions into US\$ across the LOM.
- US\$:HK\$ Exchange Rate – The Offer Price has been made in HK\$. As such, whilst the valuation has been performed in US\$, we have converted our assessment in HK\$ using exchange rate prevailing at the valuation date.

**EUR:US\$ Exchange Rate**

8.14 For the purpose of our assessment, we have adopted a flat EUR:US\$ exchange rate of 1.15 for the forecast period. In forming our opinion, we considered the historical averages and forecast trends of the EUR:US\$ exchange rate which is set out in the graph below.

**Figure 35 – Historical and forecast EUR:US\$ exchange rate**



Source: GTCF analysis, S&P Global, publicly available consensus estimates – sources include S&P Global, Westpac, NAB, RBC and ING.

8.15 Based on the above, the historical EUR:US\$ exchange rate has exhibited notable fluctuations from the past 5 years, with some of the volatility being driven by the Covid-19 pandemic, which saw increased Fiscal stimulus and economic decisions to combat a slowing global economy.

8.16 Looking ahead, uncertainty in relation to future US inflation, driven by potentially increasing domestic costs under recent US economic policies, are anticipated to place downward pressure on the US\$. In contrast, the EUR is projected to strengthen, supported by the Eurozone's relatively more stable political and economic environment. Based on consensus forecasts, the EUR:US\$ exchange rate is expected to appreciate to levels observed at the onset of the COVID-19 pandemic, before gradually reverting to longer-term historical averages by late 2028.

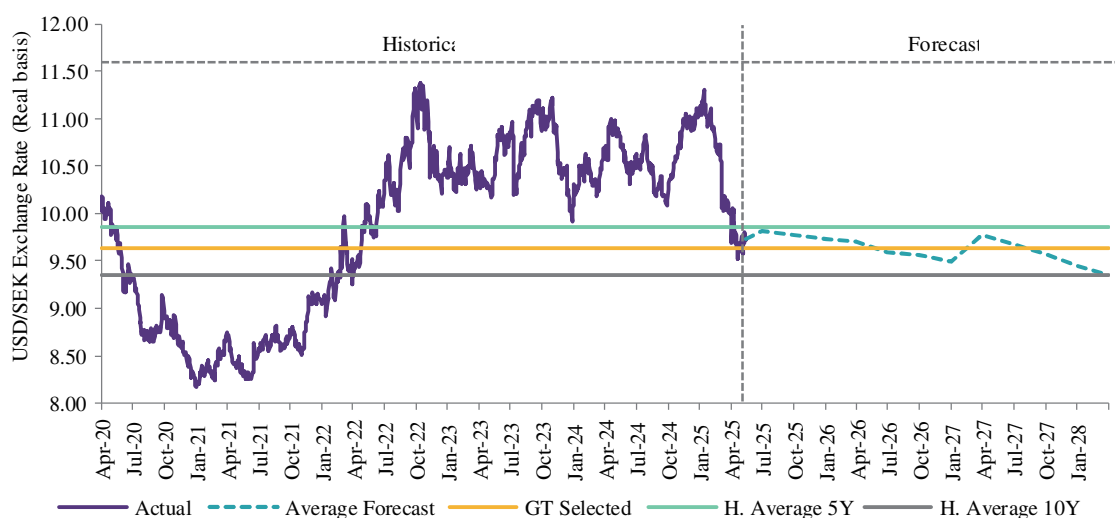
8.17 Given the Financial Model is in real terms, we have considered whether we need to adjust the selected nominal EUR:US\$ Exchange Rate for relative inflation between the two currencies based on the Purchasing Power Parity theory<sup>24</sup>. Notwithstanding short term fluctuations, all inflation indicators in the US and Europe indicates consistent inflation targets and accordingly we have not made any adjustment to the exchange rate for the PPP.

8.18 As observed in the chart above, our selected EUR:US\$ Exchange Rate of 1.15 is slightly above the 10-year historical rate, however we consider this to be supported by the average and median forecast broker estimates also set out in the graph above. We have also sensitised the exchange rate by +/- 5.0% in our valuation assessment.

### **SEK:US\$ Exchange Rate**

8.19 Similarly to the EUR:US\$ Exchange Rate, a large number of assumptions in the Fäboliden Financial Model have been estimated in SEK. These estimates have then been converted in US\$, the currency presented in the DCF valuation, utilising a flat SEK:US\$ Exchange Rate of 9.628. In forming our opinion, we have considered the historical averages and forecast trends of the SEK:US\$ exchange rate which is set out in the graph below.

**Figure 36 – Historical and forecast US\$:SEK exchange rate**



Source: GTCF analysis, S&P Global, ING

Note (1): Due to limited consensus coverage on forecast SEK:US\$, only an average forecast has been provided.

<sup>24</sup> Purchasing power parities (PPPs) are the rates of currency conversion that try to equalise the purchasing power of different currencies, by eliminating the differences in price levels (differences in inflation) between countries.

8.20 Based on the above, historical SEK:US\$ exchange rate has exhibited notable fluctuations in the past 5 years, mostly driven by the Covid-19 pandemic in line with the historical EUR:US\$ exchange rate. Similarly, with expectations of rising US inflation, the SEK is projected to strengthen before gradually returning towards a longer-term historical average.

8.21 We have also considered the expectations about future nominal and real exchange rates. Consistent with our analysis outlined in the paragraph 8.17, we have observed that the long-term inflation estimates of both jurisdictions from the IMF World Bank will closely align in the short term with both central banks' target rate of 2%. Accordingly, we have not made any adjustment to the exchange rate for the PPP.

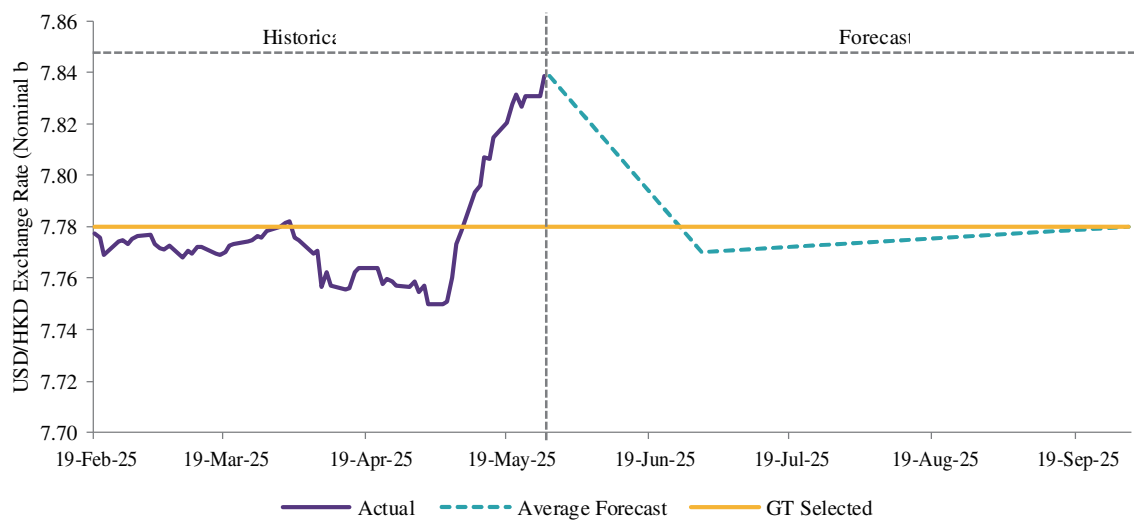
8.22 Based on the above, we have adopted a flat SEK:US\$ Exchange Rate based on the average consensus forecast between June 2025 and March 2028. We note that this is relatively close to the current spot rate of c. 9.738 as at 15 May 2025, and not dissimilar to the 10 year historical average of c. 9.352.

***US\$:HK\$ Exchange Rate***

8.23 Our valuation assessment based on the DCF is undertaken in US\$ and then the estimated value is converted into HK\$ at the current date in order to compare with the trading prices of DML and the Offer Price. The US\$:HK\$ exchange is estimated based on recent prices at the Valuation Date.

8.24 We have set out in the graph below the daily exchange rate movement over the last three months in addition to the average and median of consensus forecasts for the next two quarters.

Figure 37 – Historical and short-term forecast US\$:HK\$ exchange rate



Source: GTCF analysis, RBA, S&P Global

8.25 Based on the above, we have adopted a US\$:HK\$ Exchange Rate based on the average of the last 30 days, with consideration for short-term broker estimates.



## 9. VALUATION ASSESSMENT OF DML BEFORE THE OFFER

## Summary of values

9.1 The market value of DML was ascertained by consolidating the market values of its mineral assets, financial assets, and cash while deducting corporate overheads and liabilities. This evaluation is predicated on a theoretical transaction between informed and willing parties operating independently. The valuation spectrum encompasses direct corporate cost savings for general purchasers but omits any indirect advantages or synergies particular to specific investors. Grant Thornton Corporate Finance's assessed fair market value under the SOP approach is summarised below.

Figure 38 - Valuation summary of DML

## Valuation summary

<i>US\$'million</i>	<i>Low</i>	<i>High</i>
Jokisivu Gold Mine	50.0	62.0
Fäboliden Gold Mine	31.2	43.9
Svartliden current operations	–	4.0
Residual resources outside LOM & exploration potential	3.6	10.8
Less: Other rehabilitation costs	(5.2)	(5.2)
Less: Corporate Costs	<u>(15.7)</u>	<u>(14.0)</u>
<b>Enterprise Value</b>	<b><u>63.8</u></b>	<b><u>101.5</u></b>
Add: Net Cash	11.4	11.4
Add: Gold in Circuit	1.3	1.3
Add: Shares held in Aurion	1.1	1.1
Add: legal proceedings	0.3	0.3
Less: Transaction costs yet to be paid	<u>(0.6)</u>	<u>(0.6)</u>
<b>Equity Value (US\$)</b>	<b>77.3</b>	<b>114.9</b>
US\$:HK\$ exchange rate	<u>7.780</u>	<u>7.780</u>
<b>Equity Value (HK\$)</b>	<b>601.3</b>	<b>894.1</b>
Shares outstanding	<u>158.1</u>	<u>158.1</u>
<b>Value per share HK\$ (control basis)</b>	<b><u>3.80</u></b>	<b><u>5.66</u></b>

Source: GTCF analysis

9.2 As outlined in the table above, we have assessed the fair market value of DML on a control (100%) basis to be between HK\$3.80 and HK\$5.66 per DML Share, by considering the following:

- Fair market value of the Jokisivu Gold Mine using the DCF Method. The Jokisivu Gold Mine has a stable history of gold production, and we have utilised LOM cash flows until 2030, when the Reserves are depleted, within the Jokisivu Financial Model. Based on SLR's recommendation this LOM production includes a one year extension based on SLR's conversion of Inferred Resource.
- The fair market valuation of the Fäboliden Gold Mine has been assessed with regards to two scenarios: 1) the mining permit is granted, and production starts in 2029 as recommended by SLR. The DCF Method is utilised based on the LOM projections for the Fäboliden Gold Mine whilst the residual resources are valued by SLR; and 2) the mining permit is rejected. Ore Reserves included within the LOM plan and residual resources outside the LOM plan have been valued using precedent transaction multiples. As the Company is currently submitting a new mining permit application, we have applied a weighted average of these two methods, with the weighting primarily influenced by the expected outcome.
- The current operations at Svartliden involve further processing of gold concentrate received from the Finnish operations, as well as activities related to the Botnia Toll Treatment.
- The value of the Residual Resources outside the LOM and exploration potential has been assessed by SLR utilising a number of valuation methodologies which are discussed in SLR's ITER.
- DML holds rehabilitation obligations associated with legacy mining operations, specifically at the Orivesi and Kaapelinkulma sites. There are currently no rehabilitation bonds in place for these projects, which DML expects to be incurred during 2026.
- Net present value of the corporate costs which are not included within any LOM cash flows, estimated on a post-tax basis and after considering synergies available to a pool of potential purchases.
- The enterprise value of DML is then adjusted for the value of gold in circuit, surplus cash, transaction costs yet to be incurred and other assets and liabilities.

## Value of the Jokisivu Gold Mine

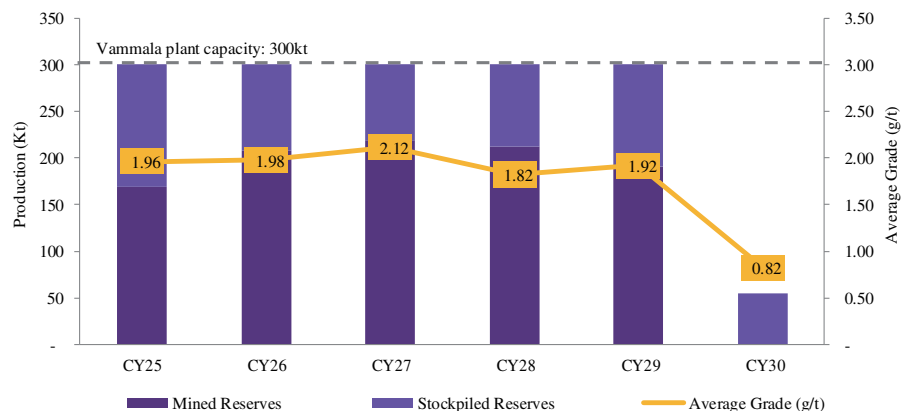
### DCF Method

#### Production profile

9.3 The Jokisivu Gold Mine is an open cut and underground operating gold mine that commenced production in September 2009. Management have included a LOM of 5 years until CY29 in the Jokisivu Financial Model, with the Ore Reserves totalling to approximately 1.6Mt. Based on SLR's review of the Mineral Resource, they have recommended an additional one-year of production to the Jokisivu Gold Mine LOM based on conversion of Inferred Resources into Ore Reserve by the end of CY25.

9.4 Based on the review undertaken by SLR, we understand that Jokisivu Gold Mine has historically produced more than the capacity of its Vammala Plant of 300kt. On this basis, stockpiles are processed at the Vammala Plant whilst mining operations continue, resulting in a final production year in CY30 in the Jokisivu Financial Model.

**Figure 39 – Vammala Plant production profile**



Source: GTCF Analysis, SLR's ITER, Jokisivu Financial Model.

9.5 The combined flotation plus gravity circuit recovery is estimated to be 85% within the Jokisivu Financial Model. We have incorporated other production and revenue items such as the payable adjustment for treatment costs of the gold concentrate to Sweden and royalties to be paid on gold sales.

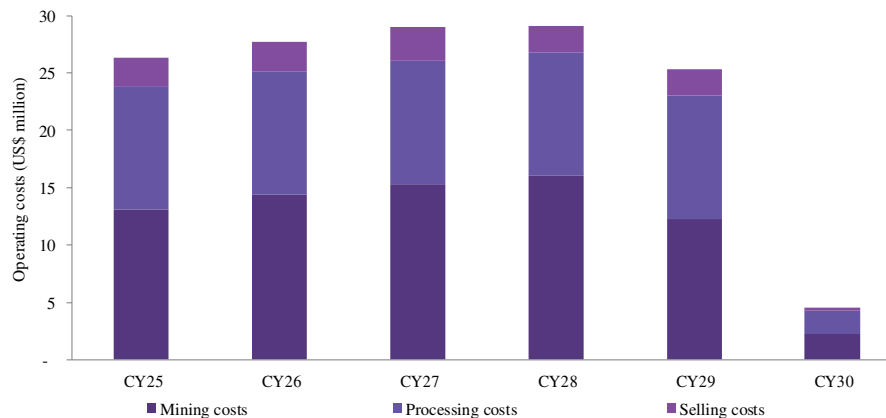
*Operating costs*

9.6 The operating costs of Jokisivu Gold Mine primarily relate to:

- Processing costs are assessed to have a rate of c. US\$35.86/t. External labour, and transportation represents the largest portion of processing costs at c. 28.6% and c. 17.2% of total processing costs, respectively. Other costs include labour, transportation, maintenance materials, G&A, and reagents and consumables.
- Mining costs across the LOM are mostly comprised of ore development cost, underground stoping, underground rockfill backfill, and other fixed costs such as electricity, etc.
- Selling costs comprise refining expenses needed to process gold concentrate.

9.7 Below we have set out the forecast operating expenses for the Jokisivu Gold Mine adopted in the Financial Model.

**Figure 40 – Jokisivu Gold Mine operating costs**



Source: GTCF Analysis, SLR's ITER, Jokisivu Financial Model.

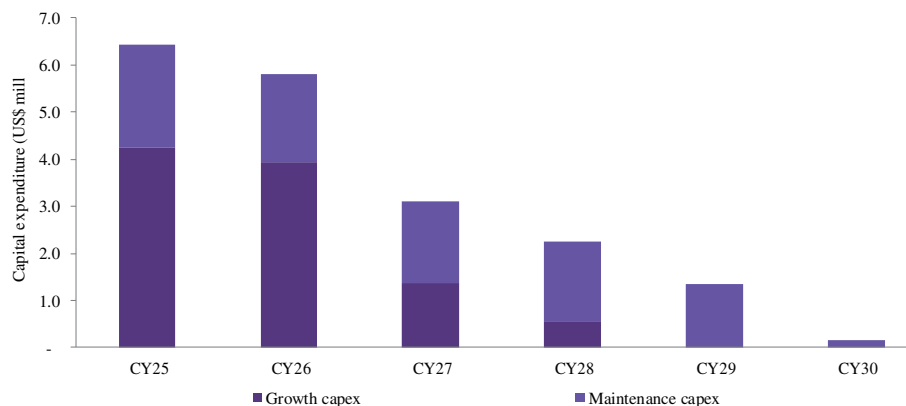
### Capex

9.8 Capital expenditure over the LOM relates to growth and maintenance capital costs. SLR have confirmed the reasonableness of the forecast capex, which totals to c. US\$18.8 million across the LOM. Growth capex mostly comprises of underground horizontal and vertical development for the Arpola and Kujankallio mining areas. Maintenance capex mostly comprises of additional capital works on existing dams, mills, and other mining infrastructure.

9.9 For the purposes of this valuation, rehabilitation capex, which consists of mine closure capital costs including waste management, infrastructure removal, land reclamation, etc, have been excluded from the cash flows. This is on the basis that these capital costs are associated with the gradual drawdown of the existing Vammala and Jokisivu environmental bonds held by DML. The Finnish environmental bonds are a cash deposit held by the Finnish government in which DML can apply for a progressive release upon the successful completion of rehabilitation work.

9.10 Below we have set out the forecast capital expenditure for the Jokisivu Gold Mine adopted in the Jokisivu Financial Model.

**Figure 41 – Jokisivu Gold Mine capex forecast**



Source: GTCF analysis, SLR's ITER, Jokisivu Financial Model.

### Tax

9.11 The tax payable is modelled at the corporate tax rate of Finland of 20.00% across the LOM.

*Changes recommended by SLR*

9.12 SLR recommended that the Jokisivu Financial Model LOM was extended by approximately one year due to their reasonable expectations that an inferred resource deposit would convert to ore after resource drilling and in-mine exploration has been completed. No other changes were recommended by SLR.

*Discount rate – Jokisivu Gold Mine*

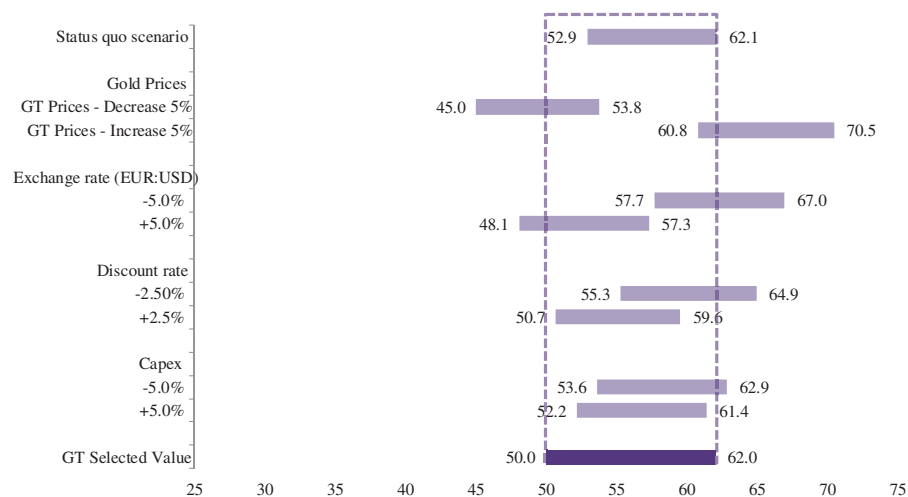
9.13 We have built a US\$ denominated real discount rate in order to preserve the required consistency with the underlying cash flows of the Jokisivu Financial Model. We have estimated the real WACC between 5.90% and 6.80%. We have utilised the mid-point of the discount range (6.4%) within the valuation of the Jokisivu Gold Mine.

9.14 We have benchmarked our assessed nominal and real WACC against broker reports, discount rates applied in impairment testing and WACCs adopted by valuation practitioners for comparable companies. Based on this analysis, we consider our real WACC range of 5.90% to 6.80% to be reasonable within current market parameters. It is also noted that the Jokisivu Financial Model demonstrates limited sensitivity to changes in the discount rate.

*Concluded value*

9.15 Based on the various sensitivities on the gold price, discount rate, exchange rate and capital costs, we have assessed the market value of Jokisivu Gold Mine between US\$50.0 million and US\$62.0 million as set out below.

**Figure 42 – Jokisivu Gold Mine valuation scenario and concluded enterprise value range**



Source: GT Model.

### Value of the Fäboliden Gold Mine

9.16 As discussed in section 6, in June 2022, the Environment Court rejected the Environmental Permit application for the Fäboliden Gold Mine which was later confirmed by the Court of Appeal and the Supreme Court. Whilst the EIA has been approved and the mining concession remains valid, in order for the Fäboliden Gold Mine to progress towards production, a revised application must be submitted to the Environment Court, which will include DML's measures aimed to mitigate the Environment Court's concerns issued in its June 2022 ruling. Accordingly, we have assessed the Fäboliden Gold Mine's value using two approaches to reflect the uncertainty of obtaining the mining permit:

- *Mining permit granted:* We have applied the DCF Method to the Fäboliden Financial Model, based on the assumption that a mining permit will be granted, capital projects will be undertaken to address the Environmental Court's initial concerns, and production will commence in 2029, in line with SLR's recommendation. We have added to this, the market value of the residual resources not included within the LOM cash flows based on SLR's assessment.
- *Mining permit rejected:* We have utilised the multiple estimated by SLR for the valuation of the inferred resources to value the Ore Reserves included within the Fäboliden Financial Model, and we have applied a further discount to the valuation of the residual resources not included within the LOM.

9.17 We have summarised the values from both the approaches below:

**Figure 43 – Fäboliden valuation summary**

#### Fäboliden valuation summary

<i>US\$'million</i>	<b>Valuation methodology</b>	<b>Low</b>	<b>High</b>
<b>Mining permit granted:</b>			
Fäboliden Ore Reserves	DCF Method	40.0	45.0
Fäboliden residual resources outside the LOM	SLR Resource Multiple	11.9	11.9
		<hr/>	<hr/>
		<b><u>51.9</u></b>	<b><u>56.9</u></b>

**Fäboliden valuation****summary***US\$'million***Valuation methodology****Low****High****Mining permit rejected:**

Fäboliden Ore Reserves	SLR Resource Multiple	4.7	4.7
Fäboliden residual resources outside the LOM	SLR Resource Multiple – GT adjusted	5.9	8.9
		<u>10.6</u>	<u>13.5</u>

**Weighting:**

Mining permit granted:	GT Assessment	50%	70%
Mining permit rejected	GT Assessment	<u>50%</u>	<u>30%</u>

**Total Fäboliden value****31.2****43.9**

Source: Fäboliden Financial Model, S&P Global, DML announcements, SLR's ITER.

**Weighting applied**

9.18 We have applied scenario weightings of 50%-50% to 70%-30% that the mining permit is granted. A summary of the reasons for the weightings applied are provided below:

- **Legal counsel opinion** – DML received a letter from an independent legal counsel advising that a previous rejection does not disqualify a new application for a mining permit for the same project. The legal advice concluded that the permit had a greater than 50% chance of succeeding, with the total process taking between 12 to 18 months. However, this was contingent on the new application sufficiently addressing all prior rulings made by the LEC, and assuming no further issues and concerns. We have briefly summarised the key groups of rulings made by the Court when rejecting DML's first application, and Management's proposed remedies in their new proposal:
  - *Ore transport* – The LEC assessed that ore transportation as a result of the Fäboliden Gold Mine will increase noise and risk for unprotected road users. In particular, the project could disturb reindeer husbandry in the area. In response, DML intends to reduce ore production, limit transport times to weekdays, reduce speeds near villages, and build dedicated walking and bike paths.



- *Reindeer husbandry* – The LEC cited the importance of reindeer husbandry, and that specific herding paths and yards may be interfered by the Fäboliden Gold Mine. In response, DML intends to minimise intrusion and damages, provide compensation, and adapt to reindeer grazing periods.
  - *Discharge to Water* – The LEC found the proposal lacked the needed detail to understand discharge levels, contaminant loads, and waste rock storage requirements of the Fäboliden Gold Mine. In response, DML intends to reduce discharge limits, investigate other forms of water treatment, and update its proposal for more concise language.
  - *Species protection* – The LEC assessed that the Fäboliden Gold Mine project was in close proximity to various habitats of various species. In response, DML intends to provide dedicated breeding water for amphibians, and dedicated passages for crossing animals.
  - *Societies need for gold* – The LEC stated that gold mining was not considered to be of much use, or a benefit to society, concluding that “*the Land and Environmental Court does not consider gold to be a metal where supply is critical in relation to beneficial use*”. This was mostly cited as Sweden’s current green transition and supply chain shoring, under which gold was not listed as a critical and strategic material. In comparison, reindeer herding is classified as a national interest in Sweden, with the court citing it “*does not consider that the need for gold for society from the now applied for mining operations outweigh the tangible interference that the activity entails for reindeer husbandry*”. Management have noted that this decision is partly driven by the high employment rate in the northern Swedish region, which dampens the job opportunity benefits a mining project typically brings to its local community. In response, DML intends to reaffirm the local benefits a gold mine will bring, and the potential uses of silver that the Fäboliden Gold Mine produces as a byproduct.
- **Historical probability** – It is understood from Management that the Company has recently been using a 50% probability of being granted the mining permit for internal purposes.
  - **Impairment assessment** – An independent valuer has recently been engaged by the Company to perform an independent valuation of the Fäboliden Gold Mine for impairment purposes. Within their valuation, they disclosed a 15% discount to account for the risk of DML failing to gain approval for the mining permit.

9.19 Based on the above, we consider the likelihood of the mining permit being obtained to be between 50% and 70%.

***Mining permit granted – Fäboliden Gold Mine***

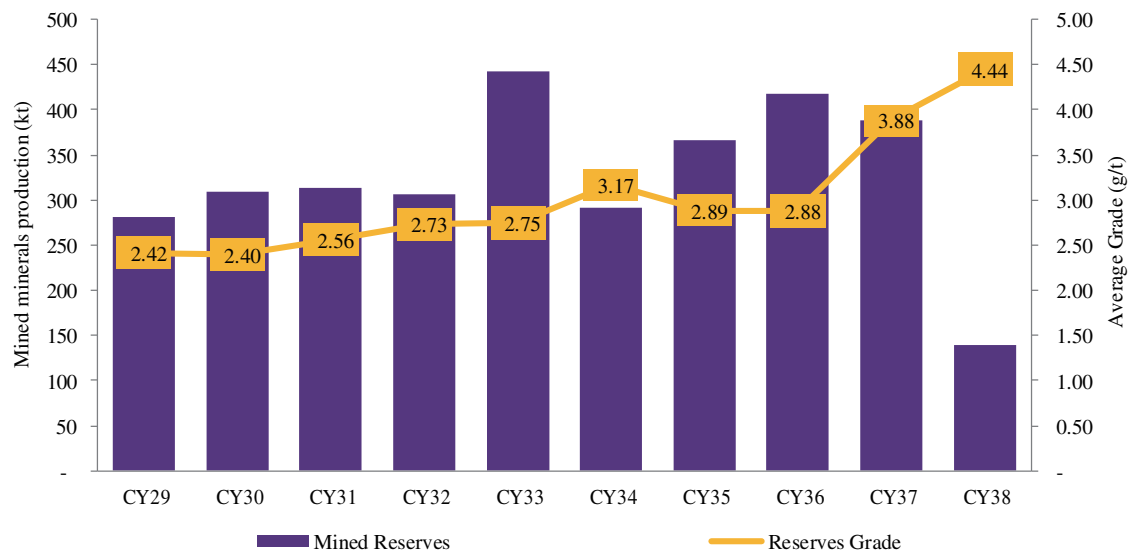
9.20 In this scenario, the Ore Reserves at the Fäboliden Gold Mine are valued using the DCF method. The key assumptions and characteristics underpinning the Fäboliden Financial Model are summarised below.

***Production profile***

9.21 SLR has recommended that production should start in 2029. This estimate accounts for the time needed to update and revise environmental, technical, and community engagement components to address the Court’s initial concerns. The Fäboliden Gold Mine is an open cut and underground development project located in northern Sweden. In the Fäboliden Financial Model, the LOM is 10 years for the open-pit portion of the project. Total Ore Reserves across the LOM totals to c. 3.3Mt.

9.22 In the chart below, we have provided an overview of the forecast mined mineral production from the open-cut Fäboliden Gold Mine which includes the Fäboliden reported Ore Reserves.

**Figure 44 – Fäboliden Gold Mine mined minerals production profile**



Source: GTCF Analysis, SPM Report, Fäboliden Financial Model.

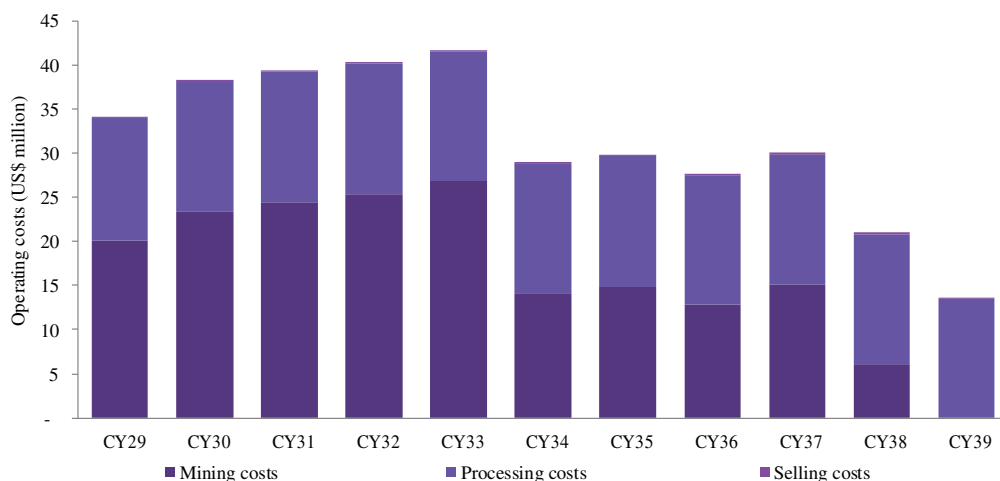
*Operating costs*

9.23 The operating costs of Fäboliden Gold Mine primarily relate to:

- Processing costs are forecast to total to c. US\$160.5 million across the LOM. Crushing operations represent the largest portion of processing costs (total 28.8%), whilst reagents and consumables accounts for the next largest cost item (17.4%), which relates to chemicals used in the processing plant and to treat the finished product including cyanide, lime, lead nitrate, etc. Other costs include labour, ore haulage and rehandling, admin, etc.
- Mining costs are forecast to total to c. US\$182.7 million across the LOM. The operating cost estimate for ore, and waste mining, which comprises drill & blast costs, loading & haulage, grade control, dewatering, and other costs associated with ongoing mine development.
- Selling costs are forecast to total to c. US\$1.2 million across the LOM. This cost is comprised of refining expenses needed to process gold concentrate.

9.24 Below we have set out the forecast operating expenses for Fäboliden Gold Mine adopted in the Fäboliden Financial Model.

**Figure 45 – Fäboliden Gold Mine operating costs**

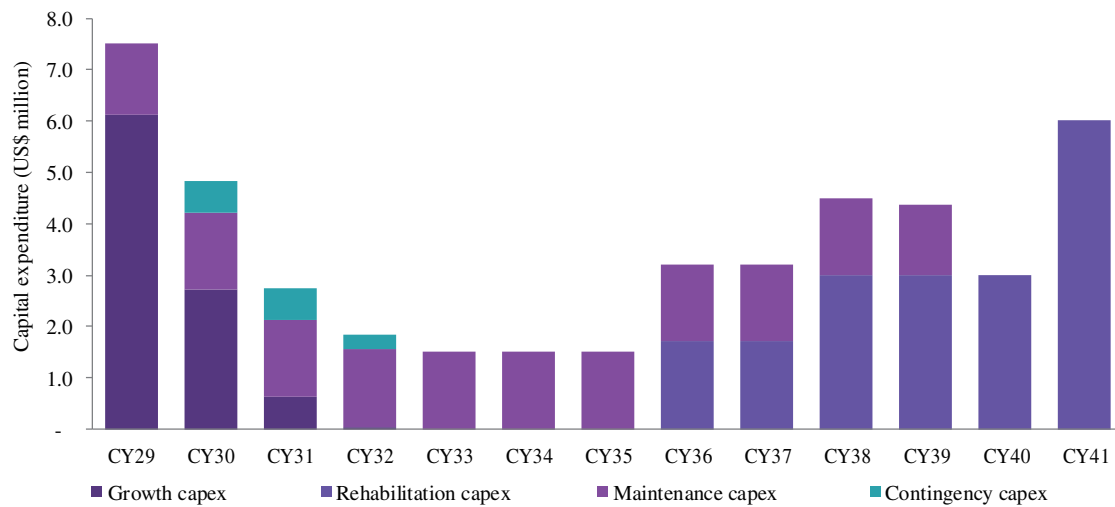


Source: GTCF Analysis, SPM Report, Fäboliden Financial Model.

*Capex*

- 9.25 Capital expenditure over the LOM relates to growth, maintenance, contingency, and rehabilitation capital costs. SLR have confirmed the reasonableness of the forecast capex, which totals to c. US\$45.8 million across the LOM. Growth capex of US\$9.5 million mostly comprises of further mine exploration, development of key infrastructure, permitting, and other mining haulage and excavation costs. We have assumed that the Company will be able to fund this from existing cash resources or new debt drawdown.
- 9.26 Maintenance capex is comprised of a yearly sustaining capital cost of ore processed. SLR has been advised that this is a conservative cost estimate that will be used to maintain the Svartliden processing plant, storage, and other community and environmental expenses.
- 9.27 Rehabilitation capex includes mine closure costs such as waste management, infrastructure dismantling, and land reclamation. These expenses are typically funded through the staged release of an environmental bond held by the Regional State Administration Agency. Under standard practice, a mining company deposits the full estimated rehabilitation cost with Swedish authorities and may then apply for partial bond releases as rehabilitation milestones are achieved. As of the date of this IER, DML has not yet established an environmental bond for the Fäboliden Gold Mine. Since the timing and amount of the bond remain uncertain, we have instead relied on the expected schedule of rehabilitation expenditures. Additionally, rehabilitation capex has been included in our valuation sensitivity analysis, assuming a +/- 10.0% variation across the life of mine (LOM).
- 9.28 Below we have set out the forecast capital expenditure for Fäboliden Gold Mine adopted in the Financial Model.

Figure 46 – Fäboliden Gold Mine capex forecast



Source: GTCF analysis, SPM Report, Fäboliden Financial Model.

### Tax

9.29 The tax payable is modelled at the Swedish corporate tax rate of 24.00% across the LOM in line with Management's expectation.

### Changes recommended by SLR

9.30 SLR has recommended the following changes to the Fäboliden Financial Model which have been incorporated:

- Capital cost estimates were originally prepared for the pre-feasibility study. SLR has reviewed these capital costs estimated in 2021 and escalated costs to a 2025 estimate, applying an escalation factor varying between 1.35 to 2 based on Swedish mining contractor and labour inflation indices between up to the end of 2024.
- Additional costs have been included in order to bring the Svartliden Plant back to good condition of SEK15 million (US\$1.6 million) and pit project contingency costs of SEK15 million (US\$1.6 million).

9.31 SLR has recommended that the Fäboliden open pit project will be very quick to start. Most of the required preparation has already been completed and civil works for water and sediment control can be completed simultaneously with the first year of mining. It is stated in SLR's ITER, that following approval, production could start within three months.

9.32 Upon discussions with SLR, schedule results to date suggest additional pit stages are required in the large south pit to smooth waste mining and reduce early mining costs. This re-schedule would even out the EBITDA for the LOM, however for the purpose of an Ore Reserve and the PFS quality production, included within the LOM, the simplified approach to scheduling is considered by SLR as reasonable.

9.33 SLR has not recommended any other changes to the financial model prepared by Management.

*Discount rate – Fäboliden Gold Mine*

9.34 We have built a US\$ denominated real discount rate in order to preserve the required consistency with the underlying cash flows. We have estimated the real WACC between 11.30% and 12.70% or between 13.57% and 14.95% on a nominal basis.

9.35 Differently from our assessment of the discount rate for the Jokisivu Gold Mine, we note the following:

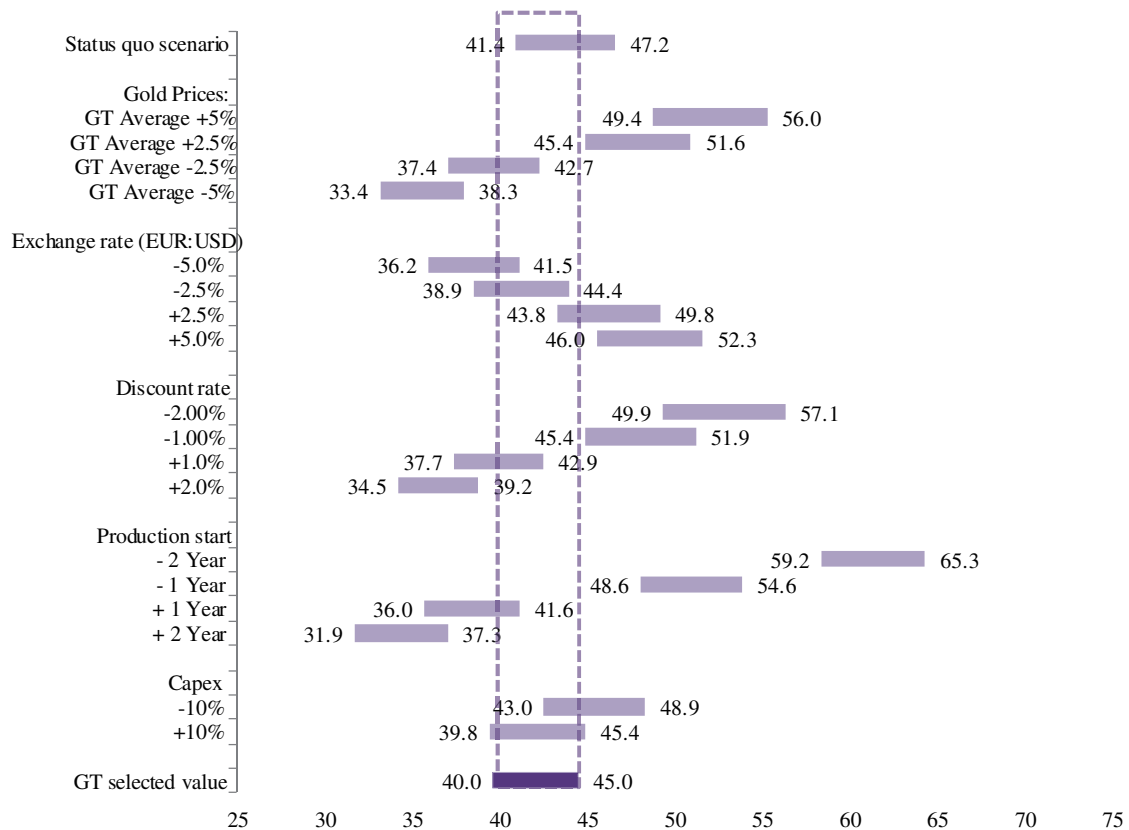
- *Asset Beta* – We have estimated an asset beta between 1.20 and 1.40 based on the observed asset beta of similar pre-production, development and exploration companies, with trading prices regressed against local and global indices on a five-year monthly basis.
- *Specific risk premium* – A specific risk premium of 3.0% has been applied to reflect the uncertainty associated with cost estimates over the LOM, particularly as expenditures are expected to commence in 2029. The long lead time increases exposure to potential changes in the operating environment, thereby heightening the risk around future cost projections.

9.36 Similar to the discount rate we have adopted for Jokisivu Gold Mine, we have benchmarked our assessed nominal and real WACC to available market data. We note that there was no Broker coverage for those Comparable Listed Companies in the exploration/development stage of the mining cycle.

## Summary of values under the DCF

9.37 Based on the various sensitivities on the gold price, discount rate, exchange rate, capital costs and production commencement date, we have assessed the market value of DML's Fäboliden Gold Mine to be between c. US\$40 million and US\$45 million.

**Figure 47 – Valuation scenario and concluded enterprise value range of the Fäboliden Gold Mine**



Source: GT Model.

*Resources outside the LOM*

9.38 Assuming the mining permit is granted, we have adopted SLR's valuation of US\$11.9 million for the resources outside the LOM (refer to Table 2-7 of SLR's ITER) which is based on a resource multiple of US\$15/oz. The total resource outside the LOM amounts to 790Koz. When combined with the 310Koz of contained gold from the Ore Reserves, this results in a total Mineral Resource estimate of approximately 1,140Koz, as outlined in Table 5-2 of SLR's ITER. SLR has identified minor discrepancies compared to the Company's reported Mineral Resource estimate, as detailed in Section 5 of the SLR's ITER.

9.39 SLR's evaluation of the project multiple applicable to the inferred resources includes benchmark acquisitions of projects encompassing a range of measured, indicated and inferred resources. The SLR's ITER indicates that within their assessment of a reasonable resource multiple, the inferred resources outside the LOM cannot be separated from the open pit project. Consequently, this extends potential production timelines by 15 years. This delay increases the associated risk with these resources, rendering their eventual conversion to reserves uncertain.

***Mining permit rejected – Fäboliden Gold Mine***

9.40 We have adopted the resource multiple of US\$15/oz assessed by SLR as the starting point to determine the value attributable to the Ore Reserves included within Fäboliden Financial Model, on the basis that the Ore Reserves cannot be incorporated into a LOM or deemed economically viable, at least in the short to medium term, without the necessary mining permit. As a result, they are not suitable for valuation using an income approach and we consider SLR's benchmarks to include Measured and Indicated Mineral Resource when assessing an appropriate multiple making it comparable with the Fäboliden Gold Mine Ore Reserves under the scenario that the permit is not obtained.

9.41 SLR's valuation of the Fäboliden Inferred Resource at US\$15/oz did not incorporate any adjustment for permitting risk. Accordingly, under the scenario where the mining permit is not granted, we have applied a discount of 25% to 50% to reflect this risk. This adjustment accounts for the potentially significant delay in the ability to exploit the resource and the limited marketability of the resource, given it lies beneath the open-pit reserve and is unlikely to be sold independently.



9.42 We have summarised the valuation below.

**Figure 48 – Fäboliden Gold Mine value if the mining permit is rejected**

**Fäboliden valuation – mining permit rejected**

**scenario**

<i>US\$'million</i>	<b>Low</b>	<b>High</b>
Ore Reserves included within the LOM (Moz) <sup>1</sup>	0.31	0.31
SLR Fäboliden Multiple US\$/oz	<u>15.00x</u>	<u>15.00x</u>
<b>Value of the Ore Reserves included within the LOM</b>	<b>4.7</b>	<b>4.7</b>
Residual resources outside the LOM (Moz) <sup>2</sup>	0.79	0.79
SLR Fäboliden Multiple US\$/oz (GT Adjusted) <sup>3</sup>	<u>7.50x</u>	<u>11.25x</u>
<b>Residual resources outside the LOM</b>	<b><u>5.9</u></b>	<b><u>8.9</u></b>
<b>Total Fäboliden value if the mining permit is rejected</b>	<b><u><u>10.6</u></u></b>	<b><u><u>13.5</u></u></b>

Source: SLR's ITER, GTCF Analysis.

Notes: (1) Ore Reserves are included within Table 6-14 of SLR's ITER. (2) Residual resources outside the LOM are stated in Table 2.1 of SLR's ITER. (3) GT discount of between 50% and 25% applied to SLR's resource multiple of US\$15/oz.

**Value of Svartliden current operations**

9.43 The Svartliden operations in Sweden have recently included limited activity at the Svartliden Plant, which, until the end of 2024, primarily processed internal concentrate sourced from DML's Finnish operations. These operations were maintained below break-even levels to retain key personnel and preserve operational readiness in anticipation of restarting ore processing from the Fäboliden Gold Mine. The commencement of toll treatment revenue from Botnia has since lifted operations to marginal profitability. Botnia transports ore from its nearby gold mines, one of the most recent gold developments in Sweden over the past 12 years, to the Svartliden Plant for processing and recovery. To capture any near-term value from these Swedish operations, we have incorporated DML's short-term monthly forecasts covering the period from July 2025 to December 2026.

9.44 As of the date of this IER, Management has provided its best estimates regarding the volume of ore to be processed at the Svartliden Plant under the Botnia Toll Treatment. This arrangement has played a crucial role in lowering operational costs and delivering more favourable economic outcomes compared to placing the Svartliden Plant into care and maintenance. Management have confirmed their expectation of processing ore from the agreement until the end of 2026. After 2026, due to the lack of contractual obligations, small Ore Reserves of Botnia and influence of gold prices, it is unclear if the operations will continue and with what level of profitability.

9.45 SLR have reviewed the short-term cash flows and recommended no changes, noting that operating costs at Svartliden are tightly managed by the small workforce, with no significant overruns expected during the toll treatment period. It was also stated by SLR that whilst there are some operational issues with achieving the expected recovery, DML have a consulting metallurgist who provides site technical support and provides comfort over the short-term cash flows. The short-term cash flows include capital expenditure relating to permitting, including remedial works.

9.46 In our valuation assessment, we have utilised the DCF Method for the short-term cash flows based on DML's existing Swedish operations. Given the short-term uncertainty, we have assigned a valuation range between nil and US\$4.0 million based on the following:

- The high-end of the range assumes that the Company will be able to preserve at least a break-even stance in the period between potential commencement of operations at the Fäboliden Gold Mine and the end of current Botnia Toll Agreement in 2026.
- The low-end of the range takes into account the fact the Svartliden operations were operating below break-even before the Botnia Toll Treatment and there may be a time delay between when the Botnia Ore Reserves are depleted or Botnia need to utilise the Svartliden Plant, and 2029, when the Fäboliden Gold Mine would begin, which may result in DML incurring additional losses. It is important to consider that without the Botnia Toll Treatment, the Svartliden Plant would be operating at a loss where Management may consider placing the plant into care and maintenance without any short-term certainty over obtaining the mining permit at Fäboliden Gold Mine. Restarting operations after an extended idle period would likely require permit renewals and rehiring of personnel. The time, cost, and effort involved in reactivating the plant, along with the need to regain community support, could present substantial challenges for the project's ability to operate as a going concern.

**Value of DML non-operating assets**

9.47 We have provided a summary below of SLR's assessed value of DML's non-operating assets.

**Figure 49 – Valuation of DML non-operating assets**

<b>DML Non-Operating Assets</b> <i>US\$'000</i>	<i>Reference</i>	<b>Value Range</b>	
		<b>Low</b>	<b>High</b>
Residual resources outside LOM	<i>Note 1</i>	1,448	8,685
Exploration value	<i>Note 2</i>	1,220	1,220
Silver content	<i>Note 3</i>	900	900
<b>Total</b>		<b>3,568</b>	<b>10,805</b>

Source: SLR's ITER.

9.48 SLR's assessment of the residual resources not included within LOM cash flows and the exploration value are detailed in the tables below.

**Figure 50 – Note 1 – SLR valuation summary of residual resources not included in LOM**

<b>SLR Residual Resources not included in LOM cash flows</b> <i>US\$'000</i>		<b>Value Range</b>	
		<b>Low</b>	<b>High</b>
<b>Residual Resources</b>			
<b>Finnish</b>			
Orivesi Kutema		150	900
Orivesi Sarvisuo		195	1,170
Kaapelinkulma North		105	630
Kaapelinkulma South above 0mRL		45	270
Kaapelinkulma South below 0mRL		45	270
Kaapelinkulma Butterfly Exclusion Zone		23	135
<b>Total Finnish Residual Resources</b>		<b>563</b>	<b>3,375</b>
<b>Swedish</b>			
Svartliden Open Pit		360	2,160
Svartliden Underground		525	3,150
<b>Total Swedish Residual Resources excluding Fäboliden</b>		<b>885</b>	<b>5,310</b>
<b>Total Residual Resource assets</b>		<b>1,448</b>	<b>8,685</b>

Source: SLR's ITER.

Notes: (1) The Fäboliden residual resource outside the LOM has been incorporated into the valuation of the Fäboliden Gold Mine.

**Figure 51 – SLR valuation summary of Exploration Areas not included in LOM****SLR Residual Resources not included in****LOM cash flows***US\$'000***Value Range****Low****High****Exploration Areas**

Sarvisuo 1-2	70	70
Jokisivu 2	40	40
Jokisivu 3	20	20
Jokisivu 4	20	20
Jokisivu 4-5	140	140
Jokisivu 7-8	20	20
Jokisivu 10	780	780
Uunimäki 1	<u>150</u>	<u>150</u>
<b>Exploration total</b>	<b><u>1,220</u></b>	<b><u>1,220</u></b>

*Source: SLR's ITER.**Note: (1) No range adopted. Shown for presentational purposes. (2) items may not add up due to rounding*

9.49 Note 3) SLR has adopted precedent transaction resource multiples to value the silver resource at c. US\$0.9 million.

9.50 For further detail on the valuation of the non-operating assets, please refer to Appendix F.

**Additional rehabilitation costs**

9.51 As detailed in the financial statements section of this IER, DML has rehabilitation obligations relating to previous mining activities, which are not captured within any LOM cash flows or for which DML does not have an environmental bond.

9.52 Kaapelinkulma's rehabilitation liability stands at US\$1.031 million, while the corresponding bond currently in place amounts to only US\$81,000. DML is awaiting approval of a US\$4.6 million environmental bond for Orivesi, which is intended to cover rehabilitation obligations totalling US\$3.5 million. Although DML has indicated that the timing of the cash outflow for these environmental bonds remains uncertain, it is anticipated to occur around mid-2026.

**Corporate costs**

9.53 The values derived from Jokisivu Gold Mine and the Fäboliden Gold Mines do not include corporate expenses relating to head office costs, HKEx listing fees, Directors, Management and centralised functions. In CY23 and CY24, DML incurred administration and corporate costs of c. A\$5.1 million and c. A\$5.8 million, equivalent to US\$3.2 million and US\$3.7 million, respectively. In our valuation assessment, we have considered annual corporate costs of between US\$2.0 million and US\$2.25 million (net of the corporate and administrative expenses included in the valuation of Jokisivu and the Fäboliden Gold Mines), which reflects a normalised level of corporate advisory, financial advisory and legal costs and takes into account the expected growth of the business and operations over the LOM. The value of the corporate costs has been assessed on a post-tax basis having regard to the WACC range adopted for the Jokisivu Financial Model.

**Other valuation items**

9.54 In our valuation assessment, we have also considered the following:

- Cash balance – DML is expected to hold a cash balance of US\$11.4 million. This figure reflects net cash which includes the recent US\$17.7 million outflow for new environmental bonds in Finland and Sweden. DML continues to maintain access to the AP Finance Loan Facility, which remains undrawn with a total facility limit of US\$17.1 million. Given DML's current short-term cash flow projections, there is no anticipated need to draw on this facility.
- Gold in circuit – at the end of 31 March 2025, Management confirmed there was gold in circuit of 937 ounces. We have utilised the real gold price at the end of the LOM of US\$2,350/oz, which results in a net present value of approximately US\$1.3 million on a post-tax basis. We have assumed that the gold in circuit would not be realised until the end of the LOM, when volumes are expected to be materially the same as current volumes.
- Aurion shares – The Company holds 2,452,910 common shares of Aurion, representing 1.89% of their issued share capital. As at 2 June 2025 the trading price of these shares was US\$0.55 per share, resulting in a liquid asset balance held by DML of US\$1.1 million on a post-tax basis.

- Legal proceedings – DML has initiated debt recovery actions to enforce compensation from its crusher supplier, stONE Finland Oy, for an estimated net amount of €0.8 million. As of 31 December 2024, DML impaired the related receivable to €250,000 (approximately US\$288,000), reflecting the estimated auction value based on the financial condition of stONE Finland. According to Management discussions, this represents the expected recoverable amount.
- Transaction costs – the total transaction costs relating to the Offer yet to be incurred are US\$0.6 million.
- Shares on issue – DML currently has 158,096,613 shares on issue.

## 10. VALUATION CROSS CHECK

### Market Multiples

10.1 We have considered the reasonableness of our valuation of DML and its assets by comparing the Reserve Multiples and Resource Multiples implied in our assessment of the enterprise value of DML with the Reserve Multiples and Resource Multiples of the Comparable Listed Companies.

10.2 The tables below outline the Reserve and Resource Multiples derived from Grant Thornton's valuation under the SOP approach. This includes DML on a 100% and control basis, as well as the Finland and Sweden assets assessed independently. This distinction is important, as the two assets are at different stages of development, carry varying risk profiles, and present different growth opportunities.

**Figure 52 – DML implied valuation multiples**

#### Implied multiples – DML enterprise value

<i>US\$'million</i>	<b>Low</b>	<b>High</b>
<b>Enterprise Value (controlling 100% basis)</b>	<b>63.8</b>	<b>101.5</b>
Reserves (Moz)	0.40	0.40
Resources (M+I+I) (Moz)	<u>1.50</u>	<u>1.50</u>
Reserve Multiple	160.4x	254.9x
Resource Multiple	<u>42.6x</u>	<u>67.6x</u>

Source: SLR's ITER, GTCF Calculations, Management.

Notes: (1) Reserves and Resources have been obtained from the SLR's ITER.

**Figure 53 – Finland proxy implied valuation multiples**

**Implied multiples – Finland enterprise value**

<i>US\$'million</i>	<b>Low</b>	<b>High</b>
<b>Enterprise Value (controlling 100% basis)</b>	<b>38.7</b>	<b>54.4</b>
Reserves (Moz)	0.09	0.09
Resources (M+I+I) (Moz)	<u>0.32</u>	<u>0.32</u>
Reserve Multiple	710.8x	1,129.2x
Resource Multiple	<u>199.9x</u>	<u>317.6x</u>

*Source: SLR's ITER, GTCF Calculations, Management.*

*Note:* (1) Reserves and Resources have been obtained from SLR's ITER. (2) The enterprise value has been calculated including Finland's operating and non-operating, outstanding rehabilitation costs and 50% of the assessed corporate costs.

**Figure 54 – Sweden proxy implied valuation multiples**

**Implied multiples – Sweden enterprise value**

<i>US\$'million</i>	<b>Low</b>	<b>High</b>
<b>Enterprise Value (controlling 100% basis)</b>	<b>25.1</b>	<b>47.1</b>
Reserves (Moz)	0.31	0.31
Resources (M+I+I) (Moz)	<u>1.14</u>	<u>1.14</u>
Reserve Multiple	205.9x	327.3x
Resource Multiple	<u>56.0x</u>	<u>89.0x</u>

*Source: SLR's ITER, GTCF Calculations, Management.*

*Note:* (1) Reserves and Resources have been obtained from SLR's ITER. (2) The enterprise value has been calculated including Sweden's operating and non-operating, outstanding rehabilitation costs and 50% of the assessed corporate costs.

10.3 In the selection of comparable companies, we had regard to the location of the assets, size of the ore deposits, stage in the mining life cycle (i.e. producing companies), grade of gold, level of infrastructure, required capital expenditure, cost structure, area of exploration tenements and the size the comparable peers.

10.4 Our selection of comparable listed companies includes those operating within the Nordic Region, where a significant portion of their revenue is generated, as well as ASX-listed gold-producing companies. This selection is based on the similarities in the operating environment for gold mining companies between Australia and the Nordic Region. In comparing the multiples of these comparable listed companies, summarised in the table below, we have considered factors such as the size of ore reserves and mineral resources, the level of gold production, gold grade, recovery rates, type of mine, mine life, and AISC.

**Figure 55 – Gold trading multiples of Comparable Listed Companies**

Company	EV <sup>12</sup>		Attributable (Moz) <sup>3</sup>			Grade (g/t)			EV Multiple (A\$/oz)		
	US\$M	Reserves	M	M+I	M+I+I	Reserves	Resources	Reserves	M	M+I	M+I+I
<b>Nordic Peers</b>											
Endomines Finland	260	0.05	0.15	0.32	0.78	2.46	0.97	5574x	1753x	810x	334x
Mandalay	393	0.73	0.28	1.74	2.44	1.63	2.21	536x	1407x	225x	161x
Botnia Exploration	65	0.05	–	0.10	0.16	7.56	6.12	1422x	n/a	677x	416x
<b>ASX Listed Peers</b>											
Beacon Minerals	95	0.20	0.09	0.32	0.59	1.25	1.20	478x	1070x	296x	160x
Focus Minerals	195	0.96	0.16	3.97	6.62	1.58	1.75	203x	1219x	49x	29x
Kaiser Reef	87	0.15	–	0.40	0.64	4.00	3.64	565x	n/a	219x	137x
Rand Mining	91	0.06	0.03	0.12	0.19	3.90	4.63	1542x	2844x	740x	479x
Auric Mining	21	0.01	0.00	0.14	0.15	1.80	1.25	2806x	5065x	154x	139x
<b>Average – Nordic</b>	<b>239</b>	<b>0.27</b>	<b>0.14</b>	<b>0.72</b>	<b>1.12</b>	<b>3.88</b>	<b>3.10</b>	<b>2511x</b>	<b>1580x</b>	<b>571x</b>	<b>304x</b>
<b>Median – Nordic</b>	<b>260</b>	<b>0.05</b>	<b>0.15</b>	<b>0.32</b>	<b>0.78</b>	<b>2.46</b>	<b>2.21</b>	<b>1422x</b>	<b>1580x</b>	<b>677x</b>	<b>334x</b>
<b>Average – ASX</b>	<b>98</b>	<b>0.28</b>	<b>0.06</b>	<b>0.99</b>	<b>1.64</b>	<b>2.51</b>	<b>2.49</b>	<b>1119x</b>	<b>2549x</b>	<b>292x</b>	<b>189x</b>
<b>Median – ASX</b>	<b>91</b>	<b>0.15</b>	<b>0.03</b>	<b>0.32</b>	<b>0.59</b>	<b>1.80</b>	<b>1.75</b>	<b>565x</b>	<b>2032x</b>	<b>219x</b>	<b>139x</b>

Source: Company announcements, Capital IQ, Company presentations and websites, other publicly available information.

Notes: 1) Based on the market capitalisations as at 26 May 2025. 2) M = Measured, M+I = Measured plus Indicated, M+I+I = Measured plus Indicated plus Inferred. 3) EV = Enterprise Value. 4) Historical resources or gold equivalent resources not included within the resources stated in the table, however we refer to these figures in the commentary below.



10.5 In relation to the above, we note the following:

- The Ore Reserves and Mineral Resources of the Comparable Listed Companies are the latest publicly available.
- We have adjusted for the proportionate ownership interests of the respective companies in their projects.
- The multiples are calculated based on the trading price converted to US\$ using the forex spot rates obtained from S&P Global, adjusted for a control premium of 30%. Refer to Appendix E for further details on our control premium study.

10.6 The market multiples of Comparable Listed Companies can exhibit a wide range which, in our opinion, reflects the different operational, financing and capital risk profiles of each company. The majority of the Comparable Listed Companies are also small scale gold producers and large observed multiple ranges can be associated with varying LOM durations of existing production, plant capacity limitations and varying permitting approval and development of projects outside LOM plans to enable companies to have continuous production. Accordingly, we recognise that no gold mining company will be perfectly comparable to DML. Given that, the Market Multiples shown in the table above serve solely as a cross-check to our valuation analysis, with primary emphasis placed on Nordic peers due to their operational alignment in terms of jurisdiction. We have made some observations on the market multiples below.

*Endomines Finland Oyj*

10.7 Endomines is a mining and exploration company that is listed on the Helsinki Stock Exchange. They have a producing gold mine located in Pampalo, Finland, as well as exploration activity in the surrounding areas of the Karelian Gold Line. Their Pampalo gold mine consists of both an underground and open-pit area, and total production in 2024 from this mine was 14.3 Koz. In their 2024 Annual Report, Endomines indicated that their long-term goal is to increase annual production to 70 Koz – 100 Koz as they enter a new phase of growth. Endomines also have exploration activities in Idaho and Montana, USA, which accounts for 284 Koz of their resource base, however, no reserves have been reported for their USA operations. Further, it is stated that the US operations have 812 Koz of historic gold resource which is not included within their reported Mineral Resources<sup>25</sup>. Although the exact quantity and quality of these resources cannot be reliably verified, we believe that investors are likely to attribute at least some value to these resources given they were identified historically.

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<sup>25</sup> They stated that a qualified person has not done sufficient work to classify these historical resources as current mineral resources, and therefore, they are not treating them as current or reliable.

10.8 Endomines' elevated Reserve and Resource Multiples primarily reflect its currently low production volumes. However, the company's near-term outlook appears promising, supported by its plans to ramp up gold production with a focus on bringing new areas into production in the Karelian Gold Line. The company currently has environmental permits for three mining leases in Finland and is actively pursuing additional permits, which increases their prospects of additional production in the future.

10.9 When assessing the Resource Multiple of US\$334/oz we consider this to be comparable to the Resource Multiple implied from our valuation assessment of the Finland assets. Endomines has historical resources of 812Koz contained gold<sup>26</sup>, which increases the total to 1.59 million ounces. This would imply a Resource Multiple of US\$163/oz, higher than the implied Resource Multiples of DML which we consider may be attributable to the large 4.47 million ounces of silver in historical resources at the US Grant Mine, the current mining permits the company holds and the diversification of assets across the Nordic Region and the US.

*Mandalay Resources Corporation*

10.10 Mandalay is a Canada-based resource company listed on the Toronto Stock Exchange. It operates two producing assets: the Costerfield gold-antimony mine in Australia and the Björkdal gold mine in Sweden. In 2024, Costerfield produced 54.8 Koz of gold equivalent, with a LOM of 3.5 years and a processing capacity of 150 Ktpa. The 2025 production guidance for Costerfield ranges between 43.5 Koz and 49.0 Koz of gold equivalent. Meanwhile, Björkdal produced 42.3 Koz of gold in 2024, with a LOM of 9 years and a processing capacity of 1.45 Mtpa. Its 2025 production outlook is between 41.5 Koz and 46.0 Koz of gold. Combined, the two mines delivered a total of 97,128 gold equivalent ounces in 2024, substantially higher than DML's 2024 output of 20,517 ounces.

10.11 On 27 April 2024, the company also announced that it intends to enter a merger with Australian gold production company Alkane Resources Ltd. The consideration for Mandalay shareholders will be 7.875 shares in Alkane Resources Ltd per Mandalay share, which at the offer date represented a 2% premium to Mandalay's share price based on the last trading price. The company noted that the merger is expected to increase total gold equivalent production, strengthen their balance sheet and improve trading liquidity<sup>27</sup>. The trading prices of Mandalay in the above table is likely to reflect the market's view of the offer.

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<sup>26</sup> Historical resources refer to mineral resource estimates that were prepared in the past, often by previous owners or under older reporting standards, and that have not typically been updated or verified under current regulatory frameworks such as the JORC Code.

<sup>27</sup> Mandalay Resources Announcement 27 April 2025

10.12 The company also has 40 Kt of contained antimony resources and 11.1 Kt of contained antimony reserves which have not been included in the adopted multiples. In 2024, the sale of antimony contributed to 14% of total revenue. Had these resources been included on a gold equivalent basis, the total Reserve multiple would decrease to US\$480/oz and the total Resource Multiple would decrease to US\$143/oz, which we consider to be in line with the implied multiples within our valuation assessment, noting that investors may be placing limited reliance on the Swedish Mineral Resources due to the permitting risk. Mandalay also has a copper-silver development property located in Chile, which has current indicated resource of 459 million pounds of copper and 11.2 million ounces of silver<sup>28</sup>.

*Botnia Exploration Holding AB*

10.13 Botnia is listed on the Stockholm Stock Exchange and has traditionally operated as a gold exploration and development company. The company has two main projects, Fäbodtjärn and Vargbäcken, which are both located in Sweden. Ore production began at Fäbodtjärn in August 2024, as this became the first new mine in Sweden to be started in over 12 years, with 19,502 tonnes of ore being mined by the end of 2024<sup>29</sup>. This was processed at DML's Svartliden Plant, after an agreement was signed in January 2024 for the enrichment of ore from the Fäbodtjärn and Vargbäcken gold deposits, as well as providing opportunities for enrichment of ore from future gold deposits<sup>30</sup>. It is understood from SLR that Botnia does not have access to any other plants which are all operating at capacity. According to DML's 2024 Annual Report, 2,066 ounces of gold was produced from the Botnia Toll Treatment. Production has continued to increase, with 11,957 tonnes of ore produced in the first quarter of 2025<sup>31</sup>. The company also has a relatively high grade of gold reserves compared to the peer group. This means that they are likely to experience reduced capital and operating costs, leading to the potential for increased profitability.

10.14 With all relevant permitting in place, screening tests have also confirmed that at Vargbäcken, it is possible to separate approximately 70% of the volume that is unrecoverable waste rock, leading to reduced costs in the processing stage. A large part of the extracted rock volume can also be backfilled in the open pit without having to be deposited in a stockpile, which is advantageous from both a cost and environmental perspective.

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<sup>28</sup> Mandalay Resources company website

<sup>29</sup> Botnia 2024 Annual Report

<sup>30</sup> Botnia 2024 Annual Report

<sup>31</sup> Botnia Interim Report January - March 2025

10.15 Based on the analysis above, we consider it reasonable for Botnia to trade at a higher Reserve and Resource Multiples than DML. This view is supported by the recent commencement of production at Sweden's first new gold mine in over 12 years, the company's possession of environmental permits for both of its key projects, and most notably, the significantly higher gold grade of its project relative to DML's. This higher grade may enable lower capital and operating costs, as well as a faster extraction of the total contained gold resource during the current favourable gold price environment.

*Conclusion on the implied multiples*

10.16 In assessing the implied Reserve Multiple and Resource Multiples derived from our SOP valuation, we consider them well-supported by market benchmarks, particularly when considering the unique characteristics of DML and its Nordic-based peers. For example, Endomines' Resource Multiple of US\$334/oz on an unadjusted basis and US\$163/oz on an adjusted basis<sup>32</sup> is broadly comparable to DML's implied Resource Multiple of the Finland operations. Endomines may also warrant a valuation premium due to its reported 4.47 million ounces of silver, existing mining permits, and diversified asset base across the Nordic Region and the U.S. Similarly, Mandalay Resources, has a more diversified commodity mix when compared to DML, while gold remains their core focus. Using their gold equivalents resource estimates rather than gold-only resource estimates results in a Reserve Multiple of US\$480/oz and Resource Multiple of US\$143/oz, which we consider supports the implied multiples of Finland and DML to some degree. We also consider it reasonable for Botnia to trade at higher multiples than DML, given its exceptionally high-grade deposits and fully permitted operations.

10.17 Given the differences in operating jurisdictions between Australian and the Nordic Region, we have placed less reliance on the cross-check against Australian peers. Nonetheless, these small-cap gold producers exhibit broadly comparable trading characteristics. At a high level, we consider the median Reserve Multiples of US\$565/oz, along with the median Resource Multiples of US\$139/oz, to provide support for the implied multiples used in our valuation assessment.

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<sup>32</sup> Historical resources refer to mineral resource estimates that were prepared in the past, often by previous owners or under older reporting standards, and that have not typically been updated or verified under current regulatory frameworks such as the JORC Code.

### Quoted Security Pricing – DML before the Offer

10.18 In our procedures, we have also considered the trading prices of the listed securities on the HKEx in the period prior to 31 March 2025, being the last undisturbed trading prices prior to the Allied Offer on 1 April 2025<sup>33</sup>. However, we consider this valuation cross-check to be unreliable and we have not adopted it for the following reasons:

- Prior to the Allied Offer, DML shares exhibited only modest liquidity, limiting the reliability of historical trading data as a valuation benchmark.
- Since the announcement of the Allied Offer, there have been significant movements in gold prices, materially altering the market context.
- As of the last trading close price as at 20 June 2025, DML shares were trading at HK\$3.55, substantially above both the Offer Price and pre-offer trading levels, further diminishing the relevance and commercial validity of relying on historical trading prices for valuation purposes.

### Liquidity analysis

10.19 We have set out below the monthly trading volume of DML shares from April 2024 to March 2025 as a percentage of the total shares outstanding, as well as free float shares outstanding.

**Figure 56 – Liquidity Analysis**

Liquidity Analysis –  
DML

Month end	Volume traded (‘000)	Monthly VWAP (\$)	Total value of shares traded (\$’000)	Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of total shares	Cumulative Volume traded as % of free float shares
Apr 2024	2,128	1.8606	3,960	1.3%	2.7%	1.3%	2.7%
May 2024	1,358	1.8107	2,459	0.9%	1.7%	2.2%	4.4%
Jun 2024	2,430	1.7525	4,258	1.5%	3.0%	3.7%	7.4%
Jul 2024	956	1.7381	1,662	0.6%	1.2%	4.3%	8.6%
Aug 2024	164	1.6877	277	0.1%	0.2%	4.5%	8.8%
Sep 2024	283	1.4466	409	0.2%	0.4%	4.6%	9.2%
Oct 2024	1,240	1.6111	1,998	0.8%	1.6%	5.4%	10.7%
Nov 2024	799	1.4997	1,198	0.5%	1.0%	5.9%	11.7%
Dec 2024	477	1.4584	695	0.3%	0.6%	6.2%	12.3%
Jan 2025	1,370	1.5190	2,081	0.9%	1.7%	7.1%	14.0%
Feb 2025	5,082	1.7315	8,800	3.2%	6.4%	10.3%	20.4%
Mar 2025	4,219	2.0119	8,489	2.7%	5.3%	13.0%	25.7%
Min				0.1%	0.2%		
Average				1.1%	2.1%		
Median				0.8%	1.6%		
Max				3.2%	6.4%		

Source: S&P Global, GTCF analysis

<sup>33</sup> Revised offer was announced to the market on 19 May 2025. However, trading prices after the Allied Offer would have been influenced by the takeover offer on a control basis.

10.20 With regard to the above analysis, we note that:

- The level of free float for DML is c. 50.38%. The remaining ownership of DML is held by APAC (29.65%), Sincere View International Ltd (16.77%) and individual insiders of the Company (0.2%)<sup>34</sup>.
- From April 2024 to March 2025, 25.7% of the free float of shares were traded with an average monthly volume of 2.1% of the total free float shares. This level of liquidity is relatively low.
- During February 2025 and March 2025, DML observed a significant increase in trading activity compared to the preceding months presented above. This movement may be attributed to the Company's announcement in February 2025, projecting a net profit after tax of approximately A\$12.2m to A\$13.3m in February 2025, representing a 145.2% increase over the previous corresponding period. The full CY24 results were later released in March 2025, confirming the strong performance as previously indicated.

10.21 As set out below, we have benchmarked the liquidity of DML with the Comparable Listed Companies. Noticeably, the level of free float of DML's shares is slightly below the median of the Nordic producing peers, however, is above the median of the comparable sized ASX peers. The Comparable Listed Companies consist of similarly sized small-cap gold producers, many of which also exhibit limited trading liquidity, an important consideration reflected in the analysis below.

**Figure 57 – DML liquidity benchmarking**

Liquidity analysis Company	Country	Free float (%)	Average volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
<b>Dragon Mining Limited</b>	<b>Australia</b>	<b>50.5%</b>	<b>1.1%</b>	<b>2.1%</b>	<b>13.0%</b>	<b>25.7%</b>
<b>Nordic Producers</b>						
Endomines Finland Oy j	Finland	63.0%	1.8%	2.9%	22.2%	35.2%
Mandalay Resources Corporation	Canada	54.8%	1.1%	2.0%	13.3%	24.3%
Botnia Exploration Holding AB	Sweden	51.7%	1.6%	3.0%	18.7%	36.1%
<b>Average</b>		<b>56.5%</b>	<b>1.5%</b>	<b>2.7%</b>	<b>18.1%</b>	<b>31.9%</b>
<b>Median</b>		<b>54.8%</b>	<b>1.6%</b>	<b>2.9%</b>	<b>18.7%</b>	<b>35.2%</b>

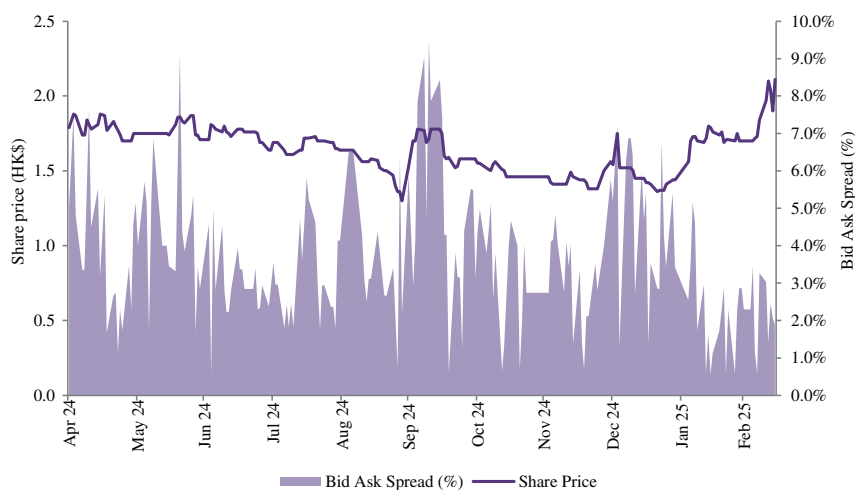
<sup>34</sup> S&P Global

Liquidity analysis Company	Country	Free float (%)	Average volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of total shares	Cumulative volume traded as a % of free float shares
<b>Comparable Sized ASX Peers</b>						
Beacon Minerals Limited	Australia	56.3%	1.3%	2.3%	15.4%	27.4%
Focus Minerals Limited	Australia	30.5%	0.7%	2.3%	8.2%	27.0%
Kaiser Reef Limited	Australia	68.4%	3.8%	5.6%	45.6%	66.7%
Rand Mining Limited	Australia	17.0%	0.2%	1.1%	2.3%	13.3%
Auric Mining Limited	Australia	54.1%	9.6%	17.7%	114.8%	212.1%
<b>Average</b>		<b>45.3%</b>	<b>3.1%</b>	<b>5.8%</b>	<b>37.3%</b>	<b>69.3%</b>
<b>Median</b>		<b>54.1%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>15.4%</b>	<b>27.4%</b>

Sources: S&P Global, GTCF analysis

- 10.22 Where a company's shares are relatively illiquid and not heavily traded, the market typically observes a difference between the 'bid' and 'ask' price for the shares as there may be a difference in opinion between the buyer and seller on the value of the shares. We have set out below the bid-ask spread of DML since April 2024.

**Figure 58 – DML Bid-Ask Spread since April 2024**

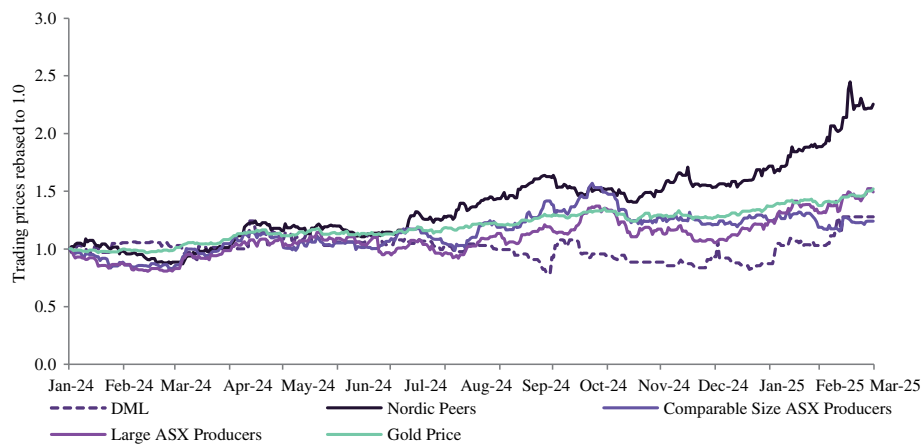


Source: S&P Global, GTCF analysis

10.23 As set out in the graph above, the historical average and median bid-ask spread from April 2024 to March 2025 has been 3.5% and 3.1%, respectively. Although the bid-ask spread has exhibited volatility over the period, we note that February and March 2025 experienced reduced volatility and a narrower bid-ask spread.

10.24 As set out in the graph below, DML has underperformed listed peers in Australia and in the Nordic region and the gold prices. Whilst there are some specific circumstances for the business, in our opinion it is also driven by the limited liquidity.

**Figure 59 – DML’s share price performance relative to the average of the Comparable Listed Companies from 1 January 2024.**



Source: S&P Global, GTCF analysis.

Note: (1) Large Hong Kong listed comparable companies have not been included due to the limited comparability between mining in the Nordic Region and mining within Asian geographies.



**11. SOURCES OF INFORMATION, DISCLAIMER AND CONSENTS****Sources of information**

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Annual reports/consolidated accounts of DML for CY22, CY23 and CY24.
- Jokisivu Financial Model provided by Management.
- Fäboliden Financial model provided by Management
- Access to other relevant documents provided by SLR.
- Transaction databases such as S&P Global Capital IQ and Mergermarket.
- IBISWorld.
- Other industry reports provided by the Company.
- Various broker reports for the Comparable Listed Companies.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of DML and its advisers.

**Limitations and reliance on information**

This report and opinion are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This Report has been prepared to assist in advising the DML Independent Shareholders in relation to the Offer. This Report should not be used for any other purpose. In particular, it is not intended that this Report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Offer is in the best interest of DML Independent Shareholders.

DML has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

#### **Consents**

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Offer Document to be sent to DML Independent Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and context in which it appears.

**APPENDIX A – VALUATION METHODOLOGIES****CAPITALISATION OF FUTURE MAINTAINABLE EARNINGS**

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses. This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

**DISCOUNTED FUTURE CASH FLOWS**

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model. Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

**ORDERLY REALISATION OF ASSETS**

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

**MARKET VALUE OF QUOTED SECURITIES**

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

**COMPARABLE MARKET TRANSACTIONS**

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction. Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction, and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

**APPENDIX B – DISCOUNT RATE****INTRODUCTION**

The cash flow assumptions associated with the DML business have been prepared on a real, ungeared and post-tax basis. Accordingly, we have assessed a range of real post-tax discount rates and adjusted for inflation to get a range of real-post tax discount rates, for the purpose of valuing the Jokivisu Gold Mine and the Fäboliden Gold Mine using the DCF Method.

The discount rates were determined using the WACC formula. The WACC represents the average of the rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cash flows, weighted in proportion to the market value of the debt and equity capital provided. However, we note that the selection of an appropriate discount rate is ultimately a matter of professional judgment.

Under a classical tax system, the nominal WACC is calculated as follows:

$$\text{WACC} = R_d \times \frac{D}{D+E} \times (1-t) + R_e \times \frac{E}{D+E}$$

Where:

- $R_e$  = the required rate of return on equity capital;
- $E$  = the market value of equity capital;
- $D$  = the market value of debt capital;
- $R_d$  = the required rate of return on debt capital; and
- $t$  = the statutory corporate tax rate.

**REQUIRED RATE OF RETURN ON EQUITY CAPITAL**

We have used the CAPM, which is commonly used by practitioners, to calculate the required return on equity capital. The CAPM assumes that an investor holds a large portfolio comprising risk-free and risky investments. The total risk of an investment comprises systematic risk and unsystematic risk. Systematic risk is the variability in an investment's expected return that relates to general movements in capital markets (such as the share market) while unsystematic risk is the variability that relates to matters that are unsystematic to the investment being valued.

The CAPM assumes that unsystematic risk can be avoided by holding investments as part of a large and well-diversified portfolio and that the investor will only require a rate of return sufficient to compensate for the additional, non-diversifiable systematic risk that the investment brings to the portfolio. Diversification cannot eliminate the systematic risk due to economy-wide factors that are assumed to affect all securities in a similar fashion.

Accordingly, whilst investors can eliminate unsystematic risk by diversifying their portfolio, they will seek to be compensated for the non-diversifiable systematic risk by way of a risk premium on the expected return.

The extent of this compensation depends on the extent to which the company's returns are correlated with the market as a whole. The greater the systematic risk faced by investors, the larger the required return on capital will be demanded by investors.

The systematic risk is measured by the investment's beta. The beta is a measure of the covariance of the expected returns of the investment with the expected returns on a hypothetical portfolio comprising all investments in the market – it is a measure of the investment's relative risk. A risk-free investment has a beta of zero and the market portfolio has a beta of one. The greater the systematic risk of an investment the higher the beta of the investment.

The CAPM assumes that the return required by an investor in respect of an investment will be a combination of the risk-free rate of return and a premium for systematic risk, which is measured by multiplying the beta of the investment by the return earned on the market portfolio in excess of the risk-free rate.

Under the CAPM, the required nominal rate of return on equity ( $R_e$ ) is estimated as follows:

$$R_e = R_f + \beta_e (R_m - R_f)$$

Where:

- $R_f$  = risk free rate
- $\beta_e$  = expected equity beta of the investment
- $(R_m - R_f)$  = market risk premium

*Jokivisu Gold Mine risk-free rate – 4.00%*

In the absence of an official risk-free rate, the yield on government bonds (in an appropriate jurisdiction) is commonly used as a proxy. Having regard to the yield on the 5-year US Treasury bond over several intervals from a period of five days to 10 years. We consider the 5-Year bond yields appropriate, roughly reflecting the Jokivisu Gold Mine LOM.

**Figure 60 – 5 year US Treasury bond analysis**

**United States Treasury Constant  
Maturity – 5 Year  
as at 2 June 2025**

	<b>Low</b>	<b>High</b>	<b>Average</b>
Previous 5 Trading Days	3.96%	4.05%	4.01%
Previous 10 Trading Days	3.96%	4.15%	4.05%
Previous 20 Trading Days	3.87%	4.17%	4.04%
Previous 30 Trading Days	3.72%	4.17%	3.99%
Previous 60 Trading Days	3.72%	4.17%	3.99%
Previous 1 Year Trading	3.41%	4.61%	4.06%
Previous 2 Years Trading	3.41%	4.95%	4.18%
Previous 3 Years Trading	2.66%	4.95%	3.99%
Previous 5 Years Trading	0.19%	4.95%	2.79%
Previous 10 Years Trading	0.19%	4.95%	2.32%

*Source: S&P Global*

As set out in the table above, yields on the 5 year US Treasury have recently been high due to central banks tightening their monetary policies, as well as further economic and geopolitical turbulence. We have therefore used a long-term average, estimating the risk-free rate to be 4.0%.

*Fäboliden Gold Mine risk-free rate – 4.25%*

We have had regard to the 10-year US Treasury bond over several intervals from a period of five days to 10 years. Additionally, we considered 20-Year US Treasury bond yields due to their alignment with the expected Fäboliden Gold Mine's LOM. However, our primary reference has been the 10-Year yields due to their superior liquidity compared to longer-dated bonds.

**Figure 61 – 10-Year US Treasury bond analysis**

**United States Treasury Constant**

**Maturity – 10 Year**

**as at 2 June 2025**

	<b>Low</b>	<b>High</b>	<b>Average</b>
Previous 5 Trading Days	4.41%	4.47%	4.44%
Previous 10 Trading Days	4.41%	4.58%	4.47%
Previous 20 Trading Days	4.26%	4.58%	4.44%
Previous 30 Trading Days	4.17%	4.58%	4.39%
Previous 60 Trading Days	4.01%	4.58%	4.34%
Previous 1 Year Trading	3.63%	4.79%	4.26%
Previous 2 Years Trading	3.63%	4.98%	4.26%
Previous 3 Years Trading	2.60%	4.98%	4.00%
Previous 5 Years Trading	0.52%	4.98%	2.97%
Previous 10 Years Trading	0.52%	4.98%	2.58%

*Source: S&P Global*

**Market risk premium – 5.50%**

The market risk premium represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk-free rate of return is earned. However, given the inherent high volatility of realised rates of return, especially for equities, the market risk premium can only be meaningfully estimated over long periods of time. In this regard, Grant Thornton studies of the historical risk premium over periods of 20 to 80 years suggest a risk premium of 5.50% for the US market.

We note that global equity markets have rapidly recovered since the trough of March 2020 with benchmark indices exceeding their pre-COVID highs. The S&P Total Return Index has generated a rolling CAGR of 8.9% from 30 June 2003 to 30 April 2025. Based on our adopted market risk premium of 5.50%, and a risk-free rate of 4.00% for Jokisivu Gold Mine, and 4.25% for Fäboliden Gold Mine, it implies a total market return of 9.50%, and 9.75% respectively.



*Jokivisu Gold Mine asset beta – 0.70 to 0.90*

*Fäboliden Gold Mine asset beta – 1.20 to 1.40*

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high degree of variation.

An equity beta includes the effect of gearing on equity returns and reflects the riskiness of returns to equity holders. However, an asset beta excludes the impact of gearing and reflects the riskiness of returns on the asset, rather than returns to equity holders. Asset betas can be compared across asset classes independent of the impact of the financial structure adopted by the owners of the business.

Equity betas are typically calculated from historical data. These are then used as a proxy for the future which assumes that the relative risk of the past will continue into the future. Therefore, there is no right equity beta, and it is important not to simply apply historical equity betas when calculating the cost of equity.

We have had regards to the observed asset betas of Comparable Listed Companies including 1) Nordic producers; and 2) Comparable size ASX producers for comparability with the Jokivisu Gold Mine. However, for Fäboliden Gold Mine, we have observed the asset betas of exploration/development stage companies.

**Figure 62 – Jokivisu beta analysis**

Beta Analysis Company	Equity Beta	5-Yr Monthly betas (global index)				Equity Beta	5-Yr Monthly betas (local index)			
		Gearing	Ratio	Ungeared	Adopted		Gearing	Ratio	Ungeared	Adopted
		R <sup>2</sup>	(D:C)	Beta	Beta		R <sup>2</sup>	(D:C)	Beta	Beta
<b>Group 1</b>										
Endomines Finland Oyj	0.87	0.09	23.1%	0.68	0.68	1.04	0.12	23.1%	0.82	0.82
Mandalay Resources Corporation	0.17	0.00	14.6%	0.15	Nmf	0.08	0.00	14.6%	0.07	Nmf
<b>Group 2</b>										
Beacon Minerals Limited	0.65	0.10	5.9%	0.62	0.62	0.74	0.12	5.9%	0.70	0.70
Focus Minerals Limited	1.29	0.11	29.5%	0.91	0.91	1.39	0.12	29.5%	0.98	0.98
Horizon Gold Limited	0.55	0.03	0.7%	0.55	Nmf	0.50	0.03	0.7%	0.49	Nmf
Kaiser Reef Limited	1.74	0.24	1.3%	1.72	1.72	1.94	0.28	1.3%	1.93	1.93
Rand Mining Limited	0.21	0.01	0.9%	0.21	Nmf	0.51	0.08	0.9%	0.51	0.51
Auric Mining Limited	0.63	0.03	25.8%	0.63	Nmf	0.80	0.05	25.8%	0.80	Nmf
<b>Group 1</b>										
Median	0.52	0.05	0.19	0.42	0.68	0.56	0.06	0.19	0.45	0.82
Average	0.52	0.05	0.19	0.42	0.68	0.56	0.06	0.19	0.45	0.82
<b>Group 2</b>										
Median	0.64	0.07	0.04	0.62	0.91	0.77	0.10	0.04	0.75	0.84
Average	0.85	0.09	0.11	0.77	1.09	0.98	0.11	0.11	0.90	1.03

Source: S&P Global and GTCF analysis

*Note:* (1) Asset betas are calculated using data provided by S&P Global as at 25 March 2025. This reflects a current date whilst also providing reliable data based on R-squared relevance. The betas are based on five-year period with monthly observations regressed against local and global indices. Betas have been ungeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). (2) Un-g geared basis with low relevance (R squared < 5%) are labelled "Nmf".

**Figure 63 – Fäboliden beta analysis**

Beta Analysis Company	5-Yr Monthly betas (global index)					5-Yr Monthly betas (local index)				
	Equity Beta	Gearing				Equity Beta	Gearing			
		R <sup>2</sup>	Ratio (D:C)	Ungeared Beta	Adopted Beta		R <sup>2</sup>	Ratio (D:C)	Ungeared Beta	Adopted Beta
Patronus Resources Limited	0.62	0.02	0.0%	0.62	Nmf	0.79	0.02	0.0%	0.79	Nmf
Antipa Minerals Limited	1.17	0.06	0.7%	1.16	1.16	1.21	0.06	0.7%	1.21	1.21
Astral Resources NL	0.75	0.07	0.2%	0.75	0.75	0.81	0.07	0.2%	0.81	0.81
Ausgold Limited	1.27	0.04	0.7%	1.27	1.27	1.73	0.07	0.7%	1.73	1.73
Horizon Gold Limited	0.55	0.03	0.7%	0.55	0.55	0.50	0.03	0.7%	0.49	Nmf
Meeka Metals Limited	0.36	0.01	0.5%	0.36	Nmf	0.54	0.02	0.5%	0.53	Nmf
Rox Resources Limited	0.45	0.00	1.0%	0.45	Nmf	0.51	0.00	1.0%	0.51	Nmf
Saturn Metals Limited	0.99	0.07	0.5%	0.98	0.98	1.28	0.10	0.5%	1.28	1.28
Kairos Minerals Limited	2.17	0.13	0.5%	2.16	2.16	2.52	0.16	0.5%	2.51	2.51
Horizon Minerals Limited	1.27	0.15	7.2%	1.20	1.20	1.23	0.13	7.2%	1.16	1.16
Alto Metals Limited	NA	NA	100.0%	Nmf	Nmf	NA	NA	100.0%	Nmf	Nmf
International Tower Hill Mines Ltd.	0.90	0.03	0.0%	0.90	0.90	0.98	0.03	0.0%	0.98	0.98
First Mining Gold Corp.	0.68	0.07	0.3%	0.67	0.67	0.93	0.11	0.3%	0.92	0.92
Troilus Gold Corp.	1.46	0.17	1.1%	1.45	1.45	1.74	0.20	1.1%	1.73	1.73
NeXGold Mining Corp.	1.22	0.15	16.1%	1.04	1.04	1.29	0.14	16.1%	1.11	1.11
Catalyst Metals Limited	0.96	0.06	4.5%	0.92	0.92	1.27	0.10	4.5%	1.23	1.23
Nordic Resources Limited	0.29	0.01	0.0%	Nmf	Nmf	0.59	0.03	0.0%	Nmf	Nmf
First Nordic Metals Corp.	0.85	0.03	0.0%	0.85	0.85	1.38	0.07	0.0%	1.38	1.38
<b>Median</b>	<b>0.88</b>	<b>0.05</b>	<b>0.01</b>	<b>0.90</b>	<b>0.98</b>	<b>1.10</b>	<b>0.07</b>	<b>0.01</b>	<b>1.11</b>	<b>1.22</b>
<b>Average</b>	<b>0.89</b>	<b>0.06</b>	<b>0.07</b>	<b>0.90</b>	<b>1.07</b>	<b>1.07</b>	<b>0.08</b>	<b>0.07</b>	<b>1.08</b>	<b>1.34</b>

*Source: S&P Global and GTCF analysis*

*Note:* (1) Asset betas are calculated using data provided by S&P Global as at 25 March 2025. This reflects a current date whilst also providing reliable data based on R-squared relevance The betas are based on five-year period with monthly observations regressed against local and global indices. Betas have been ungeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). (2) Un-g geared basis with low relevance (R squared < 5%) are labelled "Nmf".

It should be noted that the above betas are drawn from the actual and observed historical relationship between risk and returns. From these actual results, the expected relationship is estimated generally on the basis of extrapolating past results. Despite the arbitrary nature of the calculations, it is important to assess their commercial reasonableness. That is to assess how closely the observed relationship is likely to deviate from the expected relationship.

Consequently, while measured equity betas of the listed comparable companies provide useful benchmarks against which the equity beta used in estimating the cost of equity for DML, the selection of an unsystematic equity beta requires a level of judgement.

The asset betas of the selected companies are calculated by adjusting the equity betas for the effect of gearing to obtain an estimate of the business risk of the comparable companies, a process commonly referred as de-gearing. The betas are de-gearred using the average historical gearing levels of those respective companies over several years.

We have then recalculated the equity beta based on the assumed ‘optimal’ capital structure of between 10% to 0% debt and 90% to 100% equity for DML, which is a subjective exercise (refer to the Capital Structure Section below for further discussions).

We used the following formula to undertake the de-gearing and regearing exercise:

$$\beta_e = \beta_a \left[ 1 + \frac{D}{E} \times (1 - t) \right]$$

Where:

- $\beta_e$  = Equity beta
- $\beta_a$  = Asset beta
- $t$  = corporate tax rate

We have assumed ‘optimal’ capital structure of between 10% to 0% debt and 90% to 100% equity for DML and a corporate tax rate of 20% for the Jokisivu Gold Mine and 24% for the Fäboliden Gold Mine.

*Jokisivu Gold Mine SRP – 0.00%*

*Fäboliden Gold Mine SRP – 3.00%.*

Specific risk premium represents the additional return an investor expects to receive to compensate for country, size and project related risks not reflected in the beta of the observed comparable companies.

We have assumed a flat SRP of 0.00% and 3.00% for Jokisivu Gold Mine and Fäboliden Gold Mine, respectively, to reflect the operational risks which are not directly reflected into the cash flows.

*Cost of debt – 8.00% to 10.00%*

For the purpose of estimating the cost of debt applicable to the DML, Grant Thornton Corporate Finance has considered the interest rate facilities available to Comparable Listed Companies and henceforth a pool of potential purchasers. Based on our analysis, Grant Thornton Corporate Finance has adopted a pre-tax cost of debt between 8.00% and 10.00%.

### **Capital Structure**

Grant Thornton Corporate Finance has considered the gearing ratio which a hypothetical purchaser of the business would adopt in order to generate a balanced return given the inherent risks associated with debt financing. Factors which a hypothetical purchaser may consider include the shareholders return after interest payments, and the businesses ability to raise external debt.

The appropriate level of gearing that is utilised in determining the WACC for a particular company should be the “target” gearing ratio, rather than the actual level of gearing, which may fluctuate over the life of a company. The target or optimal gearing level can therefore be derived based on the trade-off theory which stipulates that the target level of gearing for a project is one which the present value of the tax benefits from the deductibility of interest are offset by the present value of costs of financial distress.

For the purpose of the discount rate assessment, Grant Thornton Corporate Finance has adopted a capital structure between 10% to 0% debt and 90% to 100% equity for both the Jokisivu Gold Mine and Fäboliden Gold Mine.

*Tax rate – 20.0% to 24.0%*

For the purpose of our valuation assessment, we have adopted the corporate tax rate of 20.0% and 24.0% for Jokisivu Gold Mine and Fäboliden Gold Mine respectively, in line with management expectations.

*Inflation – 2.00%*

For the purpose of our valuation assessment and calculating a range of real, post-tax cost of equity, we have adopted an inflation rate of 2.0%, based on the target inflation range of the United States.

#### Discount rate summary

Based on the assumptions discussed above, we have presented our discount rate assessment for Jokisivu Gold Mine and Fäboliden Gold Mine in the table below.

**Figure 64 – Grant Thornton WACC analysis – Jokisivu**

<b>Discount rate</b>	<b>Low</b>	<b>High</b>
RfR	4.00%	4.00%
Geared beta	0.762	0.900
MRP	5.50%	5.50%
SRP	0.00%	0.00%
<b>Cost of Equity</b>	<b>8.2%</b>	<b>9.0%</b>
Cost of debt	8.00%	10.00%
Tax	20.00%	20.00%
<b>Post tax cost of debt</b>	<b>6.40%</b>	<b>8.00%</b>
Equity %	90.00%	100.00%
Debt %	10.00%	0.00%
<b>WACC</b>	<b>8.01%</b>	<b>8.95%</b>
Inflation	2.00%	2.00%
<b>Real WACC</b>	<b>5.90%</b>	<b>6.80%</b>

Source: GTCF analysis

Figure 65 – Grant Thornton WACC analysis – Fäboliden

Discount rate	Low	High
RfR	4.25%	4.25%
Asset beta	1.20	1.40
Equity beta	1.301	1.400
MRP	5.50%	5.50%
SRP	<u>3.00%</u>	<u>3.00%</u>
<b>Cost of Equity</b>	<b>14.4%</b>	<b>15.0%</b>
Cost of debt	8.00%	10.00%
Tax	<u>24.00%</u>	<u>24.00%</u>
<b>Post tax cost of debt</b>	<b>6.08%</b>	<b>7.60%</b>
Equity %	90.00%	100.00%
Debt %	<u>10.00%</u>	<u>0.00%</u>
<b>Nominal WACC</b>	<b>13.57%</b>	<b>14.95%</b>
Inflation	<u>2.00%</u>	<u>2.00%</u>
<b>Real WACC</b>	<b><u>11.30%</u></b>	<b><u>12.70%</u></b>

Source: GTCF analysis

**APPENDIX C – COMPARABLE LISTED COMPANIES DESCRIPTIONS**

<b>Company</b>	<b>Description</b>
Patronus Resources Limited	Patronus Resources Limited engages in the development and exploration of gold and base metal properties in Australia. Its primary project is the 100% owned Cardinia Gold Project located in the North-Eastern Goldfields region of Western Australia. The company was formerly known as Kin Mining NL and changed its name to Patronus Resources Limited in August 2024. Patronus Resources Limited was incorporated in 2011 and is based in West Perth, Australia.
Antipa Minerals Limited	Antipa Minerals Limited engages in the mineral exploration business in Australia. It explores for gold, copper, silver, uranium, and tungsten deposits. The company holds 100% interests in the Minyari Dome project covering an area of 144 square kilometers located in the Paterson Province; Wilki project totalling an area of 2,200 square kilometers located in Western Australia; and Paterson project covering an area of 1,550 square kilometers located in the southern part of the Paterson Province. Antipa Minerals Limited was incorporated in 2010 and is based in West Perth, Australia.
Astral Resources NL	Astral Resources NL engages in the exploration and evaluation of gold properties in Western Australia. Its flagship property is the 100% owned Mandilla Gold project located in the northern Widgiemooltha greenstone belt in Western Australia. The company was formerly known as Anglo Australian Resources NL and changed its name to Astral Resources NL in April 2022. Astral Resources NL was incorporated in 1985 and is based in South Perth, Australia.

<b>Company</b>	<b>Description</b>
Ausgold Limited	Ausgold Limited explores for gold and other precious metals in Australia. It also explores for copper, cobalt, iron, nickel, and sulphide deposits. The company's flagship property is the 100% owned Katanning gold project, which covers approximately 5,500 square kilometers located in Katanning greenstone belt in south-western Western Australia. Ausgold Limited was incorporated in 2009 and is based in Perth, Australia.
Horizon Gold Limited	Horizon Gold Limited engages in the exploration, evaluation, development, and production of gold deposits in Australia. Its flagship project is the 100% owned Gum Creek gold project covering an area of approximately 663 square kilometers located within the Southern Cross Province of the Youanmi Terrane in Western Australia. The company was incorporated in 2016 and is based in West Perth, Australia. Horizon Gold Limited is a subsidiary of Zeta Resources Limited.
Meeka Metals Limited	Meeka Metals Limited engages in the exploration and development of gold properties in Western Australia. Its flagship property is the 100% owned Murchison Gold project that covers an area of approximately 281 square kilometers located in the prolific Murchison Gold Fields, Western Australia. The company was formerly known as Meeka Gold Limited and changed its name to Meeka Metals Limited in July 2022. Meeka Metals Limited was incorporated in 1997 and is based in West Perth, Australia.
Rox Resources Limited	Rox Resources Limited engages in mineral exploration activities in Australia. It primarily explores for gold and nickel deposits. The company's flagship project is the 100% owned Youanmi Gold Project covering 697 square kilometers located to northeast of Perth. Rox Resources Limited was incorporated in 2003 and is based in West Perth, Australia.



<b>Company</b>	<b>Description</b>
Saturn Metals Limited	Saturn Metals Limited engages in the exploration of precious metals in Australia. It primarily explores for gold deposit. The company's projects portfolio includes the Apollo Hill project that comprises 29 prospective gold exploration and prospective licenses covering an area of approximately 1,500 square kilometers, including two mining leases and twelve water exploration leases located Eastern Goldfields district, Western Australia; and the West Wyalong property that consists of 242 square kilometers situated north of Wagga Wagga. Saturn Metals Limited was incorporated in 2017 and is based in West Perth, Australia.
Kairos Minerals Limited	Kairos Minerals Limited, together with its subsidiaries, operates as a resource exploration company in Australia. It primarily explores for gold, rare earth element, and lithium properties. The company's flagship project is the 100% owned Pilbara Gold project, which includes the Mt York deposit located to the south of Port Hedland in the Pilbara region. The company was formerly known as Mining Projects Group Limited and changed its name to Kairos Minerals Limited in April 2016. Kairos Minerals Limited was incorporated in 1983 and is based in Daglish, Australia.
Horizon Minerals Limited	Horizon Minerals Limited engages in the exploration and development of mineral properties in Australia. It primarily explores for gold, nickel, cobalt, silver, and zinc deposits. The company was formerly known as Intermin Resources Limited and changed its name to Horizon Minerals Limited in July 2019. Horizon Minerals Limited was incorporated in 1974 and is based in West Perth, Australia.

<b>Company</b>	<b>Description</b>
Alto Metals Limited	Alto Metals Limited primarily explores for gold properties in Western Australia. It holds a 100% interest in Sandstone Gold project covering an area of approximately 740 square kilometers located in the East Murchison Mineral field in Western Australia. The company was formerly known as Enterprise Uranium Limited and changed its name to Alto Metals Limited in May 2016. Alto Metals Limited was incorporated in 2012 and is based in West Perth, Australia. As of December 2, 2024, Alto Metals Limited operates as a subsidiary of Brightstar Resources Limited.
International Tower Hill Mines Ltd.	International Tower Hill Mines Ltd., a development stage company, engages in the acquisition, exploration, and development of mineral properties. The company holds a 100% interest in the Livengood gold project covering an area of approximately 19,546 hectares located in the northwest of Fairbanks, Alaska. The company was formerly known as Tower Hill Mines Ltd. and changed its name to International Tower Hill Mines Ltd. in March 1991. International Tower Hill Mines Ltd. was incorporated in 1978 and is headquartered in Vancouver, Canada.
First Mining Gold Corp.	First Mining Gold Corp. acquires, develops, and explores mineral properties in Canada. It primarily explores for gold and silver deposits. The company holds interests in the Springpole Gold Project located in northwestern Ontario; Duparquet Gold Project, located on the destor-porcupine fault zone in the Abitibi region of Quebec, Canada; and the Cameron Gold Project located approximately 80 km southeast of Kenora in northwestern Ontario. It holds interests in the Pickle Crow Gold Project in northwestern Ontario; Hope Brook Gold Project in Newfoundland, Canada; and Treasury Metals in Ontario, Canada. First Mining Gold Corp. was founded in 2015 and is based in Vancouver, Canada.

<b>Company</b>	<b>Description</b>
Troilus Gold Corp.	<p>Troilus Gold Corp. acquires, explores for, evaluates, and develops mineral properties in Canada. The company explores for gold, silver, and copper deposits. Its flagship property is the 100% owned Troilus Gold project that covers an area of approximately 435 square kilometers located northeast of the Val-d'Or mining district, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. The company is headquartered in Montreal, Canada.</p>
NeXGold Mining Corp.	<p>NeXGold Mining Corp. operates as a gold exploration and development company in Canada. The company's flagship asset is the 100%-owned Goliath Gold Complex, an advanced stage high-grade gold deposit near Dryden, Ontario, which includes the Goliath, Goldlund, and Miller projects. Its Goliath property covers approximately 7,601 hectares (ha) comprising 284 mining claims totalling approximately 6,254 ha; four mining leases totalling 359.25 ha; and 28 land parcels totalling 1,347.189 ha. The company was formerly known as Treasury Metals Inc. and changed its name to NeXGold Mining Corp. in July 2024. NeXGold Mining Corp. was incorporated in 1997 and is headquartered in Toronto, Canada.</p>
Catalyst Metals Limited	<p>Catalyst Metals Limited explores and evaluates mineral properties in Australia. It explores for gold and silver deposits. Catalyst Metals Limited was incorporated in 2006 and is headquartered in Perth, Australia.</p>

<b>Company</b>	<b>Description</b>
Nordic Resources Limited	Nordic Resources Limited engages in the exploration of mineral properties. It explores for copper, nickel, cobalt, platinum grade metals, and battery minerals. The company's flagship project is the Pulju project comprising one granted exploration license (EL), seven EL applications, and one exploration reservation ground covering an area of 240 square kilometers and located in Finland. It also holds a right to earn 75% interest in the Maaninkijoki 3 Nickel project covering an area of 30 square kilometers. The company was formerly known as Nordic Nickel Limited and changed its name to Nordic Resources Limited in December 2024. Nordic Resources Limited was incorporated in 2021 and is based in Perth, Australia.
First Nordic Metals Corp.	First Nordic Metals Corp., an exploration stage company, engages in the acquisition, exploration, and evaluation of mineral properties in Sweden and Finland. The company explores for iron ore, gold, silver, copper, and zinc deposits. Its flagship project is the 45% Barsele Gold Project that covers an area of approximately 47,000 hectares located in Västerbottens Län, northern Sweden. The company was formerly known as Barsele Minerals Corp. and changed its name to First Nordic Metals Corp. in March 2024. First Nordic Metals Corp. was incorporated in 2013 and is headquartered in Vancouver, Canada.
Endomines Finland Oyj	Endomines Finland Oyj engages in the mining and exploration of gold deposits in Finland and the United States. The company holds interest in Karelian Gold Line located in Finland; Pampalo and Hosko mines located in Finland; seven gold deposits in Idaho and Montana. Endomines Finland Oyj was incorporated in 2021 and is based in Espoo, Finland.

<b>Company</b>	<b>Description</b>
Mandalay Resources Corporation	Mandalay Resources Corporation, together with its subsidiaries, engages in the acquisition, exploration, extraction, processing, and reclamation of mineral properties in Australia, Sweden, Chile, and Canada. It explores for gold, copper, silver, and antimony deposits. The company's assets consist of the Costerfield gold-antimony mine covering an area of 1,219 hectares located in Victoria, Australia; the Björkdal gold mine that covers an area of approximately 12,949 hectares located in Skelleftea, Sweden; and copper silver development property located in the Coquimbo region, Chile. Mandalay Resources Corporation was incorporated in 1997 and is headquartered in Toronto, Canada.
Beacon Minerals Limited	Beacon Minerals Limited, together with its subsidiaries, engages in the mineral exploration, development, and production activities in Western Australia. It primarily explores for gold. The company was incorporated in 2006 and is based in Boulder, Australia.
Focus Minerals Limited	Focus Minerals Limited engages in the exploration and development of gold properties in Western Australia. It owns 100% interest in the Coolgardie Gold Project located on the western side of the Archaean Norseman-Wiluna Greenstone belt within the Coolgardie Domain; and the Laverton gold project located in the Yilgarn Craton of Western Australia. The company was incorporated in 1978 and is headquartered in East Perth, Australia. Focus Minerals Limited operates as a subsidiary of Shandong Gold International Mining Corporation Limited.
Kaiser Reef Limited	Kaiser Reef Limited engages in the exploration, development, mining, production, and sale of gold in Australia. The company holds a 100% interest in the Stuart Town project; and Macquarie North project located in the Lachlan Fold Belt, New South Wales. It also holds a 100% interest in the Maldon Goldfield located within the central portion of the Bendigo-Ballarat zone of the Lachlan Fold Belt; and the A1 Gold Mine located in Eastern Victoria. The company was incorporated in 2019 and is based in Subiaco, Australia.

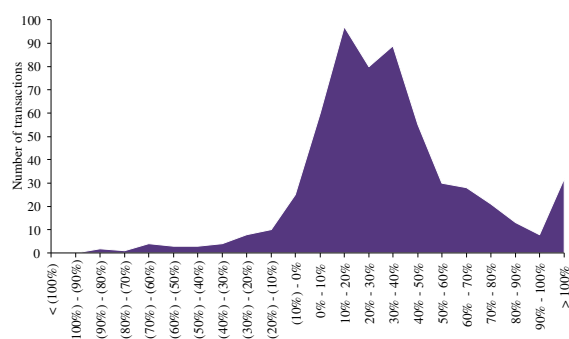
<b>Company</b>	<b>Description</b>
Rand Mining Limited	Rand Mining Limited engages in the exploration, development, and production of mineral properties in Australia. It explores for gold and silver deposits. The company holds a 12.25% interest in the East Kundana Joint Venture located to the west north west of Kalgoorlie and north east of Coolgardie. It also has a 50% interest in the Seven Mile Hill project. The company was formerly known as Rand Mining N.L. Rand Mining Limited was incorporated in 1966 and is based in South Perth, Australia.
Auric Mining Limited	Auric Mining Limited engages in exploration, development, mining, and production of gold in Australia. The company also explores for nickel, lithium, and rare earth elements. Its flagship project is the 100% owned Jeffreys Find gold mine operation located in Goldfields, the region of Western Australia. Auric Mining Limited was incorporated in 2019 and is based in East Perth, Australia.

*Source: S&P Global*

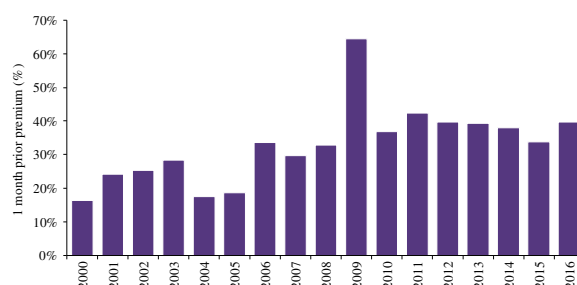
## APPENDIX D – CONTROL PREMIUM STUDY

Evidence from studies indicates that premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium vary significantly for each transaction.

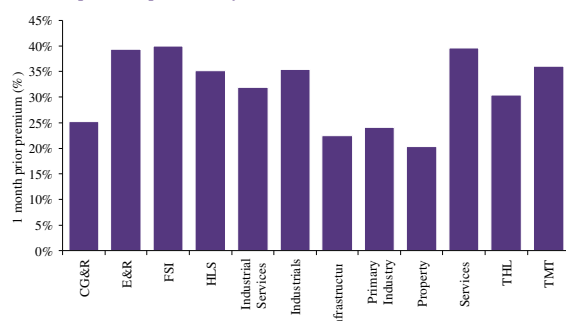
1 Month Prior Control Premium



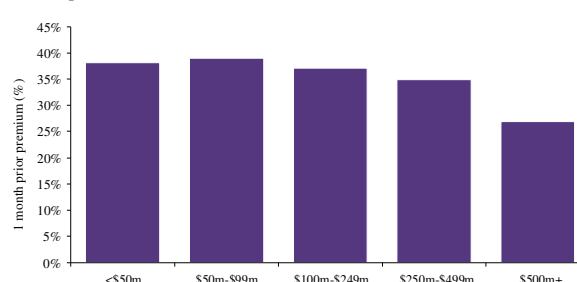
Control premium per completion date



Control premium per industry



Control premium and size



## Control premium

Average	34.33%
Median	29.34%

Source: GTCF Analysis

**APPENDIX E – GLOSSARY**

ABS	Australian Bureau of Statistics
AISC	All in sustaining cost
AGL	Allied Group Limited
Allied Properties	Allied Properties Resources Limited
Allied Offer	The original takeover Offer made by Allied Properties on 1 April 2025 and subsequently withdrawn on 19 May 2025
APAC	APAC Resources Limited
APES 225	APES 225 Valuation Services
ASIC	Australian Securities and Investments Commission
Aurion	Aurion Resources Limited
Botnia	Botnia Exploration AB
CAGR	Constant average growth rate
Capex	Capital expenditure
CIL	Carbon-in-leach
The Code	Swedish Environmental Code
Comparable Listed Companies	The publicly listed peer group to DML
Corporations Act	Corporations Act 2001 (Cth)
Corporate Regulations	Corporations Regulations 2001 (Cth)
CY	Calendar year
DCF Method	Discounted cash flow and the estimated realisable value of any surplus assets
DML or the Company	Dragon Mining Limited



DML Independent Board Committee	Comprises of Ms Lam Lai, Mr Carlisle Caldwor Procter, Mr Pak Wai Keung Martin and Mr Poon Yan Wai, all being independent non-executive DML Directors, with the committee established to advise DML Independent Shareholders in relation to the Offer.
DML Independent Shareholders	DML shares excluding the Offeror and related parties
EIA	Environmental Impact Assessment
ETF	Exchange traded fund
EUR:US\$ Exchange Rate	EUR:USD exchange rate of 1.15
EV	Enterprise Value
Fäboliden Gold Mine	The Fäboliden gold mine
Fäboliden Financial model	Cash flow projections for the Fäboliden Gold Mine Project
FME Method	Application of earnings multiples to the established future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
FSG	Financial Services Guide
FY	Financial year
GFC	Global Financial Crisis
GLL	Genuine Legend Limited
Grant Thornton Corporate Finance, GTCF, we or us	Grant Thornton Corporate Finance Pty Ltd
IBC	Independent Board Committee
IER	Independent Expert's Report
ITER	Independent Technical Expert Report
Jokisivu Gold Mine	The Jokisivu gold mine
Jokisivu Financial model	Cash flow projections for the Jokisivu Gold Mine Project
K or k	Thousand

Koz	Thousand ounces
Kt	Thousand tonnes
Ktpa	Thousand tonnes per annum
LEC	Land and Environment Court
LOM	Life of Mine
M or m	Million
Mt	Million tonnes
Management	Management of DML
Morton Securities	Morton Securities Limited
MRE	Mineral Resource Estimate
The Offer	The Offeror announced on 19 May 2025 that Morton Securities, for and on behalf of the Offeror, will make the Offer to acquire all the Offer Shares at a cash price of HK\$2.60 per DML Shares, in compliance with the Takeovers Code and the Corporations Act.
Offer Price	HK\$2.60
Offer Shares	The shares to be acquired under the Offer
Offeror	Wah Cheong Development (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of AGL
OP	Open Pit
Quoted Security Price Method	Quoted price for listed securities, where there is a liquid and active market
Reserve Multiple	EV/Reserve multiple
Resource Multiple	EV/Total resources multiple
RG 111	Regulatory Guide 111 Contents of expert reports
RG 112	Regulatory Guide 112 Independence of experts

RG 74	Regulatory Guide 74 Acquisitions approved by members
SLR's ITER	SLR's technical expert report provided in Appendix F
Tukes	Finnish Safety and Chemicals Agency
Two Month Australian Deadline	the Corporations Act requirement for the Offer Document to be despatched to the Shareholders within two months after the date of the joint announcement (1 April) or such later date permitted under relief granted by ASIC before such deadline.
UG	Underground
US\$:HK\$	USD:HKD exchange rate of 7.78
US\$:SEK	USD:SEK exchange rate of 9.628
VAT	Value-added Tax
VWAP	Volume-weighted average price
WACC	Weighted Average Cost of Capital



# **Independent Technical Expert Report**

## **Multiple Gold Projects in Finland and Sweden**

### **Dragon Mining Limited**

Unit 202, Level 2  
39 Mends Street  
South Perth WA 6151  
Australia

Prepared by:

**RPM Advisory Services Pty Ltd**

SLR Project No.: ADV-AU-00809

Client Reference No.: -

23 June, 2025

Revision: Final

**REVISION RECORD**

Revision	Date	Prepared By	Checked By	Authorised By
Final	23-06-2025	T Wilson	I Sheppard	P Baudry

**BASIS OF REPORT**

This report has been prepared by RPM Advisory Services Pty Ltd (SLR) with all reasonable skill, care and diligence, and taking account of the timescale and resources allocated to it by agreement with Dragon Mining Limited (Dragon, or the Company) and Grant Thornton Australia Limited (GT or the FA), acting as Financial Adviser to Dragon (together, the Client). Information reported herein is based on the interpretation of data collected, which has been accepted in good faith as being accurate and valid.

This report is for the exclusive use of the Client. No warranties or guarantees are expressed or should be inferred by any third parties. This report may not be relied upon by other parties without written consent from SLR.

SLR disclaims any responsibility to the Client and others in respect of any matters outside the agreed scope of the work.

**EXECUTIVE SUMMARY**

RPM Advisory Services Pty Ltd (SLR) has been engaged by Grant Thornton Australia Limited (GT or the FA), which is acting as Financial Advisor to Dragon Mining Limited (Dragon or the Company) (together, the Client) to complete an Independent Technical Expert Report (ITER) on Multiple gold projects (the Projects), which are owned and operated by Dragon through several wholly owned subsidiaries.

RPM's Global Mining Advisory business was acquired by **SLR Consulting Australia Pty Ltd**, effective 2 April 2025.

The conclusions from the ITER are presented in this Report and will be used by Dragon to provide an informed recommendation to its shareholders in relation to a proposed transaction.

The statements of Mineral Resources and Ore Reserves estimates used in this report have been reported to be in accordance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)

SLR's technical team (the Team) consisted of International Competent Persons, International Senior Consultants, Principal Processing Engineers and Senior Geologists. SLR's Competent Person was responsible for compiling or supervising the compilation of the Report; for independent review of the Mineral Resources and Ore Reserves prepared by the Company; and for the preparation of the Ore Reserve Estimate for the Fäboliden project open pit. The Team's qualifications and experience are detailed in **Appendix B** for reference.

Site visits have been undertaken by SLR over several years for previous reviews and a 2025 visit specifically for this ITER. Previous SLR site visits were conducted in 2007, 2009, 2013, 2015, and 2017. As part of the current review, SLR's competent person, Mr Ian Sheppard and Senior Geologist, Mr Richard Ellis, visited the assets in April 2025.

During the April 2025 visit, the drilling, logging, and sampling procedures, as well as mining, ore processing, tailing management, environmental and permitting practices were reviewed, and it was concluded that these were being conducted to good industry practice. Site visits included 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. The visits were also used to gain a better understanding of the current status. During the site visits, SLR had open discussions with the Company's personnel on technical aspects relating to the relevant issues. The Company's personnel were cooperative and open in facilitating SLR's work.

The ITER relies largely on information provided by the Company, either directly from the sites and other offices, or from reports by other organisations whose work is the property of the Company or its subsidiaries.

The Company's independent third-party consultants have prepared the Mineral Resource Estimates for all deposits and the Ore Reserve Estimate for the Jokisivu mine. SLR has independently prepared the Ore Reserve Estimate for the Fäboliden mine project.

The data relied upon for the Mineral Resources and Ore Reserves estimates have been compiled primarily by the Company. The data has been reviewed and verified as well as reasonably possible by SLR.

The ITER is based on information made available to SLR in April 2025. Since the date of asset inspections, the company has not advised SLR of any material change or event likely to cause a material change to the underlying data, designs, or forecasts.

**Background**

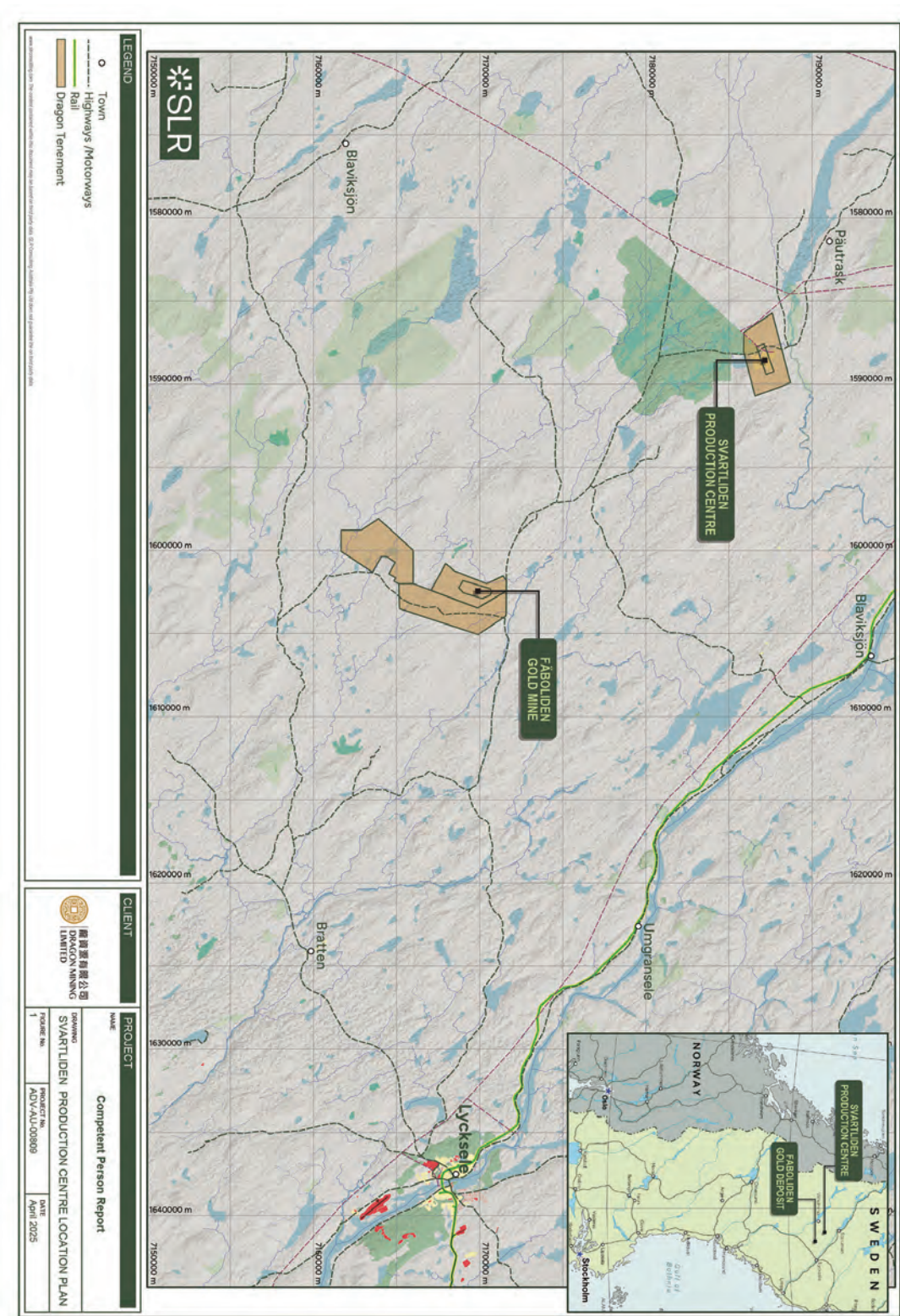
Dragon Mining’s assets fall within two gold-producing areas referred to as “Production Centres”: Svartliden in Sweden (**Figure 1**) and Vammala in Finland (**Figure 2**). The Svartliden Production Centre comprises the Svartliden process plant, the now closed Svartliden Mine, and the Fäboliden Mine project, which is currently awaiting an environmental permit for mining.

The Vammala Production Centre comprises the Vammala process plant, the Jokisivu Underground Mine, the 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. The gravity concentrate is blended with the flotation concentrate. The blended 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 ITER considered the process plants, mines and exploration assets of the Company.



Figure 1 Svartliden Location Map





**LEGEND**

- Town
- Highways / Motorways
- Design Tenement

**CLIENT**

金源利有限公司  
LIMITED  
KIN YUAN LEE COMPANY

**PROJECT**

Independent Technical Expert Report

**VAMMALA PRODUCTION CENTRE LOCATION PLAN**

Scale: 0 20 40 km  
City: Vammala, Helsinki and Järvenpää

**Map Labels:** Helsinki, Gulf of Finland, Estonia, Finland, Vammala Plant, Jokisivu Gold Mine, Uuminku Gold Project, Käärmeleikki Gold Mine, Orivesi Gold Mine, Tampere, Toijala, Valkeakoski, Olivesi.

Current tenure as reported by Dragon for the relevant assets is summarised in **Table 1**. Dragon advises that exploration permits are issued for an initial term of three years and can be renewed for up to 12 years; they are then held by the state for one year before being released to new applicants. Dragon further advises that mining concessions do not expire and can be retained by the holder as long as they are needed, subject to satisfactory compliance.

Dragon advises that there are no onerous conditions of tenure that it considers an impediment to successful operations. SLR has not independently reviewed the conditions of tenure. Dragon advises that it has recently been granted an extension of the mining permit for Jokisivu Area 4 and has submitted a minerals concession application (MCA; “Vammala Stormi 2”) for a minor expansion of mining tenure at Vammala. Dragon advises that tenure of suitable form and duration is otherwise in place for its proposed exploration programs and life of asset plans.

SLR provides this information for reference only and recommends that minerals and land rights be reviewed by legal experts. SLR has not considered third party land rights for this review.

**Table 1 Tenure**

Location	Asset/ Tenement ID	Tenement Name	Type	Held	Area	Granted	Expires
				% <sup>1</sup>			
					(ha)		
Finland	<b>Orivesi</b>						
	2676	Orivesi	MC	100	39.82	1-Jul-82	NA
	ML2013:0006	Sarvisuo 1-2	EP	100	38.93	16-Aug-24	15-Aug-25 <sup>2</sup>
	<b>Jokisivu</b>						
	7244	Jokisivu	MC	100	48.32	8-Dec-04	NA
	KL2015:0005	Jokisivu 2	MC	100	21.3	18-Aug-15	NA
	KL2018:0010	Jokisivu 3	MC	100	8.97	29-Apr-19	NA
	KL2024:0005	Jokisivu 4	MC	100	13.7	25-Mar-25	NA
	ML2012:0112	Jokisivu 4-5	EP	100	80.33	16-Aug-24	15-Aug-25 <sup>2</sup>
	ML2017:0131	Jokisivu 7-8	EP	100	10.22	21-Mar-24	18-Feb-27
	ML2018:0082	Jokisivu 10	EP	100	461.37	21-Mar-24	27-Mar-28
	<b>Kaapelinkulma</b>						
	K7094	Kaapelinkulma	MC	100	65.1	24-Oct-12	NA
	<b>Uunimäki</b>						
	ML2020:0020	Uunimäki 1	EP	100	89.22	28-Jul-23	27-Jul-27
	<b>Vammala</b>						
	1895	Stormi	MC	100	157.53	13-Oct-72	NA
	KL2021:0001	Stormi 2	MCA	0	3.08		

## APPENDIX F

## TO THE DML INDEPENDENT EXPERT REPORT – INDEPENDENT TECHNICAL EXPERT REPORT

Location	Asset/ Tenement ID	Tenement Name	Type	Held % <sup>1</sup>	Area (ha)	Granted	Expires
Sweden	<b>Svartliden</b>						
	NA	Svartlidengruvan K nr 1	EC	100	87.54	10-Apr-02	10-Apr-27 <sup>3</sup>
	2022:43:00	Svartliden nr 3	EP	100	813.33	29-Jun-22	29-Jun-25 <sup>4</sup>
	<b>Fäboliden</b>						
		Fäboliden K nr 1	EC	100	122.00	3-Jun-04	3-Jun-29 <sup>5</sup>
	2016:75	Fäboliden nr 11	EP	100	496.67	4-Aug-16	4-Aug-28 <sup>6</sup>
	2022:05:00	Fäboliden nr 84	EP	100	959.33	21-Jan-22	21-Jan-25 <sup>7</sup>
	2024:149	Fäboliden nr 85	EP	100	1,058.02	30-Sep-24	30-Sep-27 <sup>8</sup>

<sup>1</sup> By Dragon subsidiaries at 31 March 2025.

<sup>2</sup> Cannot be renewed further.

<sup>3</sup> Dragon intends to lodge an extension application in 2026.

<sup>4</sup> Dragon intends to lodge a renewal application for Years 4 to 6 in June 2025.

<sup>5</sup> Dragon intends to lodge an extension application in 2028.

<sup>6</sup> Dragon notes that renewal was lodged for Years 6 to 10, with two additional years granted for Covid relief.

<sup>7</sup> Dragon lodged a renewal application for Years 4 to 6 in January 2025, with the decision received in April 2025 that the renewal was not successful, and the area will be in moratorium and not available for application for 12 months.

<sup>8</sup> Dragon notes this is a new application lodged in September 2024 for years 1 to 3.

The Company has a long history of operating in the Nordic region. Dragon commenced mining in 2004 at Svartliden in northern Sweden with the development of a medium-scale processing plant, open pit and subsequent underground operation. Mining operations in Finland commenced in 2009 with underground production at the Orivesi underground mine following the 2007 acquisition of the project. The Jokisivu mine was developed from new following successful exploration and permitting by the Company. Jokisivu mining commenced in 2009 with a small open pit and subsequently commenced underground operations in 2011. The Jokisivu Mine continues to operate. The Kaapelinkulma South Open Pit Mine was developed from new. It commenced mining in February 2019 and was completed in April 2021. The Company has demonstrated the capacity to find, permit and operate mines in the Nordic region.

### **Geology**

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 200 m apart. The lodes are controlled by a conjugate set of brittle-ductile shear zones between two major NW-trending shear zones in the Jokisivu metadiorite. Mineralisation is hosted within relatively undeformed and unaltered diorite, in 1-5 m 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 deposit 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.

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**

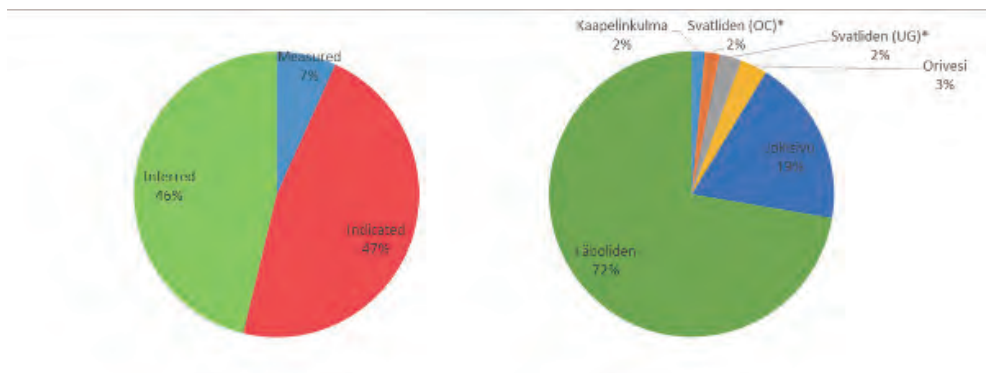
The Mineral Resource Estimates for the Projects have been prepared by the Company. The supporting Mineral Resource Estimate reports have been made public by the Company. SLR has relied on the Company reports for the Mineral Resource information summarised in this review. Refer to the Company reports for the complete Mineral Resource statements, including the Table 1 information.

The Mineral Resource Estimates for Orivesi and Svartliden have not changed since public release and have all been re-stated by the responsible Competent Person to be valid as of 1st May 2025. The Fäboliden Mineral Resource has been updated with a revision of the cut-off grade to match the open pit Ore Reserve estimate as of 1st May 2025 (no other changes to the Mineral Resource Estimate). The Jokisivu Mineral Resource Estimate has been published and is valid as of 31st December 2025. The Kaapelinkulma Mineral Resource Estimate has been revised (new drilling) and a new report prepared in parallel with this report and is valid as of 1st May 2025.

The Mineral Resources Estimate for the Projects are tabulated in the Statement of Mineral Resources in **Table 3** at cut-off grades in **Table 2**. The Statement of Mineral Resources has been reported by the Company in line with both the requirements of the 2012 JORC Code and is reproduced in this report. The Statement of Mineral Resources is therefore suitable for public reporting. The Mineral Resource Estimate is inclusive of the Ore Reserves and is not additional, and it does not include any ore loss and dilution.

The review undertaken by SLR of the Mineral Resource Estimates prepared by the Company has found no material issues of concern. SLR review of the drilling and sampling procedures indicates that international standard practices were utilised, with no material issues noted by SLR in the checks completed. The QAQC samples all showed suitable levels of precision and accuracy to enable confidence in the primary laboratory for the recent and historical drilling. SLR considers that the data that supports the Mineral Resource estimation has no material sample bias and is representative of the samples taken. The estimation process applied is a good industry standard.

**Figure 3 Graphical Representation of Mineral Resources by Ounces**



**Table 2 Au g/t Cut-off Grades for Au Mineral Resource.**

Project	Area	Cut-off Grade (Au g/t)
Orivesi	—	2.6
Jokisivu	—	1.3
Kaapelinkulma	South zone above 0mRL	0.9
	South zone below 0mRL	1.5
	Butterfly exclusion zone	1.5
	North zone	0.9
Fäboliden	Inside RF* 120% pit shell	1.0
	Outside RF 120% pit shell	2
Svartliden	Open pit	1
	Underground	1.7

\* RF – Revenue Factor



Table 3 Statement of JORC Mineral Resource Estimate

Production Centre	Area	Measured			Indicated			Inferred			Total		
		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)
Vammala	Jokisivu Arpola	227	3.8	28	723	3.3	77	359	2.9	33	1,309	3.3	138
	Jokisivu Kujankalio	291	3.3	31	606	2.8	55	316	2.5	25	1,213	2.8	111
	Jokisivu Stockpiles	–	–	–	131	1.6	7	–	–	–	131	1.6	7
	Orivesi Kutema	59	4.5	9	61	5.1	10	13	4.4	2	133	4.8	20
	Orivesi Sarvisuo	34	5.7	6	47	7.0	11	58	4.9	9	139	5.8	26
	Kaapelinkulma North	–	–	–	33	2.2	2	45	3.5	5	78	3.0	7
	Kaapelinkulma South above 0mRL	8	1.8	<1	14	3.2	1	17	7.1	4	39	4.6	6
	Kaapelinkulma South below 0mRL	–	–	–	–	–	–	35	5.4	6	35	5.4	6
	Kaapelinkulma Butterfly Exclusion Zone	13	2.1	1	16	3.8	2	1	2.6	<1	30	3.0	3
	<b>Total Vammala</b>	<b>630</b>	<b>3.7</b>	<b>80</b>	<b>1,630</b>	<b>3.1</b>	<b>170</b>	<b>840</b>	<b>3.1</b>	<b>80</b>	<b>3,110</b>	<b>3.2</b>	<b>320</b>
Svartliden	Fäboliden Inside RF 120% shell (485 to 350)	100	3.3	11	5,400	2.6	457	20	3.6	2	5,520	2.6	470
	Fäboliden Outside RF 120% shell (350 to -60)	–	–	–	630	2.6	53	5,170	3.3	556	5,790	3.3	608
	Svartliden Open Pit (OC)*	83	3.1	8	160	3.0	16	<1	2.0	<1	240	3.0	24
	Svartliden Underground(UG)*	36	4.3	5	150	4.6	22	60	4.0	8	250	4.4	35
	<b>Total Svartliden</b>	<b>220</b>	<b>3.4</b>	<b>20</b>	<b>6,340</b>	<b>2.7</b>	<b>550</b>	<b>5,250</b>	<b>3.3</b>	<b>570</b>	<b>11,800</b>	<b>3.0</b>	<b>1,140</b>
<b>Group Total</b>		<b>900</b>	<b>3.4</b>	<b>100</b>	<b>8,000</b>	<b>2.7</b>	<b>700</b>	<b>6,100</b>	<b>3.3</b>	<b>650</b>	<b>14,900</b>	<b>3.0</b>	<b>1,500</b>

## Notes:

- 1) The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Shaun Searle who is a director of Ashmore Advisory Pty Ltd and a Registered Member of the Australian Institute of Geoscientists. Mr. Searle 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) Mineral Resources Estimates reported in the table above represent estimates at 31st December, 2024, for the Jokisivu deposits and stockpiles.
- 3) Mineral Resource Estimates reported in the table above for all deposits other than the Jokisivu are as of 1st May 2025.
- 4) 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.
- 5) Mineral Resource Estimates are 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).

**Ore Reserve Estimates**

SLR has relied on the Company reports for the Ore Reserve information summarised in this review. Refer to the Company reports for the complete Ore Reserve statements, including the Table 1 information.

The Jokisivu mine Ore Reserve Estimates are estimated as at the 31 December 2024. The estimate was prepared by MoJoe Mining Pty. Ltd., an independent consultant to the Company, and is reported in accordance with the 2012 JORC Code. SLR has reviewed the estimate process and has found no material issues of concern with the estimate.

The Fäboliden mine project open pit Ore Reserve Estimate is estimated as at the 1st May 2025. The independent estimate was prepared by SLR and is reported in accordance with the 2012 JORC Code. SLR has determined suitable technical parameters to apply in the Ore Reserve estimation process following review of site data and technical information contained within studies of at least a pre-feasibility level of confidence. The Fäboliden mine open pit Ore Reserve Estimate has been separately reported by the Company.

The Statement of Ore Reserves (**Table 4**) have been reported by the Company in line with the requirements of the 2012 JORC Code. The Statement of Ore Reserves is therefore suitable for public reporting. The Ore Reserve is reported as inclusive of the Mineral Resource Estimate and is not in addition to the Mineral Resource Estimate.

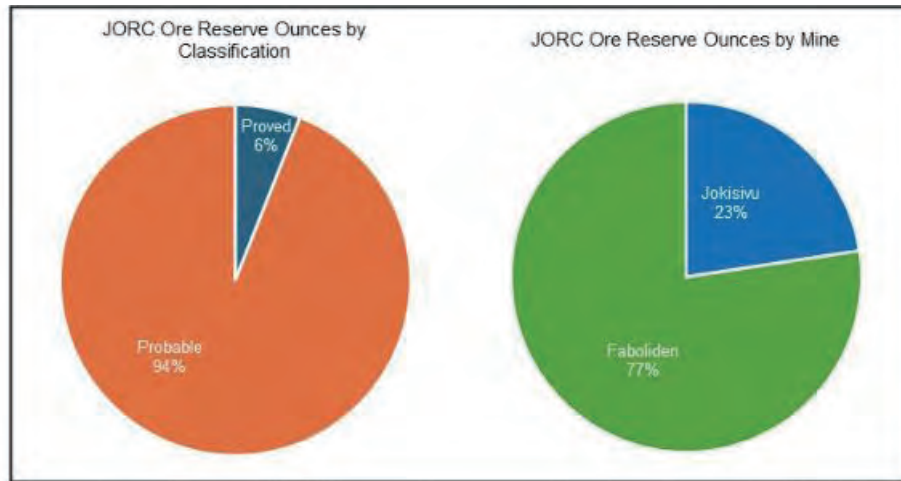
**Table 4 Statement of Ore Reserve Estimates.**

<b>Area</b>	<b>Class</b>	<b>Quantity (kt)</b>	<b>Au (g/t)</b>	<b>Au (koz)</b>
Jokisivu (U/G)	Proved	300	2.5	24
	Probable	<u>930</u>	<u>2.2</u>	<u>66</u>
	<b>Sub Total</b>	<b><u>1,200</u></b>	<b><u>2.3</u></b>	<b><u>90</u></b>
Fäboliden (O/P)	Proved	–	–	–
	Probable	<u>3,300</u>	<u>3.0</u>	<u>310</u>
	<b>Sub Total</b>	<b><u>3,300</u></b>	<b><u>3.0</u></b>	<b><u>310</u></b>
<b>Total</b>	<b>Proved</b>	<b>300</b>	<b>2.5</b>	<b>20</b>
	<b>Probable</b>	<b><u>4,200</u></b>	<b><u>2.8</u></b>	<b><u>380</u></b>
	<b>Total</b>	<b><u><u>4,500</u></u></b>	<b><u><u>2.8</u></u></b>	<b><u><u>400</u></u></b>



*Notes:*

1. The Ore Reserve Estimates are included within the supporting Mineral Resource Estimate. Ore Reserves are NOT in addition to the Mineral Resource Estimates.
2. The Statement of Jokisivu Mine Ore Reserve Estimate has been compiled under the supervision of Mr. Joe McDiarmid, who is a full-time employee of MoJoe Mining Pty. Ltd. and is a Chartered Professional of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience that is relevant to the style of mineralisation and type of deposit and to the activity which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the JORC Code.
3. The Statement of the Fäboliden open pit Ore Reserve Estimate has been compiled under the supervision of Mr Ian Sheppard, who is an employee of SLR and is a Fellow Member of the Australian Institute of Mining and Metallurgy. Mr Sheppard has sufficient experience that is relevant to the style of mineralisation and type of deposit and to the activity which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the JORC Code.
4. Ore Reserve Estimates are not precise calculations, as they depend on the interpretation of limited information regarding the location, shape, and continuity of the ore body, as well as available sampling results. The quantities presented in the table have been rounded to reflect the relative uncertainty of the estimate. As a result, rounding may cause apparent computational discrepancies in the tables.
5. All estimates are reported on a dry metric tonne basis.
6. Jokisivu Mine cutoff grades; the following economic in situ ore cutoff grades were determined based on a gold price of USD2,305 per troy ounce, historical costs, and mining and metallurgy modifying factors
  - a. Stopping in situ cut-off grade of 1.58g/t Au
  - b. Development in situ cutoff grade of 0.85g/t Au
7. Fäboliden mine project cutoff grade of 1g/t in situ ore for open pit mining and was determined based on a gold price of USD2,300 per troy ounce, forecast costs and metallurgy modifying factors.
8. Refer to individual Ore Reserve Estimate reports for complete details of the estimation process.

**Figure 4 Graphical Representation JORC Ore Reserves Ounces**

### Mining

The Jokisivu Underground Mine at Vammala is the only operating mine. It has a four-year life based on December 2024 Ore Reserves. However, incremental life extension by resource drilling to upgrade the Inferred Mineral Resource to Indicated and Measured categories and to increase the total resource is likely. This incremental life extension from in-mine exploration is typical of small underground mines.

At Vammala, the Kaapelinkulma North Pit is a project with a Mineral Resource but with no Ore Reserve estimate. There is a remnant Mineral Resource in the nearby closed Kaapelinkulma South Pit that could be recovered in a combined mining plan. If developed, the mine would supply ore to the Vammala ore processing plant. Preliminary economic studies indicate the project could be economically viable. The project is modest size, it requires more resource drilling, technical and economic studies and then the approval of an environmental mining permit. Hence, a realistic time to the start of possible production is at least four years.

At Vammala, production at the Orivesi mine was suspended in June 2019. A small remnant Mineral Resource remains that could be mined from underground. This would be viable if near-mine exploration were successful in discovering a complementary Mineral Resource large enough to support a mine restart. Nonetheless, the Company has commenced work on mine closure and is allowing the mine to flood slowly. The environment operating permit was changed by the regulators to allow closure works but not ore production. A revision of the environmental operating permit would be required to reopen the mine for ore production, and this is unlikely to be allowed unless it were associated with a significant discovery.

The Svartliden Production Centre contains the advanced Fäboliden mine project, the idle Svartliden mine and the adjacent operational Svartliden CIL processing plant. There are also exploration tenements. The CIL plant is being used for toll treatment of ore from a nearby mine owned by others and for the final processing of the Vammala gold concentrate. In the future, the CIL plant will be available for processing the ore from the Fäboliden mine project when production starts.

The Svartliden mine production was suspended in 2013 after exhaustion of the majority of the Mineral Resource. There is a small remnant Mineral Resource remaining. A portion of the remnant resource is likely to be mined by open pit in the near future. Waste overlying a portion of the Mineral Resource will be stripped for use in mine closure rehabilitation works, making recovery of this near-surface resource economic. The underground remnant Mineral Resource could be mined in the future, but it is not viable as a stand-alone production source. It could be mined as a supplementary ore source to the planned Fäboliden mine project.

The Fäboliden mine project is a significant future development for the Company. The economic viability of the Fäboliden mine has been demonstrated through a LOM study. There is a Fäboliden open pit Ore Reserve Estimate. The project plan is to start with the mining of a moderate-scale open pit, trucking the ore to the Svartliden CIL plant for processing at a rate of 300 ktpa. Open pit life is approximately ten years. A significant Mineral Resource will remain under the initial open pit and will be available for mining by open pit expansion or underground mining. The Fäboliden mine project has not received environmental mining permits to operate. The Swedish Environmental Court refused approval in a 2024 decision. A new application must now be made to the court, taking into consideration the court's reasons for refusal.

SLR has reviewed independent legal advice that the Swedish Environmental Court's previous refusal of the application for a mining permit does not prevent or prejudice a new application to the court for a mining permit. The court listed its reasons for the refusal, and Dragon has proposed modifications to the project scope to address the reasons in a new application. SLR opinion is that eventual approval of the project is possible, and a Probable Ore Reserve Estimate can reasonably be declared. No Proved Ore Reserve Estimate should be declared until the permitting challenge is resolved.

### **Ore Processing and Infrastructure**

The Vammala ore processing plant has grinding, flotation recovery, gravity recovery, and concentrate filtration circuits. The plant is in good condition. There is no operational crushing circuit. All crushing is done at the Jokisivu mine site with contractor operated mobile crushing plant.

The product from Vammala is a high-grade gold concentrate (115 g/t gold). The Vammala ore processing plant has both flotation concentration and gravity concentration circuits. The two concentrates are combined into a single gold concentrate product. The gold concentrate is transported to the Svartliden Production Centre by truck on national highways and ferry. At Svartliden, the gold concentrate is processed in a CIL plant to produce a gold doré. The doré is sold to a refinery.

The Svartliden CIL processing plant is a conventional CIL plant. It is in fair condition and will require a modest program of capital works to bring it to good condition to support the long-life Fäboliden mine project.

SLR's review of the regional and local supporting infrastructure indicates that both Vammala and Svartliden have the suitable electrical power, process water, employee accommodation and transport logistics required to support operations. They are located close to established highways, water sources and regional towns. The ore processing plants, maintenance, office and stores facilities are in fair to good condition. They are suitable to support existing and planned future operations based on the development projects Fäboliden and Kaapelinkulma.

### **Exploration Potential**

The Company's recent exploration has been focused on the operating Jokisivu mine. There has been a small drilling program completed at the Kaapelinkulma deposit. Drilling in the Jokisivu mine has been successful in defining extensions of the lodes. The total mine Mineral Resource tonnes have held relatively steady since 2020 indicating that in-mine exploration has been successful in replacing depletion due to mining. However Mineral Resource grades are trending lower over time, as expected where mining is focussed on earliest extraction of the higher quality resource.

SLR considers the exploration potential of the Jokisivu Mine to be good. The main opportunity is to keep extending the known mineralisation lenses through incremental in-mine exploration drilling. There is a high probability that the mine life can be extended by at least one year and a moderate probability of an additional year for a total of two years of extension. Grades will likely decline, without discovery of a new high-grade zone.

Jokisivu down dip extension: A ground-based geophysical survey has highlighted the extension of the host rocks (dioritic intrusion) to the gold-bearing quartz veins well beyond the current drilling limits. Modelling of gravity survey data identified that the intrusion continues to plunge to the east (similar to current orientations) to at least a depth of 800 m to 1,000 m; this is well beyond the current mine depth of 500m and the maximum drilling depth of 525m. Given the presence of the host rock and the potential for the structural gold-bearing zone to continue at depth, SLR considers this a high-priority target that can be drilled from within the current and planned mine development. While it is unknown if the gold-bearing structure continues at depth, if economic mineralisation is successfully delineated, this is an opportunity to extend mine life.

The Uunimäki gold exploration project is located 80 km southwest of Tampere. It is an early-stage exploration project. The project is within ore trucking distance of the Vammala plant. Gold mineralisation was discovered by the Geological Survey of Finland (GTK) in 2008 and is associated with arsenopyrite-bearing quartz veins that are hosted within a sheared metamorphosed gabbro. Drilling by the GTK included 36 diamond core drillholes for 3,424 m. Better intercepts reported by the GTK included:

- 9.0 m at 5.1 g/t Au from 97.0m depth in drillhole R25.
- 6.0 m at 3.7 g/t Au from 41.7m depth in drillhole R49
- 1.0 m at 35.7 g/t Au from 23.8m depth in drillhole R23
- 8.0 m at 2.2 g/t Au from 99.0m depth in drillhole R27
- 4.0 m at 4.6 g/t Au from 71.5m depth in drillhole R41

Exploration drilling is planned by Dragon in 2025 to identify further gold mineralisation within the gabbro host rock and to advance the geological interpretation of the Uunimäki area. SLR considers that there is good potential to develop a Mineral Resource at Uunimäki.

Fäboliden deposit mineralisation extends well below the base of the open pit Ore Reserve. The Mineral Resource Estimate reported as suitable for underground mining, outside the revenue factor 120% pit optimisation shell (2 g/t Au cut-off grade), is 5.8 Mt of Indicated and Inferred Mineral Resources at a grade of 3.3 g/t Au. Conceptual underground mining studies have been completed that support the opportunity to extend the mine life by 7 to 8 years at the 300 ktpa rate for a modest capital intensity. Infill resource definition drilling can upgrade this to Indicated and Measured confidence as required to support an underground mining pre-feasibility study. Ore would be fed to the existing Svartliden processing plant.

Fäboliden open pit could be expanded to extract the remnant Mineral Resource located below the Ore Reserve open pit and above the revenue factor 120% pit optimisation shell (the limit surface for the quoted underground Mineral Resource). A decision to expand the open pit design out towards the 120% shell is possible at higher gold prices or a change in corporate strategy. The available Mineral Resource for pit expansion is 2.1 Mt at 2.8 g/t (1g/t cut off grade). This material provides an opportunity to extend the mine life by several years.

### **Mining and Processing Life of Mine Production Plan**

A consolidated LOM production for the company has been prepared to support valuation of the assets. The basis of the LOM production plan is:

- Start at the beginning of 2025.

- Jokisivu mine Ore Reserves are consumed in four years.
- Jokisivu deposit Inferred Mineral Resource converts to ore after resource drilling and in-mine exploration to extend mine life by approximately one year.
- Fäboliden open pit project assumed to receive a permit to mine and production commences in 2029. Ore Reserves only.

The opportunity to extend the Jokisivu mine life beyond that based on 2025 Ore Reserves is a high probability. SLR's opinion is that a fair valuation of the Vammala asset should include a life extension of one year supported by a reasonable expectation of conversion of Inferred Mineral Resource to Ore Reserves. Historical conversion rates for Mineral Resource to Ore Reserve (December 2024) are approximately 60% for tonnes and 45% for contained gold (metal is lower due to dilution and ore recovery factors). Hence, there is a high probability that drilling of the Inferred Mineral Resource to improve resource estimate confidence to at least Indicated, and then conversion to Ore Reserve will extend mine life by one year. There is also a medium probability that in-mine exploration will replace depletion due to mining, resulting in a second year of extension, although with lower grade. SLR's opinion is that the possible second year of extension is not certain enough to include this year in the valuation due to declining grades and remaining tailing storage capacity in the current facility.

At Vammala, the Kaapelinkulma north pit has an identified Mineral Resource, but there are not sufficient technical studies to support its inclusion in a LOM plan.

Future ore mining is scheduled from the Fäboliden project open pit at a rate to support the ore transport and processing rate of 300 kt per year (mining rates may exceed the processing rate in some years, requiring some stockpiling at the mine). The pit will support an estimated ore processing production life of eleven years, all supported by Probable Ore Reserves. The mining rate is determined by both the ore processing plant capacity and the restrictions placed on truck haulage of the ore from the mine to the Svartliden plant.

The Fäboliden project open pit start of production is assumed to be in 2029. This is a significant assumption in the valuation. The delayed start date is caused by the expected length of time to achieve a mining permit from the Swedish Land and Environment Court. There is an opportunity to bring forward the start of production to as early as 2027. However, the Company does not have control over the court process time schedule. SLR opinion is to use the reasonable 2029 production start for valuation. SLR notes that the eventual receipt of a mining permit for the Fäboliden project open pit remains uncertain.

Mining from Fäboliden project underground mine is NOT scheduled. The underground projects do not have supporting Ore Reserve estimates at the time of reporting. Potential for production from these sources has been considered in the valuation of Mineral Resources.

The Vammala ore processing plant is a well-established facility built on proven technology. It has a throughput capacity of 300 ktpa and a mean hourly throughput of 38 t/h; the Vammala plant is a conventional flotation and gravity concentration plant producing high-grade concentrates, which range in grade between 100 and 150 g/t Au (budget 115g/t). SLR considers this process plant suitable for treating the ore from the Jokisivu mine and from other deposits in the region. Re-establishment of a crushing circuit at the Vammala plant site would require capital. Currently, the crushing of Jokisivu mine ore is done at the mine site using contractor-run mobile crushing machines. The Vammala plant is in fair to good condition (except for the decommissioned crushing circuit). Normal sustaining capital expenditure is required to keep the processing plant in good condition.

The Svartliden ore processing plant is a conventional CIL plant with a nominal throughput rate of 330 ktpa ore. It currently treats high-grade Au concentrates produced by the Vammala Plant and has previously treated Third-Party concentrates. The plant also treats Third-Party mine ore. It is located some 30 km by road from the Fäboliden mine project. The plant is in fair condition and requires a modest capital expenditure to return it in good condition for the future treatment of Fäboliden ore.

Svartliden is currently used as a toll treatment plant to process ore from third-party mines in the region. The availability of third-party ore is uncertain beyond the budget period (to end of 2026), but it is reasonably secure to the end of 2026. Dragon makes a modest but important profit from toll treatment of third-party ore.

SLR has reviewed the metallurgical test work completed on the Fäboliden ore types and considers that a sufficient quantity of test work has been undertaken to demonstrate the technical viability of treating Fäboliden ores in the Svartliden plant. Based on the proposed processing parameters, it is reasonable to assume that a gold recovery of 82% would be achievable at a nominal gold feed grade of 3.1 g/t and a grind size of 80% passing 75 microns. Based on comminution modelling, test work and plant trial results, a processing capacity of 42 tph (336,000 tpa) has been established with minor changes required to the existing plant. This mainly involves increasing the mill ball charge and installing a lead nitrate mixing and addition system. A test parcel of 100 kt of Fäboliden ore has been successfully treated at the Svartliden plant. While confirmation studies have yet to be undertaken on the co-treatment of Vammala concentrates and Fäboliden ores in the Svartliden plant, no particular issues are foreseen based on previous production. Plan grade for Fäboliden pit is 2.9 g/t (versus the 3.1 g/t reference), so a gold recovery of 80% is assumed (recovery is moderately sensitive to head grade).

Vammala Tailing Storage Facilities (TSF) is a conventional facility. There is sufficient capacity with additional upstream lifts to support production from the Jokisivu mine for the five-year life of the mine schedule, but not significantly more. An extension of the Vammala project life that may follow exploration success will likely require the construction of a new TSF. The process of studies and permitting the new facility to be located adjacent to the plant has commenced. Permitting a new facility is estimated to take four years.

Svartliden process plant tailings are currently being discharged to the closed Svartliden open pit for sub-aqueous storage. Quantities placed into the pit so far are small. The TSF used for historical production is full, and rehabilitation of the facility is in progress. There is sufficient capacity in the Svartliden pit to store the tailing from Fäboliden ore processing.

**Table 5 LOM Consolidated Production Plan**

Production Centre	Project	Units	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Vammala	Jokisivu	Ore Mined	kt	1,423	262	288	306	322	245									
		Mined Grade	g/t	2.28	2.28	2.31	2.60	2.00	2.20									
		Recovery	%	85%	85%	85%	85%	85%	85%									
	Plant	Ore Feed	kt	1,554	300	300	300	300	54									
		Feed Grade	g/t	2.22	2.20	2.28	2.62	2.03	1.64									
		Ounces Recovered	koz	94	18	19	21	17	2									
Svartliden	Fäboliden	Ore Mined	kt	3,255				281	309	314	306	442	292	367	417	388	140	
		Mined Grade	g/t	1.92				2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	
		Recovery	%	80%				80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
		Waste-Till	kt	1,952				1,374	399	179								
		Waste	kt	29,651				3,212	4,780	5,203	5,639	5,515	2,684	2,619	1,878	2,595	1,099	
		Strip Ratio	tt	9.1				16	17	17	18	12	9	7	5	7	8	
	Plant	Ore Feed	kt	3,255				281	300	300	300	300	300	300	300	300	300	274
		Feed Grade	g/t	2.96				2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	2.41
		Mined Oz Recovered	koz	248				17	18	20	21	21	24	22	22	30	34	17
		Vammala Conc Oz Recovered	koz	90	17	18	20	16	16	2								
		Total Oz.	koz	338	17	18	20	16	34	21	20	21	24	22	22	30	34	17

**Notes**

- 1) Jokisivu mine recovery 85% is the net of Vammala plant flotation and gravity recovery of gold to concentrate
- 2) Svartliden CIL plant recovery of gold from Vammala concentrate to dore is 95%
- 3) Jokisivu plan includes assumed conversion of Inferred Mineral Resource to ore production.

**Economics**

- Vammala forecast total operating costs (excluding taxes, royalties, amortisation and depreciation) average USD95/t ore mined. SLR considers this reasonable for a small mine and ore processing plant. The operating cost includes mining, Vammala ore processing, concentrate transport and payment to Svartliden for concentrate processing. The detailed period by period cost by activity is provided in the Vammala schedules.
- The Svartliden production centre operates at a small loss when only treating Vammala concentrate, prior to the start of the Fäboliden mine. Treatment of Vammala concentrate results in costs that are passed through to Vammala, and likewise, the revenue from the sale of gold doré flows to Vammala.



- At Svartliden they are currently toll treating ore from a third-party mine. The revenue from toll treating makes Svartliden profitable. The supply of toll treatment ore is likely to continue to at least the end of 2026. The short-term economics for Svartliden will be similar to the Dragon budget estimate to end 2026. There is no visibility regards supply of toll treatment ore beyond 2026. Income from toll treatment is uncertain and outside the SLR scope to make a comment beyond the short term.
- Vammala capital cost including mine development, sustaining capital and rehabilitation work is USD13.5/t ore processed. SLR considers the capital expenditure assumed in the life of mine plan to be reasonable for a small operation.
- At Svartliden the majority of capital cost in the schedule is associated with the Fäboliden open pit. Capital expenditure for the pit, excluding environmental bonds has been estimated at USD11M for mine site infrastructure construction, processing plant upgrades and contingency. In addition, a yearly sustaining capital cost of USD10t ore processed has been assumed. This is a conservative cost estimate allowing sufficient funds to maintain the processing plant in good condition, manage TSF, community and environmental expenses.
- At Svartliden a capital cost to establish the environmental closure bond for the Fäboliden open pit has been included in the capital estimate. There is a USD3.4M initial payment and a progressive USD13.6M payment made over years 1 through 7 of mining to build the funds for mine closure and rehabilitation.

### **Non DCF Assets Valuation**

SLR has estimated a valuation of the Company assets with existing Mineral Resource estimates but which are not contained within Ore Reserves and Discounted Cash Flow (DCF) models. These assets include Orivesi, Kaapelinkulma, Svartliden, Fäboliden below the Ore Reserve pit and above the 120% optimisation pit shell, and Fäboliden outside the 120% pit shell. SLR

SLR has also valued the exploration areas that do not have an estimate of Mineral Resource.

The non-DCF valuation considered two multiples: precedent transactions for the assets with Mineral Resources estimate, and a USD/hectare multiple for the exploration areas.

SLR has also adopted a precedent transactions approach to estimate the value of the silver content in Fäboliden.

Based on the selected multiples, SLR has estimated the value of the non-DCF assets to be between **USD 14 million and USD 21 million**. The median value of these results is **USD 17 million, (Appendix D)**.

SLR observes that this value range is indicative and should be used as a reference, as it is solely based on market multiples.

**Key Opportunities:**

SLR considers there to be a number of opportunities with potential to enhance the Company beyond the life of mine production schedule based on Ore Reserves. SLR is aware that the primary goal of the Company's management is to ensure the continuity of production while optimising the short-term performance. SLR considers this approach suitable.

- Jokisivu mine life extension may result from successful in-mine exploration. This opportunity has a high likelihood.
- Kaapelinkulma north Mineral Resources may be increased by exploration and sufficient resource may be identified to add the existing remnant resources in the south that a combined open pit and underground operation could be economic and would receive an environmental permit to mine.
- Restart of open pit mining at Svartliden to extract a portion of the remnant Mineral Resource is likely. Stripping of surface waste for use in waste rock dump rehabilitation is budgeted and provides free waste removal above the ore. Economic studies have not been started on this opportunity, but maybe 100 kt of resource could be mined and processed.
- The Fäboliden mine project, an underground mine extension after the open pit mining, is an economic project at the conceptual study level. This mine project would extend mine life after the completion of open pit mining. The Inferred Mineral Resource has a grade that is realistic for underground mining. Underground mining is likely.
- The Fäboliden Mineral Resource contains approximately 250k ounces of silver. During the project evaluation, no value was assigned to the silver, and thus, no revenue was estimated. A portion of the silver will be recovered in the CIL process, and simple plant improvements could increase the recovery. Accounting for the silver revenue will improve the project economics.
- The Fäboliden mine project may be granted a mining permit in less than the four years assumed by SLR (see comments in Key Risks). SLR notes that a previous owner of the Fäboliden mine project was granted a mining permit for a large open-pit mining operation, on-site process facility and tailing storage facility. The application submitted by the Company is for a lower-impact, small, higher-grade open-pit only, with ore processing at the existing fully permitted Svartliden operation.

- Jokisivu and Svartliden process plants are located in regions with gold-mineralised, endowed geology. The plants are strategic assets with potential value from exploration success by the Company or others finding new deposits within truck haulage distance of them.
- Jokisivu and Svartliden process plants can be used to toll treat ore from third parties. This is currently happening at Svartliden for a small nearby mine.

**Key risks:**

- The Fäboliden mining project permit approval date is uncertain. The Swedish Land and Environmental Court rejected the Company's application for a Fäboliden mining permit in 2024. The Company made an application for an appeal of the rejection to the Land and Environment Court of Appeal. The appeal was denied. Hence, a new application to the Land and Environment Court for a Fäboliden mining permit is necessary. SLR has been informed by legal counsel to the Company that the previous rejection does not disqualify a new application regarding the same project. The new application must address the issues of concern raised by the court in their rejection of the first application. The Company have advised SLR that a reasonable estimate of time for the Land and Environment Court to consider a revised application for a mining permit is four years. This includes the time required for update and revision of the environmental technical and community engagement activity required to address the court issues of concern, and an allowance for an appeal. SLR opinion is that four years is a reasonable time to achieve, however, there is no certainty that a permit can be obtained within this time.
- A long delay to the start of the Fäboliden mine project could force the Svartliden ore processing plant into care and maintenance. Restarting after a long period of idleness would likely require permit renewal and staff recruitment. Restarting time, cost, and community support after a long idle period could be difficult and expensive.

**SLR Qualifications and Experience**

SLR's advisory division operates as independent technical consultants providing services across the entire mining life cycle including exploration and project feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

SLR is the market leader in the innovation of advisory and technology solutions that optimise the economic value of mining assets and operations. SLR has serviced the industry with a full suite of advisory services for over 45 years and is the largest publicly traded independent group of mining technical experts in the world having completed over 14,000 studies across all major commodities and mining methods and worked in over 120 countries globally. This report was prepared on behalf of SLR by technical specialists, details of whose qualifications and experience are set out in **Appendix B**.

SLR has been paid, and has agreed to be paid, professional fees for its preparation of this report; however, none of SLR or its directors, staff or sub-consultants who contributed to this report has any interest or entitlement, direct or indirect in:

- the Company, securities of the Company or companies associated with the Company;  
or
- the right or options in the relevant asset.

The work undertaken is an ITER of the information provided by or on behalf of the Company, as well as information collected during site inspections completed by SLR 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.

SLR does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this Report.

The title of this report does not pass to the Client until all consideration has been paid in full. 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.

Generally, the data available was sufficient for SLR to complete the scope of work. The quality and quantity of data available, and the cooperative assistance, in SLR's view, clearly demonstrated the Company's assistance in the ITER process. All opinions, findings and conclusions expressed in the report are those of SLR and its specialist advisors.

Yours faithfully,

**Ian Sheppard**

*Executive Consultant SLR*

*Independent Reviewer*

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### APPENDICES

**Appendix A Important Information About this Document**

**Appendix B Qualification and Experience**

**Appendix C Glossary of Terms**

**Appendix D Technical Valuation of non-DCF Assets**

**ACRONYMS AND ABBREVIATIONS**

<b>Abbreviation</b>	<b>Description</b>
AA	atomic adsorption, and analytical procedure
Ag	silver
ANFO	ammonium nitrate fuel-oil
ARD	acid rock drainage
Cog	Cut-Off Grade
ARI	Average Recurrence Interval
Au	Gold
AusIMM	Australasian Institute of Mining and Metallurgy
BOO	Build, Own, Operate
BPC	biphenyl polyvinyl chloride
CIRA	archaeological review approval of a site
Ci	Copper
Cu.m/h	cubic meters per hour
DE	Definitive Estimate
DH	diamond-drill hole
EGL	effective grinding length
EHS	Environmental, Health and Safety
CIL	Carbon in Leach
EIS	environmental impact assessment
EMP	environmental management plan
EMS	environmental management system

<b>Abbreviation</b>	<b>Description</b>
EPCM	engineering, procurement, and construction-management,
ESIA	environmental social impact assessment
PFS	Pre-feasibility Study
FSR	freight, smelting, and refining,
G&A	General and Administrative, a category of operating costs
GL	refers to a giga litre
g/t	grams per tonne
Ha	also ha Hectares
HDPE	high-density polyethylene, a type of plastic film
HHR	means heavy haul road,
HKEx	Hong Kong Stock Exchange
hr	hour
ITER	Independent Technical Review
JORC	Joint Ore Reserves Committee
kg	kilogram
km	kilometre
kt	000's of tonnes of kilo tonnes
ktpa	000's tonnes per annum or kilo tonnes per annum
KV	refers to kilovolt
kW	kilowatt
KWh	refers to kilowatt hours
L	litres

<b>Abbreviation</b>	<b>Description</b>
lbs	pounds (avoirdupois)
LOM	Life of Mine
LTA	means lost time accident
m	metre
m <sup>3</sup>	cubic metres
masl	metres above sea level
mm	refers to millimetre
MI	mega litre which is equal to one million litres
Mt	mega tonnes which is equal to one million tonnes
Mtpa	million tonnes per annum
MVA	refers to megavolt ampere
MW	refers to megawatt
MWH	refers to the international engineering firm of Montgomery Watson and Harza
PAG	potential acid generating
PVC	polyvinyl chloride, a type of plastic film
QA/QC	quality assurance and quality control
RC	reverse circulation, a drilling method
ROM	means run-of-mine
ROW	means right-of-way
SAG	semi-autogenous mill, a type of grinding mill
s.g.	specific gravity

<b>Abbreviation</b>	<b>Description</b>
t	tonne
TDH	total dynamic head, the hydraulic head applied to pumps
TISUR	refers to the owner/operator of the port at Matarani
Troy Oz	equates to 31.103477g
TSF	tailings storage facility
tonne	refers to metric tonne
tpd	tonnes per day
tph	tonnes per hour
TSF	tailings storage facility
µm	micron (1/1,000 of a metre)
Wi	work index, a measure of rock hardness
WMP	water management plan
WRSF	waste rock storage facility
Wmt	Wet metric tonne
USD	refers to United States dollar currency
\$	refers to United States dollar currency
¥	is the symbol for the Chinese Renminbi Currency Unit
%	refers to a Percentage

## **1. INTRODUCTION**

RPM Advisory Services Pty Ltd (SLR) has been engaged by Grant Thornton Australia Limited (GT or the FA) who are acting as Financial Advisor to Dragon Mining Limited (Dragon or the Company) (together, the Client) to complete an Independent Technical Expert Report (ITER or the Report) on Multiple gold projects (the Projects), which are owned and operated by Dragon through several wholly owned subsidiaries.

RPM's Global Mining Advisory business was acquired by SLR Consulting Australia Pty Ltd effective 2 April 2025.

The conclusions from the ITER are presented in this Report and will be used by Dragon to provide an informed recommendation to its shareholders in relation to a proposed transaction.

Contained within a series of concessions, the Projects consist of a number of medium to small scale epithermal and orogenic gold (Au) deposits at various stages from exploration to operating mines. 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 (**Figure 1-1**).

The Vammala Production Centre (Vammala) in Finland contains the operating Jokisivu Underground Mine, which supplies ore to the Vammala ore processing plant (300 ktpa capacity). The Kaapelinkulma North Pit is an exploration project with a Mineral Resource. In addition, Vammala contains the closed Kaapelinkulma South Open Pit Mine and the closed Orivesi Underground Mine. There is also an early-stage exploration prospect, Uunimäki (no Mineral Resource Estimate).

Vammala product is a high-grade gold concentrate that is trucked by road to the Svartliden carbon in leach (CIL) plant for further processing to a gold that is sold to a refinery.

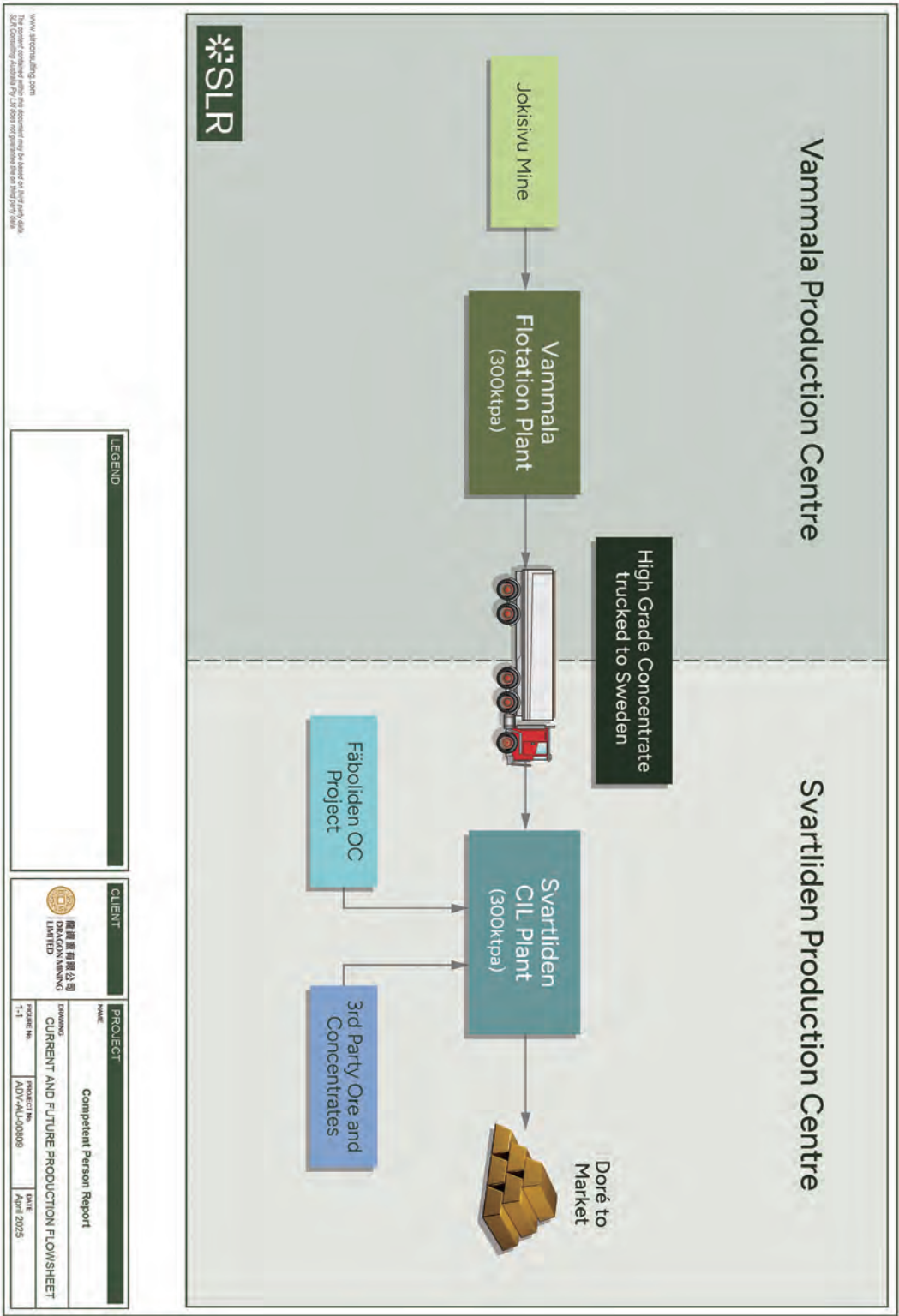
The Svartliden Production Centre contains the advanced Fäboliden mine project, the idle Svartliden mine and the adjacent operating Svartliden CIL processing plant. There are also exploration tenements. The CIL plant is being used for toll treatment of ore from a nearby mine owned by others and for the final processing of the Vammala gold concentrate. In the future, the CIL plant will be available for processing the ore from the Fäboliden mine when production starts. The Svartliden CIL plant produces gold doré.

**1.1 Scope of Work**

SLR's scope of work included:

- Gathering of relevant information on the Projects including Mineral Resources and Ore Reserves information, life of mine production schedules, and operating and capital cost information.
- Reviewing of the Mineral Resources and Ore Reserves, including quantity and quality of drilling, reliability of data, and adequacy of resource and reserve estimation methods.
- Estimation of independent Ore Reserves for the Fäboliden Open Pit Mine, reported in compliance with the guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee (the JORC Code).
- Reviewing and commenting on forecast operating and capital expenditures in the relevant technical studies.
- Reviewing the Projects short-term and long-term development plans.
- High-level review of the environmental, health and safety risks and management plans for the Projects.
- Compilation of an ITER.

Figure 1-1 Current and Future Production Flow Sheet





## 1.2 Relevant Assets

The assets (**Table 1-1**) are separated into two Production Centres. The Vammala Production Centre is in southern Finland, while the Svartliden Production Centre is located in northern Sweden. There is one operating mine: the Jokisivu mine at Vammala. There are two development projects; the Fäboliden mine project is a significant opportunity at Svartliden, and the Kaapelinkulma North project is a modest opportunity at Vammala. The mines, projects and exploration prospects are located in various exploration and mining tenements currently held by Dragon Mining Limited's local subsidiaries.

**Table 1-1 Relevant Assets**

<b>Production Centre</b>	<b>Project</b>	<b>Commodity</b>	<b>Status</b>
Vammala	Jokisivu Underground Mine (Kujankallio and Arpola)	Gold	Operating mine
	Orivesi Kutema and Orivesi Sarvisuo Underground Mines	Gold	Closed, remnant Mineral Resource
	Kaapelinkulma North Project	Gold	Exploration project
	Kaapelinkulma South Pit	Gold	Closed, remnant Mineral Resource
	Vammala Ore Processing Plant	Gold or base metals	Operating plant
Svartliden	Svartliden (Open Pit and Underground)	Gold	Closed, remnant Mineral Resource
	Fäboliden	Gold	Pre-Development
	Svartliden Ore Processing CIL Plant	Gold	Operating plant

## 1.3 Review Methodology

SLR's ITER methodology was as follows:

- Review existing reports and data.
- Conduct a Competent Person site visit.
- Discussions with site personnel of the Client prior to and following the site visit.

- Independent review of the Mineral Resource and Ore Reserves prepared by the Company and their consultants. Estimates are prepared in accordance with the guidelines of the 2012 JORC Code.
- Independent preparation of the Ore Reserve Estimate for the Fäboliden Open Pit Mine.
- Compilation of an ITER and provision of drafts of the ITER to Client's personnel to ensure factual accuracy and reasonableness of assumptions.

The comments and forecasts in this ITER are based on information compiled by enquiry and verbal comment from the Company and Projects personnel employed by the Company (or subsidiary). Where possible, this information has been checked with hard copy data or by comment from more than one source. Where there was conflicting information on issues, SLR used its professional judgment to assess the issues.

#### **1.4 Site Visits and Inspections**

Site visits have been undertaken by SLR over several years for previous reviews and a 2025 visit specifically for this ITER. Previous SLR site visits were conducted in 2007, 2009, 2013, 2015, and 2017. As part of the current review, SLR's CP, Mr Ian Sheppard and Senior Geologist, Mr Richard Ellis, visited the assets in April 2025. As part of the current detailed review SLR's Mr Ian Sheppard visited the mines, ore processing plants, the tailings storage facilities, the water supply system, the power distribution system, and conducted general inspections of the projects area.

During the site visits, SLR had open discussions with the Client's personnel on technical aspects relating to the relevant issues. The Clients' personnel were cooperative and open in facilitating SLR's work.

#### **1.5 Information Sources**

Several geology studies, feasibility studies, and design reports were provided for the Projects. The Company provided the Mineral Resource Estimate reports. The Company provided the Jokisivu mine Ore Reserve Estimate.

The Company provided historical cost information and forecast of capital costs.

#### **1.6 Competent Person and Responsibilities**

The statements of Mineral Resources and Ore Reserves have been reported in accordance with the recommended guidelines of the 2012 JORC Code and are suitable for inclusion in an ITER. The responsible persons for the Mineral Resource and Ore Reserve Estimates are recorded for each separate report.

***1.6.1 Mineral Resources***

The information in this report that relates to Mineral Resources is based on information compiled or supervised by Mr Shaun Searle, who is a full-time employee of Ashmore Advisory and a Member of the Australian Institute of Geoscientists. Mr Seale has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Searle consents to the inclusion in the Report of the matters on his information in the form and context in which it appears.

Reporting of the Mineral Resources estimate complies with the recommended guidelines of the JORC Code and is therefore suitable for public reporting.

***1.6.2 Ore Reserves***

The information in this report that relates to Jokisivu Underground Mine Ore Reserve Estimate is based on information compiled or supervised by Mr. Joe McDiarmid who is a full-time employee of MoJoe Mining Pty Ltd and a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr McDiarmid consents to the inclusion in the Report of the matters on his information in the form and context in which it appears.

The information in this report that relates to the Fäboliden Open Pit Mine Ore Reserve Estimate is based on information compiled or supervised by Mr. Ian Sheppard, who is an employee of SLR and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Sheppard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Sheppard consents to the inclusion in the Report of the matters on his information in the form and context in which it appears.

Reporting of the Ore Reserves Estimate complies with the recommended guidelines of the 2012 JORC Code and is therefore suitable for public reporting.

***1.6.3 ITER Responsibility***

The information in this report that relates to the technical review is based on information compiled and reviewed by or under the overall direction of Mr. Ian Sheppard. Mr Sheppard has:

- Greater than five years' experience relevant to the type of deposit, mining and processing methods, and environmental management of mines.

- Member of the Australian Institute of Mines and Metallurgy (AusIMM).
- Does not have economic or beneficial interest (present or contingent) in any of the reported Relevant Assets.
- Has not received a fee dependent on the findings outlined in Report.
- Is not an officer, employee or proposed officer for the Client or any group, holding an interest or a proposed interest in the Company.

#### **1.6.4 Study Team**

As part of the Team, members who have worked to compile this report include the following:

- Mr Richard Ellis was responsible for reviewing and forming an opinion on the quality of the Mineral Resource Estimates quoted in this report and the supporting drill hole database, assay information, geology and the wireframes completed by the Company or its consultants. He has also reviewed the exploration assets, providing an opinion to support valuation.
- Ms Meg Byass was responsible for the internal SLR governance review of the geology aspects of the report, in support of Mr Richard Ellis.
- Mr Jafet Carpio was responsible for the ore processing and metallurgical flowsheet and parameter review.
- Mr Ian Sheppard was responsible for the review of the mining parameters, undertaking of mine scheduling and design and the Ore Reserves Estimate for the Fäboliden project open pit stated within this Report. Ian was responsible for the independent review of the Ore Reserve Estimate for the Jokisivu underground mine quoted in this report and prepared by the Company's consultants. Ian was also responsible for the compilation and supervision of all aspects of this report and assumes overall responsibility for this Report.
- Mr David O'Brien was responsible for the review of the environmental and social aspects of the Projects.

#### **1.7 Limitations and Exclusions**

SLR's review was based on various reports, plans and tabulations provided by the Client or the FA, either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the Client or the FA. Dragon has not advised SLR of any material change, or event likely to cause a 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 guidelines.

SLR has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. SLR 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 copper, molybdenum, and gold markets at large.

#### ***1.7.1 Limited Liability***

This Report has been prepared by SLR for the purposes of Dragon for the purpose of providing recommendations to its shareholders as part of a potential transaction and is not to be used or relied upon for any other purpose. SLR 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 SLR has consented to such reliance or use.

#### ***1.7.2 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 or the FA. SLR accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from Dragon, the FA 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 SLR in good faith using information that was available to SLR 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 if any of the information supplied to SLR is inaccurate or is materially changed. SLR is under no obligation to update the information contained in the report.

Notwithstanding the above, in SLR's opinion, the data and information provided by or on behalf of Dragon or the FA 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.

***1.7.3 Mining Unknown Factors***

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward looking production and economic targets is dependent upon numerous factors that are beyond SLR's control, and which cannot be fully anticipated by SLR. These factors include site specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

***1.7.4 Capability and Independence***

SLR 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.

SLR 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 SLR and its specialist advisors.

Drafts of this Report were provided to Dragon, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

SLR has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate 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 SLR 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; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This ITER was compiled on behalf of SLR by the signatories to this ITER, details of whose qualifications and experience are set out in **Appendix B**. The specialists who contributed to the findings within this ITER have each consented to the matters based on their information in the form and context in which it appears.

## **2. PROJECTS OVERVIEW**

The Projects are contained within a series of exploration and mining concessions located in two areas within the Nordic region. The operating Vammala and Svartliden production centres are located in southern Finland and northern Sweden, respectively (**Figure 2-1**). The projects contain several medium to small-scale epithermal and orogenic Gold (Au) deposits at various stages of development, ranging from early-stage exploration to operating mines.

The Vammala Production Centre (Vammala) contains the operating Jokisivu underground mine, which supplies ore to the Vammala ore processing plant (300 ktpa capacity). The Kaapelinkulma north pit is a pre-development project with a Mineral Resource. In addition, Vammala contains the closed Kaapelinkulma south open pit mine and the Orivesi underground mine. There is also an early-stage exploration prospect, Uunimäki (no Mineral Resource Estimate).

The product from Vammala is a high-grade gold concentrate (115 g/t). The Vammala ore processing plant has both flotation concentration and gravity concentration circuits. The two concentrates are combined into a single gold concentrate product. The gold concentrate is transported to the Svartliden production centre (Svartliden) by truck on national highways and ferry. At Svartliden, the gold concentrate is processed in a carbon-in-leach (CIL) plant to produce a gold doré. The doré is sold to a refinery.

The Svartliden production centre contains the advanced Fäboliden mine project, the idle Svartliden mine and the adjacent Svartliden CIL processing plant. There are also exploration tenements. The CIL plant is being used for toll treatment of ore from a nearby mine owned by others and for the final processing of the Vammala gold concentrate. In the future, the CIL plant will be available for processing the ore from the Fäboliden mine when production starts.

The Company has a long history of operating in the Nordic Region. The Company commenced mining in 2004 at Svartliden in northern Sweden with the development of a medium-scale open pit and subsequent underground operation. Mining at Svartliden was completed in 2013 however processing of Svartliden stockpiles continued to 2015. The Svartliden processing plant is run to toll treat third party ore and concentrates. The gold concentrate from the Vammala plant is processed at Svartliden into a gold doré that is sold to a gold refinery.

The Vammala Production centre was acquired in 2007. Mining operations in Finland commenced with the 2009 with the reopening of the Orivesi underground mine and the restart of the Vammala processing plant. Operation of the Orivesi mine was suspended in 2019, leaving a modest remnant Mineral Resource. Rehabilitation works have commenced. The Jokisivu mine was started in 2009 following successful exploration by the Company. Mining commenced at Jokisivu via open pit operations in 2009 and subsequently moved to underground operations in 2011. It continues to operate. The small Kaapelinkulma south open pit mine was developed from new. It commenced mining in February 2019 and was completed in April 2021.

The Company's recent exploration has primarily focused on two deposits within the Vammala Production Centre, namely Jokisivu lode extensions and Kaapelinkulma north deposit. Jokisivu extensions is the major drilling activity following the highly prospective extensions below the shallower lode bodies which results in a replacement of depleted Mineral Resource.

Fäboliden mine project within the Svartliden Production Centre is the most significant development asset. It is sufficiently drilled to support an Ore Reserve for 11 years of processing at the Svartliden plant. The project development is suspended pending the grant of mining permit from the Land and Environment Court.

The small Kaapelinkulma north deposit is a candidate for the next production source at Vammala. More exploration, technical and economic studies are required to progress this project.

## **2.1 Vammala Production Centre**

The Vammala Production Centre is located in southern Finland, approximately 2 hours' drive north of Helsinki **Figure 2-1** and **Figure 2-2** in the Tampere Region. Vammala is centred on the operating 300 kt per annum (ktpa) capacity flotation and gravity processing plant (Vammala Plant).

### ***2.1.1 Project Location and Access***

The Tampere region is connected to the Finnish capital, Helsinki, via a series of high-quality tarred roads and highways. Being a major transport hub of Finland, daily flights and freight and passenger train services connect Tampere both domestically in Finland and internationally to Sweden. The regional series of high-quality tarred roads allows access for mining personnel and haulage trucks between the various sites, which are all within a one-hour drive from Tampere. The Vammala Plant is 40 km south of Tampere by road, while the closed Orivesi Mine is located 80 km northeast of the Vammala Plant. The Jokisivu mine is approximately 40 km southwest of the Vammala Plant, and the Kaapelinkulma north project is 65 km east of it.

### ***2.1.2 Geography***

The geography in the region consists of low, undulating hills with a landscape is dominated by freshwater lakes and rivers which range in size from small to very large. Slopes are generally low to moderate, while the flora is typically of pine and birch trees, framed with ground cover generally consisting of low grass and small shrubs.



***2.1.3 Climate***

The Vammala Production Centre has a borderline humid continental/subarctic climate with cold winters, an average temperature between November and March of below 0°C (32°F) and a snow season from late November to early April. Summers are generally mild with temperatures above 10°C (50°F).

***2.1.4 Industry***

The region, which includes outlying municipalities, has around 0.5 million residents. The area is strong in mechanical engineering and automation, information and communication technologies, and health and biotechnology, as well as pulp and paper industry education through forestry.

***2.1.5 Regional and Local Infrastructure***

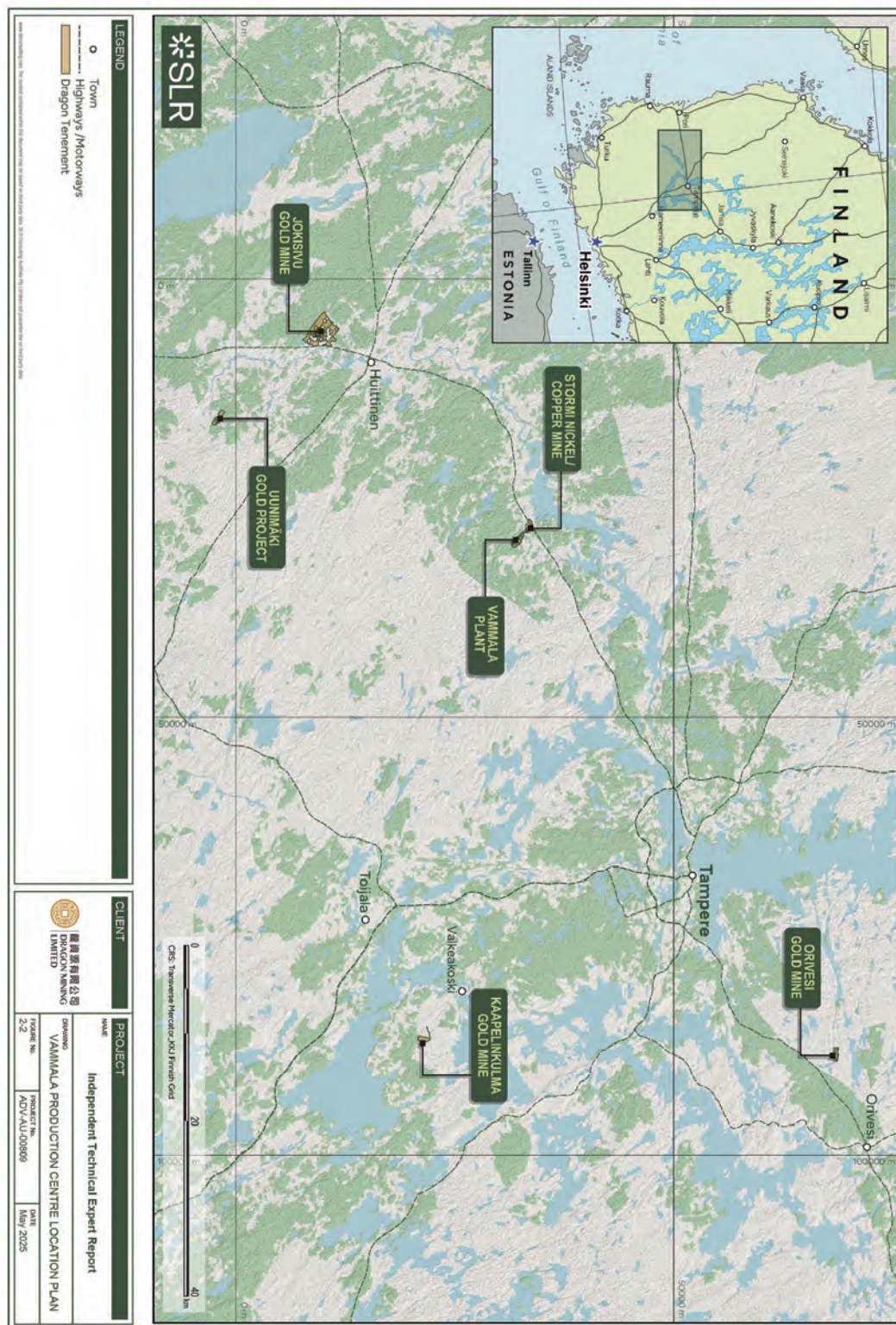
SLR observed that the region has significant local and regional industrial infrastructure, that there is sufficient high voltage industrial power, water and transport logistics connecting the mine and process plant. The Project assets are located close to good quality highways and rail infrastructure (**Figure 2-1**), water sources and regional towns which provide accommodation and support services for the operation and its personnel.

Figure 2-1 Project Location Map.





**Figure 2-2 Vammala Production Centre Location Plan**



## **2.2 Svartliden Production Centre**

The Svartliden Production Centre (Svartliden) is located in northern Sweden, 700 km north of Stockholm and southwest of the world-class Skellefte Mining District (**Figure 2-3**). An operating Carbon in Leach (CIL) Plant has a nominal capacity to treat ore up to 330 ktpa. In recent years, it has generally been run to treat gold concentrate from Vammala and other third-party sources of concentrate and mine ore. At the SLR April 2025 site visit, the plant was running to toll treat third-party mine ore from a nearby underground gold mine. The toll treatment of third-party ore is expected to continue to at least the end of 2026.

Svartliden CIL plant commissioned in 2005. Since commissioning, the plant has processed more than 3.0 Mt of ore from the company's idle Svartliden mine and toll-treated ore. The plant is suitable for the future treatment of the Fäboliden mine project ore.

### **2.2.1 Project Location and Access**

Svartliden is located approximately 80 km west-northwest of the regional town of Lycksele via all-year-round tarred and gravel roads. Lycksele is the major regional hub, which can be accessed from Stockholm via national highway systems, a rail network and daily commercial passenger flights direct from Stockholm and northern Sweden.

Fäboliden mine project is located approximately 30 km by road to the southeast and is connected to the plant via local gravel and major tarred roads (the same road which connects Svartliden to Lycksele).

### **2.2.2 Geography**

The geography in the region consists of low undulating hills which are at or below sea level, as such the landscape is dominated by freshwater lakes which range in size from small to very large and small streams. Slopes are generally low to moderate. Flora in the region is typically pine and birch trees which are forested with ground cover generally consisting of low grass and small shrubs.

### **2.2.3 Climate**

The region has a subarctic climate where the average high for the warmest month of the year (July) is lower than 20°C (68°F) with extreme temperatures of -15°C (5°F) in February. Despite its extremely northern latitude, the climate is relatively mild compared to other places at similar latitude because of the Gulf Stream influence on the climate. Yearly precipitation averages approximately 440 mm and occurs all year (highest in summer months) round resulting in large snow cover during the winter months. Due being close to the Arctic Circle the region experiences midnight sun and a moderate polar night with some twilight during opposite sides of the year.

***2.2.4 Industry***

The main industry in the area surrounding the Svartliden Production Centre is subsistence farming and livestock rearing. The main crop is potatoes while the main livestock are Reindeer, sheep and poultry. In a wider regional context, there is large scale gold and base metal mining and processing in the Skellefte Mining District, which has been a focus for activities since the 1920's.

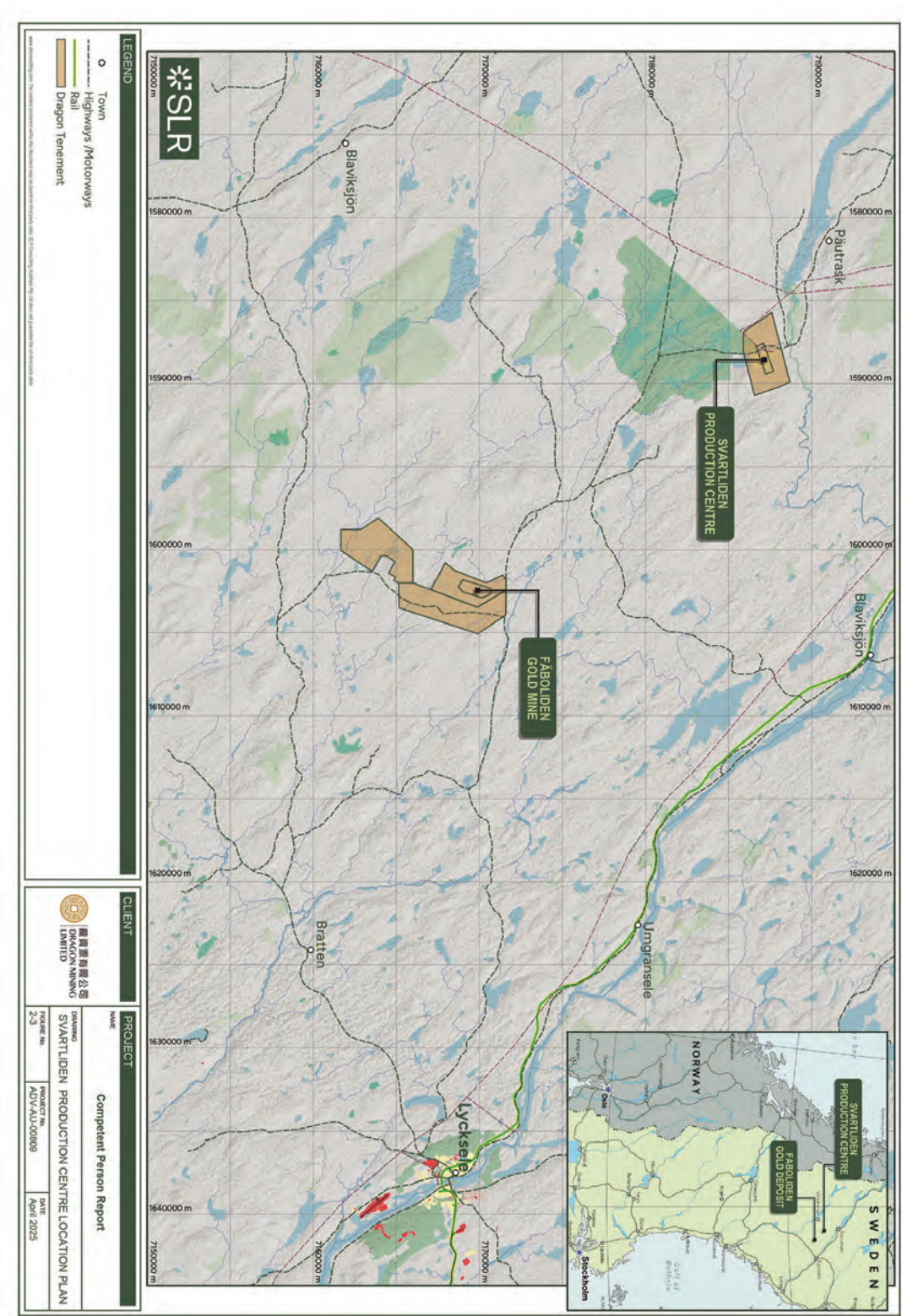
***2.2.5 Regional and Local Infrastructure***

SLR observed that there is sufficient regional and local infrastructure to support the operation. There is sufficient high voltage power, process water and transport logistics.

Fäboliden mine project has direct access from the tarred road on local gravel roads. An upgrade to allow year-round truck haulage will be required, along with connecting power to support maintenance workshops and the small office buildings for the contractor's administration. SLR notes that this power requirement will be small and can be serviced by a diesel generator (if required and more economically viable) while the mains power is located in lines that service the village of Fäboliden, 2 km from the site, and other nearby villages.



Figure 2-3 Svartliden Production Centre Location Map



### 3. LICENCES AND PERMITS

#### 3.1 Resources Tenure – Finland Assets

SLR understands that tenure for mineral resources in Finland is granted under the Mining Act (621/2011) administered by the Finnish Safety and Chemicals Agency (Tukes) and may comprise exploration permits (EPs; *malminetsintälupa*) and mining concessions (MCs; *kaivoslupa*). Current tenure as reported by Dragon for the relevant Finland assets is summarised in **Table 3-1**, and shown in **Figure 3-1** to **Figure 3-5**.

**Table 3-1 Resources Tenure – Finland Assets**

Asset/Tenement ID	Tenement Name	Type	Held		Area	Granted	Expires
			% <sup>1</sup>				
					(ha)		
<b>Orivesi</b>							
2676	Orivesi	MC	100	39.82	1-Jul-82	NA	
ML2013:0006	Sarvisuo 1-2	EP	100	38.93	16-Aug-24	15-Aug-25 <sup>2</sup>	
<b>Jokisivu</b>							
7244	Jokisivu	MC	100	48.32	8-Dec-04	NA	
KL2015:0005	Jokisivu 2	MC	100	21.3	18-Aug-15	NA	
KL2018:0010	Jokisivu 3	MC	100	8.97	29-Apr-19	NA	
KL2024:0005	Jokisivu 4	MC	100	13.7	25-Mar-25	NA	
ML2012:0112	Jokisivu 4-5	EP	100	80.33	16-Aug-24	15-Aug-25 <sup>2</sup>	
ML2017:0131	Jokisivu 7-8	EP	100	10.22	21-Mar-24	18-Feb-27	
ML2018:0082	Jokisivu 10	EP	100	461.37	21-Mar-24	27-Mar-28	
<b>Kaapelinkulma</b>							
K7094	Kaapelinkulma	MC	100	65.1	24-Oct-12	NA	
<b>Uunimäki</b>							
ML2020:0020	Uunimäki 1	EP	100	89.22	28-Jul-23	27-Jul-27	
<b>Vammala</b>							
1895	Stormi	MC	100	157.53	13-Oct-72	NA	
KL2021:0001	Stormi 2	MCA	0	3.08			

<sup>1</sup> By Dragon subsidiaries at 31 March 2025.

<sup>2</sup> Cannot be renewed further.

Dragon advises that exploration permits are issued for an initial term of three years and can be renewed for up to 12 years; they are then held by the state for one year before being released to new applicants. Dragon further advises that mining concessions do not expire and can be retained by the holder as long as they are needed, subject to satisfactory compliance.

Dragon advises that there are no onerous conditions of tenure that it considers an impediment to successful operations. SLR has not independently reviewed the conditions of tenure. Dragon advises that it has recently been granted an extension of the mining permit for Jokisivu Area 4 and has submitted a minerals concession application (MCA; “Vammala Stormi 2”) for a minor expansion of mining tenure at Vammala. Dragon advises that tenure of suitable form and duration is otherwise in place for its proposed exploration programs and life of asset plans.

SLR provides this information for reference only and recommends that minerals and land rights be reviewed by legal experts. SLR has not considered third party land rights for this review.



Figure 3-1 Vammala Tenements and Regional Location

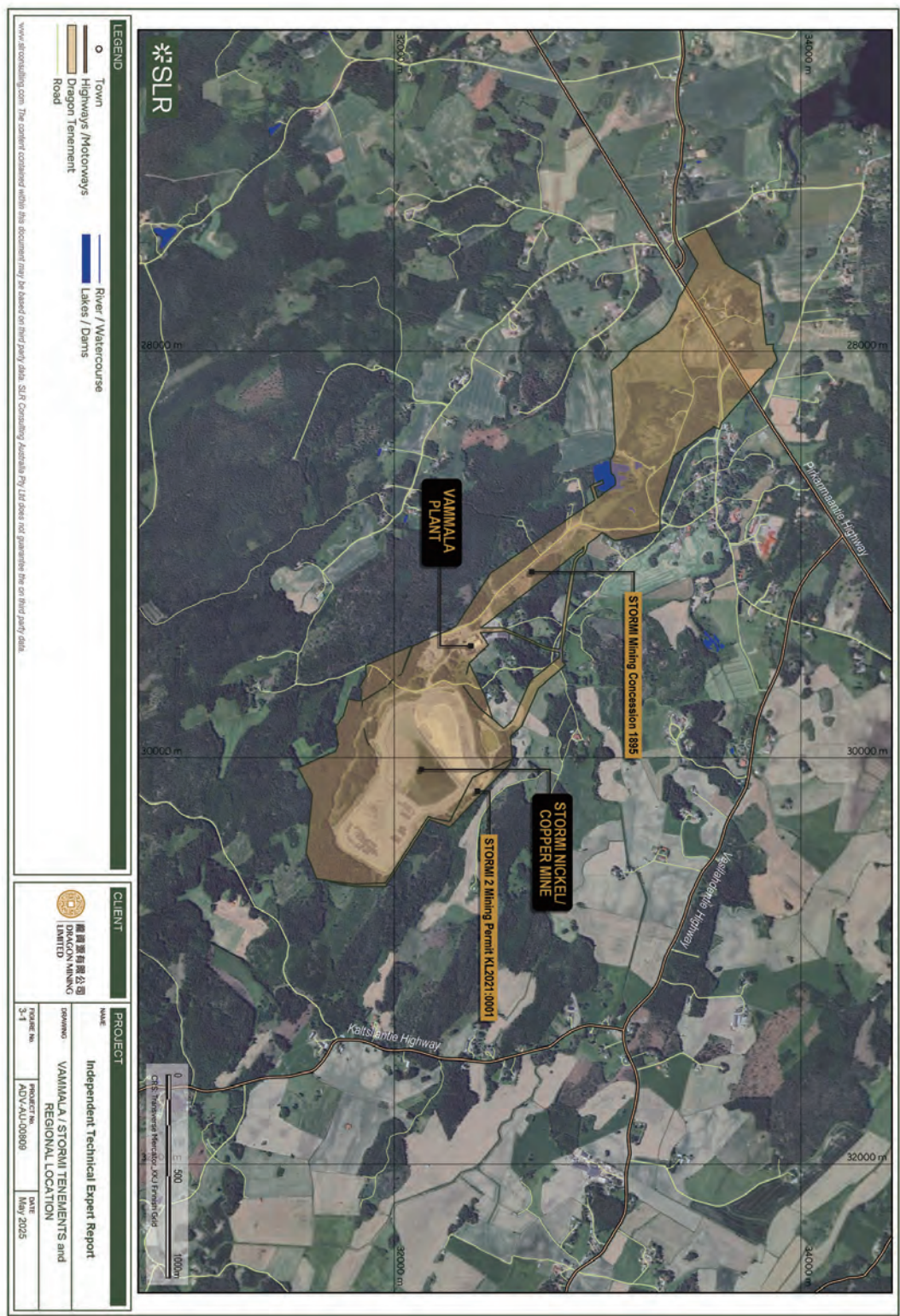
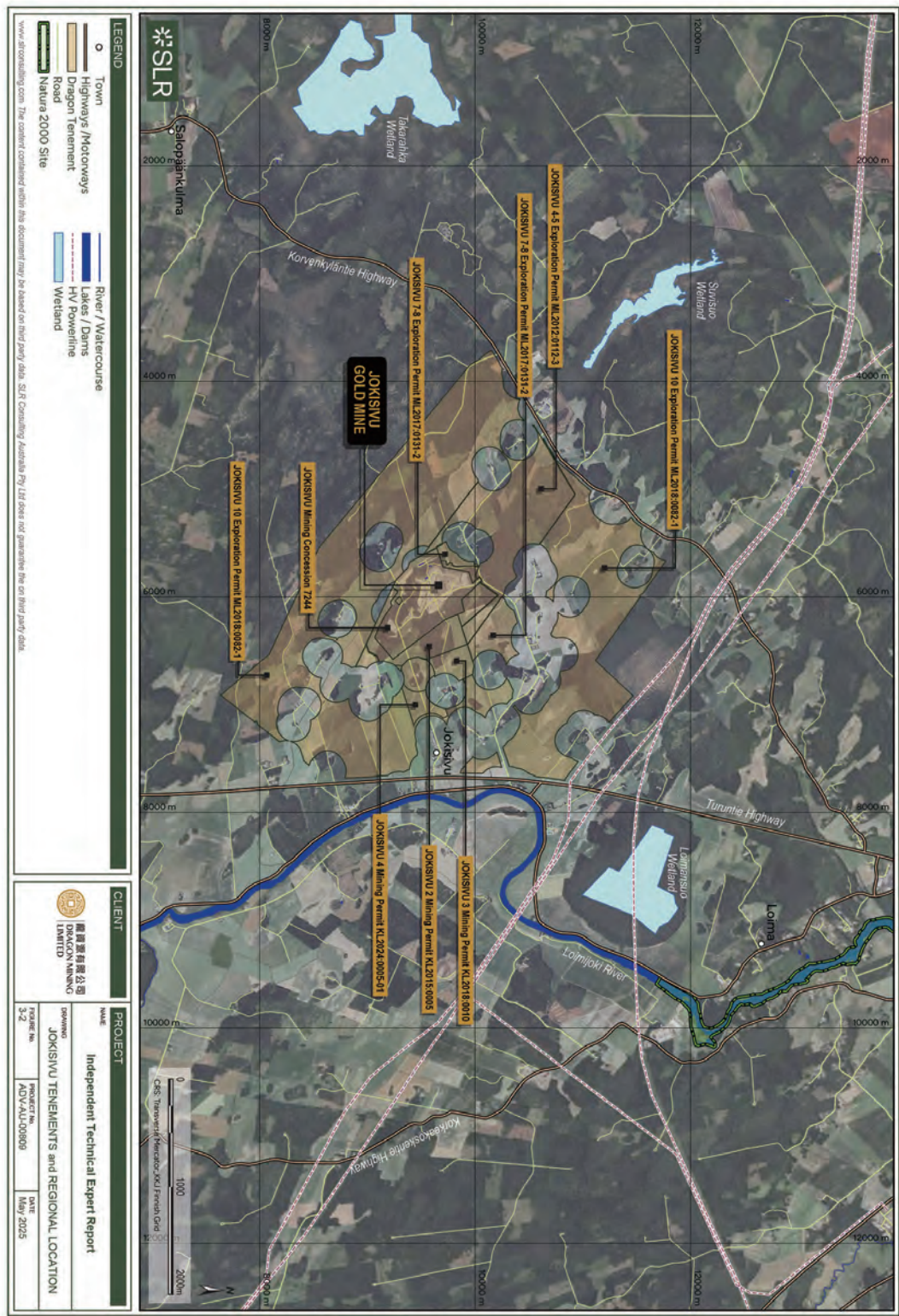




Figure 3-2 Jokisivu Tenements and Regional Location





**Figure 3-3 Orivesi Tenements and Regional Location**

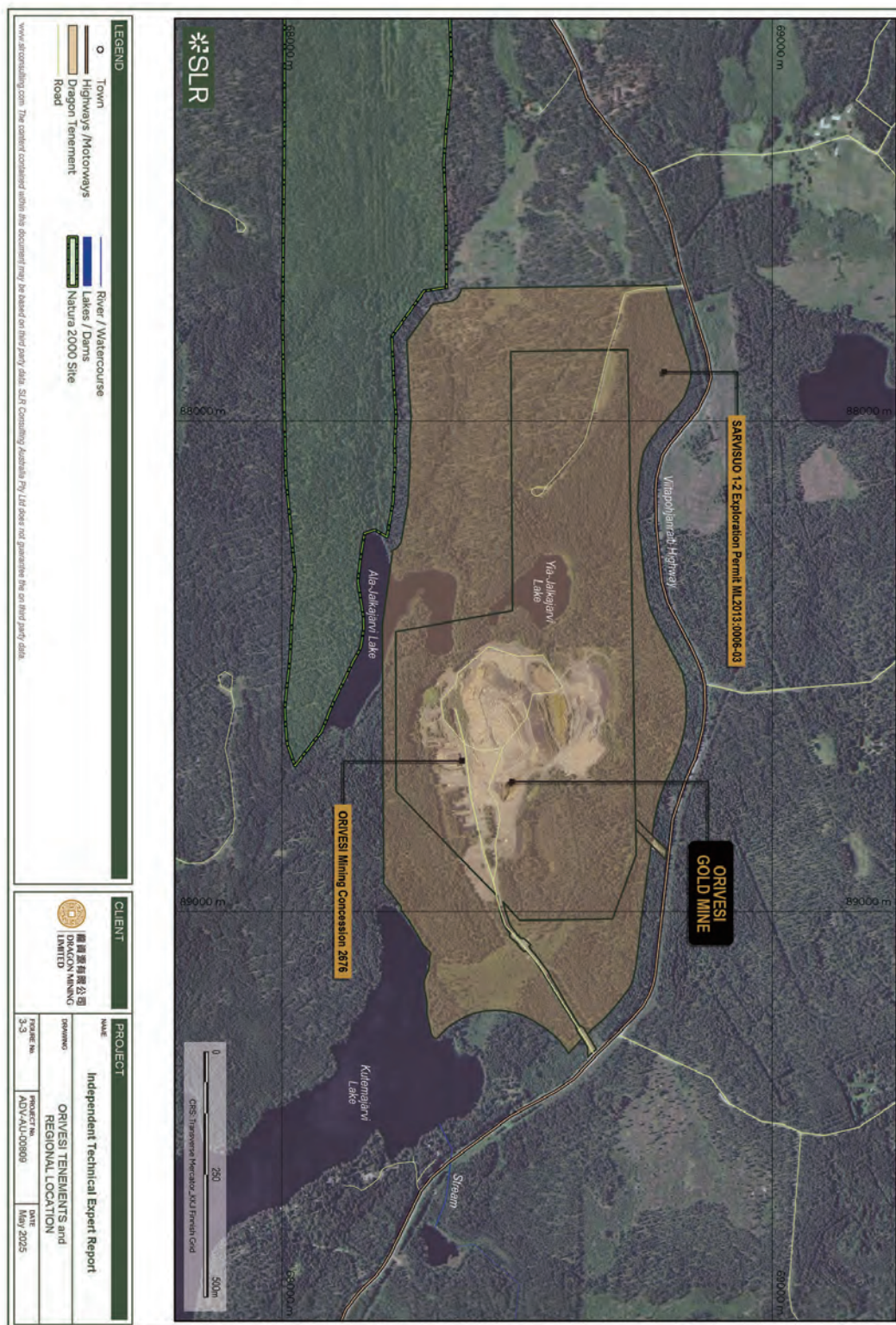
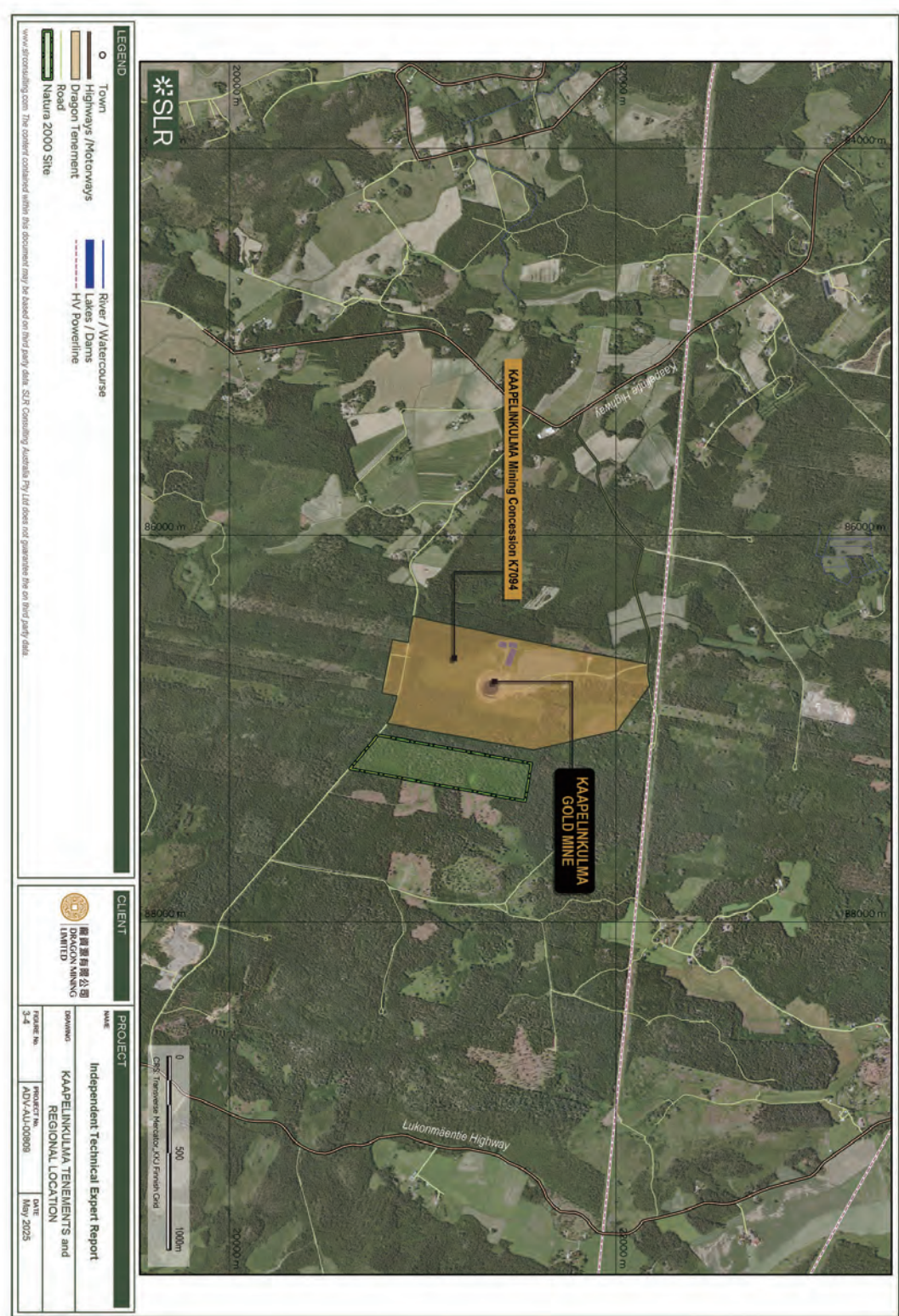


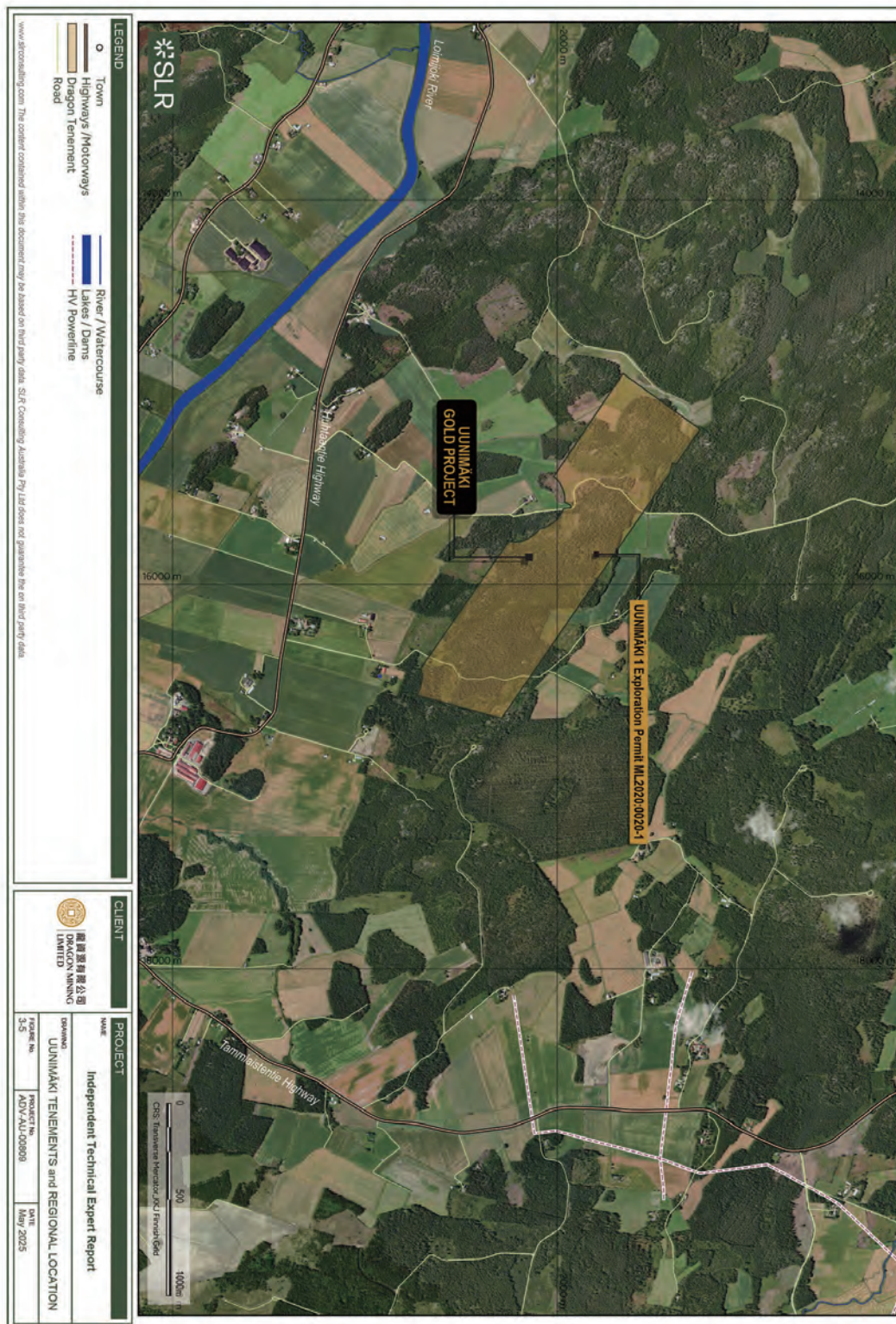


Figure 3-4 Kaapelinkulma Tenements and Regional Location





**Figure 3-5 Uunimäki Tenements and Regional Location**



### 3.2 Key Permits – Finland Assets

SLR understands that environmental permits (*ympäristölupa*) issued under the Environmental Protection Act (527/2014) are the main instrument in Finland for the regulation of operations with potential environmental impacts, including mining and mineral processing operations.

SLR understands that environmental permits may be issued and administered in Finland either by the relevant regional centre for economic development, transport and environment (ELY Centre) or state administrative agency (AVI). Permit decisions may be appealed to the regional administrative court, and ultimately to the supreme administrative court (SAC).

SLR understands that water permits (*vesitalouslupa*) issued under the Water Act (587/2011) may also be required for operations with potential impacts on water resources through activities such as abstraction, discharge, or damming. Dragon has not provided information in respect to water permits required for its Finland operations.

Key permits for the Finland assets as reported in the previous ITER are summarised in **Table 3-2**. SLR had not received an update at time of writing.

**Table 3-2 Key Permits – Finland Assets**

Asset	Permit ID	Issued	Expires
Vammala Plant	Environmental Permit 15/2008/2, Dnro LSY-2001-Y-42	19.3.2008	Until further notice.
	Environmental Permit 124/2014/1, DNro LSSAVI/96/04.08/2011 and LSSAVI/373/04.08/2010. Appealed against, Vaasa Administrative Court's decision number 16/0096/2 on the appeals, issued on 2 May 2016. Court's decision was appealed against at Supreme Administrative Court; in process.	24.6.2014	Until further notice.
Jokisivu Mine	Environmental Permit 58/2010/1, Dnro ESAVI/6066/2015	3.12.2010	Until further notice.
	Environmental Permit 162/2016/1, Dnro ESAVI/6066/2015	13.6.2016	Until further notice.
Orivesi Mine	Environmental permit 1/2006/2, Dnro LSY-2000-Y-284	24/2/2006	31/12/2010
Kaapelinkulma Mine	Environmental Permit 175/2015/1 (Dnro LSSAVI/4511/04.08/2014)	14/10/2015	No expiry.

SLR understands that at:

- **Vammala**, Dragon had previously appealed conditions limiting on crushing imposed on the environmental permit, however in January 2024 the conditions were upheld by the SAC, which also imposed requirements for additional environmental monitoring and impact assessment, an updated closure plan, and increased rehabilitation securities, addressed further in Section 9.2. Dragon reports that it has started work on permitting for a new tailings storage facility on advice from the SAC, with the intent of securing approval by 2032.
- **Jokisivu**, in January 2025, the regulator issued a revised environmental permit, authorising crushing on site up to 300 ktpa and amending certain conditions related to water discharge. ERM noted that a limited exemption permit to remove habitat trees for flying squirrels was also granted in 2010.
- **Orivesi**, an application to extend the original environmental permit (issued in 2006) past December 2010 was rejected by the regional administrative agency in December 2015, citing concerns for impacts on local waterbodies and a nearby “Natura 2000” area, discussed further in Section 9.4, with objections raised by local stakeholders and NGOs. Dragon appealed the decision but was allowed to operate under the original permit while the appeal was in process and continued until mining ceased when reserves were in any case exhausted in June 2019. SLR understands that a limited environmental permit has been granted to facilitate the closure and rehabilitation of the sites, addressed further in Section 9.4.
- **Kaapelinkulma**, the environmental permit in place covers the current and proposed operations.

SLR provides this information for reference only and recommends that permitting is reviewed by legal experts.

### 3.3 Resources Tenure – Sweden Assets

SLR understands that tenure for mineral resources in Sweden is granted under the Minerals Act (SFS 1991:45) administered by the Mining Inspectorate of Sweden and may comprise exploration permits (EPs; *undersökningstillstånd*), exploitation concessions (ECs; *bearbetningskoncession*), and land designation areas (LDAs; *markanvisning*). Current mining and exploration tenure as reported by Dragon for the relevant Sweden assets is summarised in **Table 3-3**, and shown on **Figure 3-6** and **Figure 3-7**.

Table 3-3 Resources Tenure – Sweden Assets

Asset/ Tenement ID	Tenement Name	Type	Held % <sup>1</sup>	Area (ha)	Granted	Expires
<b>Svartliden</b>						
NA	Svartlidengruvan K nr 1	EC	100	87.54	10-Apr-02	10-Apr-27 <sup>2</sup>
2022:43:00	Svartliden nr 3	EP	100	813.33	29-Jun-22	29-Jun-25 <sup>3</sup>
<b>Fäboliden</b>						
	Fäboliden K nr 1	EC	100	122.00	3-Jun-04	3-Jun-29 <sup>4</sup>
2016:75	Fäboliden nr 11	EP	100	496.67	4-Aug-16	4-Aug-28 <sup>5</sup>
2022:05:00	Fäboliden nr 84	EP	100	959.33	21-Jan-22	21-Jan-25 <sup>6</sup>
2024:149	Fäboliden nr 85	EP	100	1,058.02	30-Sep-24	30-Sep-27 <sup>7</sup>

<sup>1</sup> By Dragon subsidiaries at 31 March 2025.<sup>2</sup> Dragon intends to lodge an extension application in 2026.<sup>3</sup> Dragon intends to lodge a renewal application for Years 4 to 6 in June 2025.<sup>4</sup> Dragon intends to lodge an extension application in 2028.<sup>5</sup> Dragon notes that renewal was lodged for Years 6 to 10, with two additional years granted for Covid relief.<sup>6</sup> Dragon lodged a renewal application for Years 4 to 6 in January 2025, with the decision received in April 2025 that the renewal was not successful, and the area will be in moratorium and not available for application for 12 months.<sup>7</sup> Dragon notes this is a new application lodged in September 2024 for years 1 to 3.

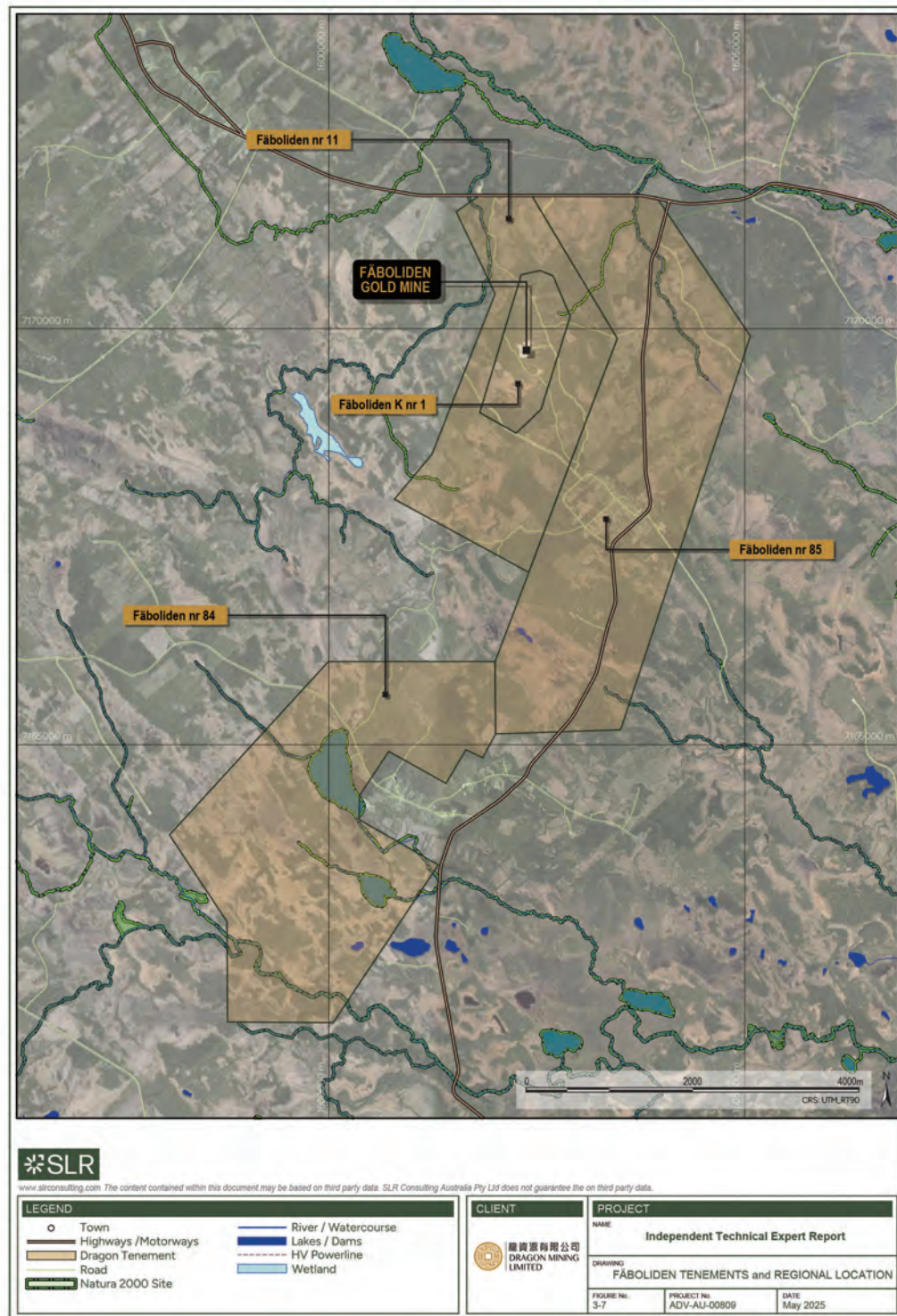
Dragon advises that the tenements impose no onerous conditions that are an impediment to operations; SLR has not independently reviewed the conditions of tenure. Dragon advises that subject to renewals, resources tenure of suitable form and duration is in place for its proposed exploration plans and life of asset plans. Dragon advises that it owns all the land at Svartliden, with some buffer. The Sweden tenements lie on traditional grazing areas for the indigenous Sami people, which imposes certain obligations on the tenement holder, discussed further in following sections. SLR provides this information for reference only and recommends that minerals and land rights are reviewed by legal experts.



Figure 3-6 Svartliden Tenements and Regional Location



Figure 3-7 Fäboliden Tenements and Regional Location





### 3.4 Key Permits – Sweden Assets

SLR understands that environmental permits (*miljötillstånd*) issued under the Environmental Code (1998:808) are the main instrument in Sweden for the regulation of operations with potential environmental impacts, including mining and mineral processing operations. Environmental permits also regulate operations with potential impacts on water resources through activities such as abstraction, discharge, or damming.

SLR understands that local county administrative boards (CABs) scope and assess permit applications however land and environment courts (LECs) decide on them. Key permits for the Sweden assets as reported by Dragon for the previous ITER are summarised in **Table 3-4**. SLR has not received an update at time of writing, other than with respect to Fäboliden.

SLR understands that the Sweden assets lie on recognised traditional grazing areas for the indigenous Sami people which places obligations on proponents to consult with the relevant Sami group on environmental permit applications and demonstrate that impacts on traditional rights are acceptable. Granted permits may impose conditions for compensation and regular consultation.

**Table 3-4 Key Permits – Sweden Assets**

Asset	Permit Name	Issuance	Validity	
			Expiry	
Svartliden Plant	Environmental PermitM 1704-10	30/11/2012	No expiry	
Fäboliden Deposit	Test permit for 100kt	23/11/2017	30/09/2027	
	Environmental permit for full mine plan	Not yet applied for	Not yet applied for	

Regarding **Svartliden**, SLR understands that the environmental permit was originally granted in 2003 and amended in 2012 to incorporate underground mining and a number of other changes to the permit conditions. An amendment to process up to 100 kt of ore from the third-party Botnia mine was granted in 2024; Dragon indicates that it intends to seek an extension of this amendment. Negotiations with regulators on mine closure plan and associated security (performance bond) required under the environmental permit have been ongoing since 2017, as addressed in Section 9.6. Dragon reports that an amendment to the Svartliden environmental permit for processing ore from Fäboliden (should the new mine be developed) was granted in February 2025.

Regarding **Fäboliden**, SLR understands that the regulator granted an mining permit to mine up to 100 kt of ore for test purposes in November 2017, which Dragon completed in November 2021. In July 2018, Dragon applied for a permit mine to develop the then-proposed 1.16 Mt, 500 ktpa open pit; while the application was supported by the CAB, it was rejected by the LEC in June 2022 on various grounds including potential impacts on indigenous reindeer herders, local communities along ore haul routes, native species, and inland water quality. In March 2023 the Land and Environment Court of Appeal rejected an appeal from Dragon on the decision, and in June 2024 the Supreme Court denied Dragon further leave to appeal.

SLR understands that considering the court decisions, Dragon has decided to submit a new application to the LEC with revised project parameters, including reduced production rates (300 ktpa), restrictions on ore haulage, and mitigation or compensation for reindeer herders, local communities, and property owners. Dragon advises that it plans to commence consultations, studies, and submissions soon, in support of this application. Dragon advises that it expects approval to take up to four years from the current date. Dragon legal counsel advise that rejection of the prior application by the court does prejudice a decision on the new application.

#### **4. GEOLOGY**

SLR notes that the Jokisivu, Orivesi, Kaapelinkulma and Svartliden Mines along with the Fäboliden project have previously been reported in accordance with the JORC 2012 on the ASX by Dragon. Uunimäki is an early-stage exploration project and currently no Mineral Resources have been estimated. While this Report contains updated Mineral Resources, a significant amount of information is publicly available on the Company website. Below is a summary of the previously available public information and highlights the new data.

##### **4.1 Vammala Production Centre**

###### ***4.1.1 Regional Geology***

SLR notes that the majority of the 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.

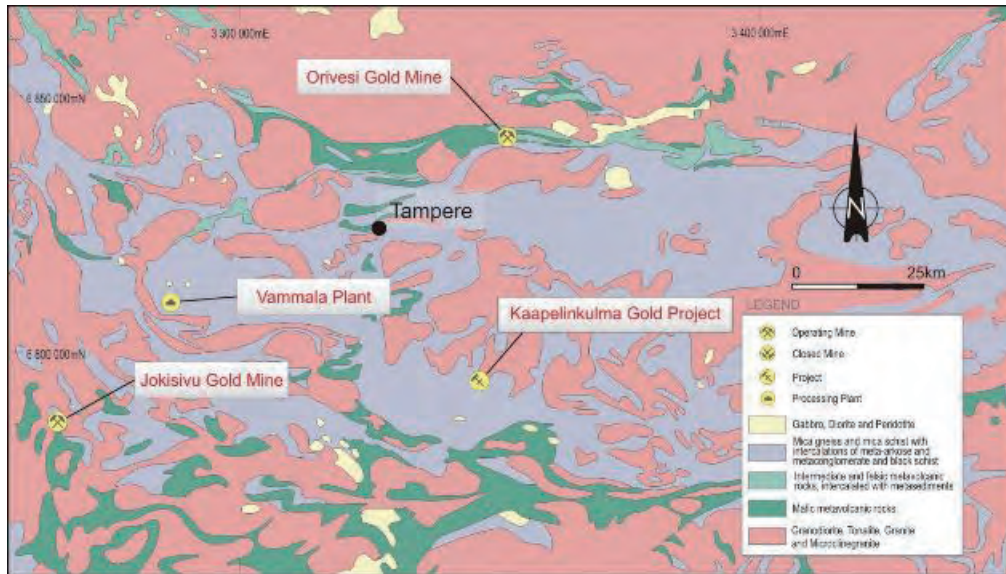
The east-west striking TSB lies between the 1.89 Ga Central Finland Granitoid Complex in the north and the Vammala Migmatite Zone in the south. The TSB is approximately 200km long and up to 20 km wide, and is characterized by turbiditic metasediments and intermediate, alkaline and calc-alkaline metavolcanic 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 50-kilometre 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 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. The main rock types of this area are tonalitic and granodioritic gneisses, mica gneisses and migmatites as well as metavolcanic rocks of mainly intermediate and mafic composition. These are intruded by granitoids and diorites.

The Kaapelinkulma Project is 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**

#### 4.1.2 Deposit Geology and Mineralisation

##### 4.1.2.1 Orivesi Mine

The Orivesi Mine has two areas of mineralisation (Kutema and Sarvisuo) which are approximately 300 m apart. The northern margin of the TSB, the Orivesi area, is dominated by intermediate, often massive, plagioclase porphyritic metatuffs of dacitic, trachydacitic and andesitic composition. Pyroclastic layering and volcanic breccia structures occur sporadically. Rhyolitic and trachytic felsic metavolcanic rocks occur as interlayers within intermediate metavolcanics. Highly mylonitized rocks representing the main shear zone of the Kutema area are located within a felsic interlayer (**Figure 4-2**). Mafic metavolcanic rocks, which are generally uraltite phenocryst bearing amphibolites, occur usually as thin interlayers in almost all supracrustal rocks. Mafic rocks have been interpreted to represent metamorphosed tuffs, lava flows, sills and dykes (Grönholm, 1992; Luukkonen et al., 1992; Poutiainen and Grönholm, 1996).

The Pukala Tonalite, a hypabyssal synvolcanic porphyritic intrusion of intermediate composition occurs along the northern margin of the TSB (**Figure 4-2**). The 15 km long and 1-2 km wide intrusion is located only a few hundred metres north of the mine and appears to crosscut the alteration zone surrounding the mineralised pipes. The intrusion includes numerous angular country rock fragments, mainly mica schists and amphibolites, with a diameter from a few tens of centimetres to several metres.

The Orivesi gold mineralisation is associated with the Kutema alteration zone, which is exposed in an area covering approximately 0.5 sq.km at the present erosion surface. The alteration zone and related gold mineralisation predate multi-phase deformation and based on this and the geometry of the gold lodes, Orivesi has been interpreted to represent a metamorphosed and deformed high-sulphidation epithermal gold deposit. The mine is located at the south-western edge of the altered metavolcanic sequence and includes five gold lodes. The Sarvisuo Lodes are located approximately 300 m east-northeast of the main Kutema pipes and generally forms a parallel lode system. Both Kutema and Sarvisuo lodes occur as sub-vertical pipe-like structures with extensive vertical continuity (**Figure 4-4**) with thickness. The deepest grade drill intersection in the Kutema area is well below 1,200 m from surface.

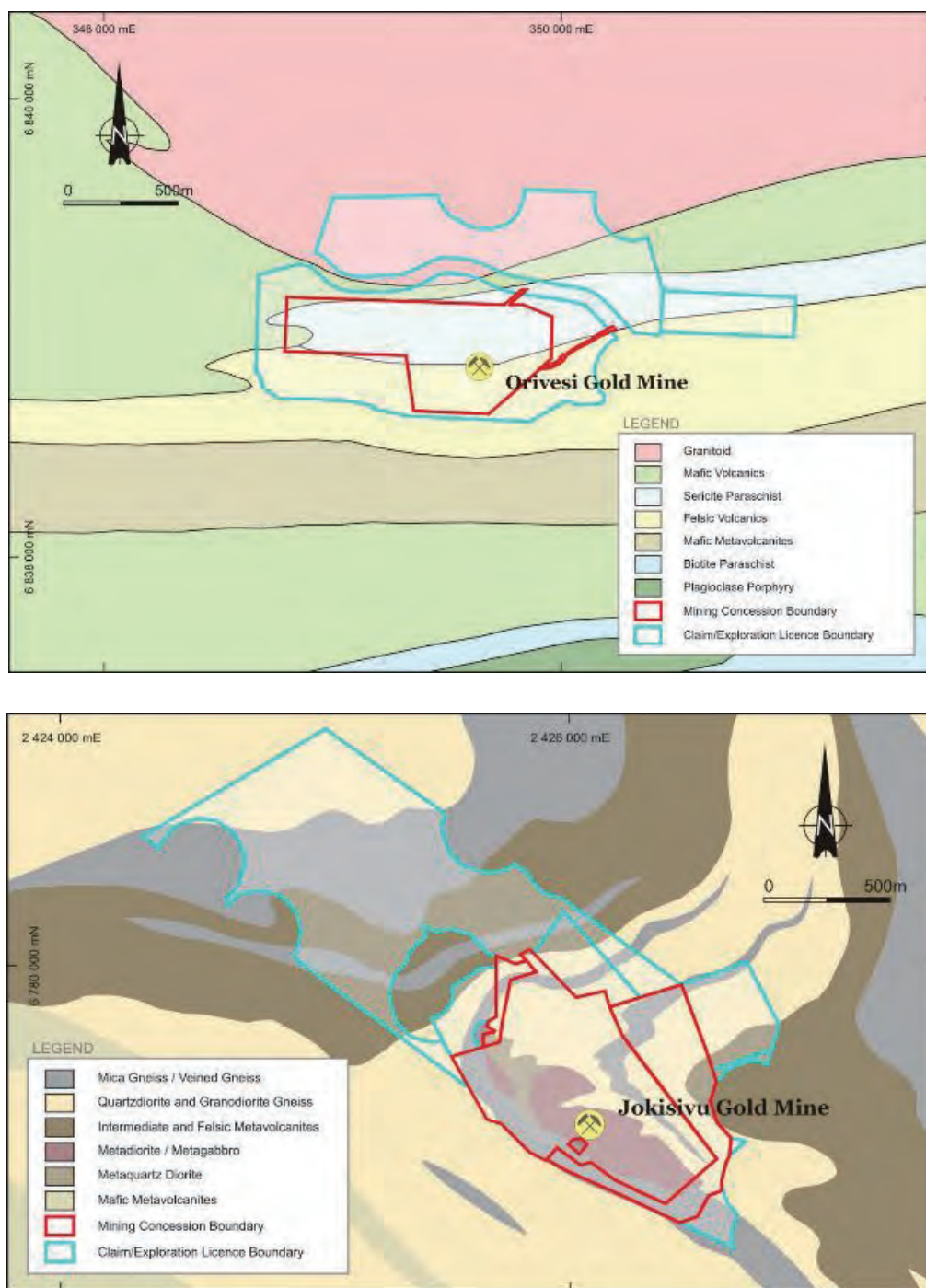
The outer alteration zone (chlorite-sericite schist) is characterised by sericitisation, chloritisation, silicification and pyritisation. Andalusite and phlogopite are common and show post-tectonic crystallization textures. Rutile occurs either as tiny, isolated grains or as grain aggregates. Boudinaged and chloritised magnetite-bearing amphibole schist interlayers are typical in the southern portion of the altered area. These highly magnetic units can be mapped using magnetic surveys.

The inner alteration zone is characterised by sericitisation and silicification (sericite-quartz schist). Topaz, fluorite and andalusite occur in variable amounts, and pyrophyllite, kaolinite and sulphides have been encountered occasionally. The sericite-quartz schist contains quartz aggregates (<5 mm) and elongated quartz rock lenses with longest dimension up to 10 metres. Topaz occurs as very fine-grained crystals in almost monomineralic topaz rock and in sericite-quartz schist. Fluorite occurs either as post-kinematic fracture fillings or as tiny euhedral grains in small cavities of the topaz-bearing quartz rock (Grönholm, 1992; Poutiainen and Grönholm, 1996).

Gold mineralisation is related to strongly deformed and silicified zones characterized by shearing, boudinaging, folding and quartz veining during syn- to late-stage deformation. Samples collected from the gold lodes of the Orivesi Mine area indicate that most of gold occurs as native gold, which has a very small grain size, generally <60 µm. Gold occurs mainly along quartz grain boundaries and in late-stage fractures. A lesser amount of gold is carried by Au-Te tellurides, especially calaverite (AuTe<sub>2</sub>), and to some extent also by electrum (Au, Ag) and aurostibite (AuSb<sub>2</sub>) (Grönholm, 1992; Luukkonen, 1994; Poutiainen and Grönholm, 1996).

Sulphides are common in the hydrothermally altered area. Pyrite dissemination characterises the outer alteration zone, and especially its southern part. In contrast, highly silicified portions of the inner alteration zone are generally very poor in sulphides, and gold lodes may often contain more tellurides than sulphides. Pyrite, pyrrhotite, chalcopyrite and, less commonly, sphalerite are the most common sulphides associated with gold mineralisation.

Figure 4-2 Jokisivu and Orivesi Local Geology Maps





#### 4.1.2.2 *Jokisivu Mine*

The Jokisivu Mine has two areas of mineralisation (Kujankallio and Arpola) which are approximately 200 m 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 northwest-trending shear zones in upper-amphibolite facies rocks (**Figure 4-2**).

Mineralisation is hosted within relatively undeformed and unaltered diorite, in 1 m to 5 m wide shear zones that are characterised by laminated, pinching and swelling quartz veins and a well-developed moderately (50°) east-northeast plunging lineation, as shown in **Figure 4-5**. The Kujankallio vein sets have been shown by drilling to extend to at least 730 m depth whereas Arpola has only been drilled to 455 m. Gold occurs chiefly as free grains in quartz veins, locally related to arsenopyrite, loellingite, pyrrhotite and scheelite. The Jokisivu diorite is surrounded by mica gneisses, volcanogenic and arenitic metasedimentary gneisses and granitoids (and leucosomes of gneisses) of which have tonalitic to granodioritic composition.

#### 4.1.2.3 *Kaapelinkulma*

The Kaapelinkulma deposit is 50 m to 100 m wide and 1,800 m long, which forms a gently dipping inclusion (large xenolith) in a synorogenic tonalite (**Figure 4-3**). Controlling structures are a set of thin, north-northeast and northeast trending sinistral shear zones dipping at 35° to 40° to the east-southeast. The width of the shear zones is from a few centimetres to several metres as can be observed in surface outcrops and drill core.

At Kaapelinkulma, an oval-shaped granitoid intrusion of 4 km by 8 km is surrounded by mica and veined gneisses with graphitic and sulphidic interlayers. Main rock types of the intrusion are tonalite and granodiorite, in which quartz diorite, diorite and gabbro fragments and inclusions are common. Texture of tonalite is porphyritic, medium-grained and slightly foliated.

A boomerang-shaped, 1.8 km long and 50 m -120 m wide unit of quartz diorite occurs as a mega-inclusion in the western part of tonalite intrusion (**Figure 4-3** and **Figure 4-6**). The known quartz-diorite unit extends to the shallow levels, only 30 m -120 m below surface. Also in quartz diorite, fragments and inclusions (xenoliths and autoliths) are common, especially close to the western contact of quartz diorite and tonalite. Rock types of xenoliths are diorite, mafic-intermediate metavolcanite, mica gneiss and veined gneiss. Texture of quartz diorite is medium-grained and slightly foliated. However, grain size of quartz diorite is clearly smaller than in tonalite.

The Kaapelinkulma gold occurrence is associated with ‘en echelon’ type shear zones locating mainly nearby the western contact area of quartz diorite. Shear zones are narrow (0.1 m to 5 m), north-south trending and moderately east-wards dipping (35° to 45°). In shear zones, quartz diorite is strongly biotite-altered and quartz-veined. Quartz veins are narrow, 1 mm to 20 mm, and bright, bluish or brownish white in colour. Gold and other ore minerals occur in shear zones, and especially in association with quartz veins and veinlets.

Mafic veins are younger than quartz diorite, tonalite and mineralized shear zones, according to their cutting structures. The thickest mafic vein type is gently dipping (ca. 10 degrees) to the northwest, is up to 10 metres thick, and it has often a specific magma mixing (breccia) structure where mafic vein fragments are surrounded by felsic vein material. In certain places, felsic material is dominating over mafic. A narrower mafic vein type dips eastwards moderately (ca. 40 degrees) and is 0.1 to 1 metre in thickness. Both mafic vein types are greenish and fine-grained.

The youngest rock types are coarse-grained pegmatite veins and fine to medium-grained aplite veins. Pegmatite veins have in some places quartz-rich core. Both gently and moderately dipping pegmatite and aplite veins occur, and their thicknesses are usually between 0.1 and 2 metres.

The Orogenic-type Kaapelinkulma gold deposit comprises a set of subparallel lodes in a tight array in a sheared quartz diorite. Brittle-ductile shear zones are ‘en echelon’ -type in which a single shear zone has a limited lateral continuation, but other shear zones exist subparallel and close to each other. Width of shear zones is 0.1 to 5 metres, at the most frequent 1 to 2.5 metres. Mineralised shear zones contain banded quartz veins and veinlets that are characterized by variable amounts of pyrrhotite, arsenopyrite, loellingite, pyrite, chalcopyrite, scheelite, tellurides, bismuth, maldonite and gold. The edges of sheared zones graduate to barren quartz diorite in the distance of a couple of centimetres. Many types of veins cut tonalites, quartz diorite and the mineralised shear system. Gently dipping mafic dykes replace the mineralisation, and break the continuity of ore lodes in many places. Pegmatite and aplite veins cut all rock type units.

The strong alteration of the country rock is mainly restricted to sheared and mineralised zones. Biotitisation, chloritisation and silicification are the most typical alteration types. The original source rock is so intensively biotite-altered after breakdown of hornblende in the mineralised zones that the rock type looks like quartz-biotite gneiss rather than quartz diorite. Other alteration types are albitisation, epidotisation and carbonatisation. Albitisation has changed feldspar of quartz diorite to Na-richer end member. Epidotisation and carbonation are associated in crack fillings of various rock types.

Two zones of gold mineralisation have been identified, both associated with north-northwest trending sinistral shears. Native free gold is chiefly associated with quartz (locally visible to the naked eye), and some gold is associated with native bismuth and as inclusions in arsenopyrite. General alteration is biotitisation of hornblende with quartz as a by-product, tremolite and minor rutile in selvages in some of the mineralised veins.

**Figure 4-3 Kaapelinkulma Local Geology Map**

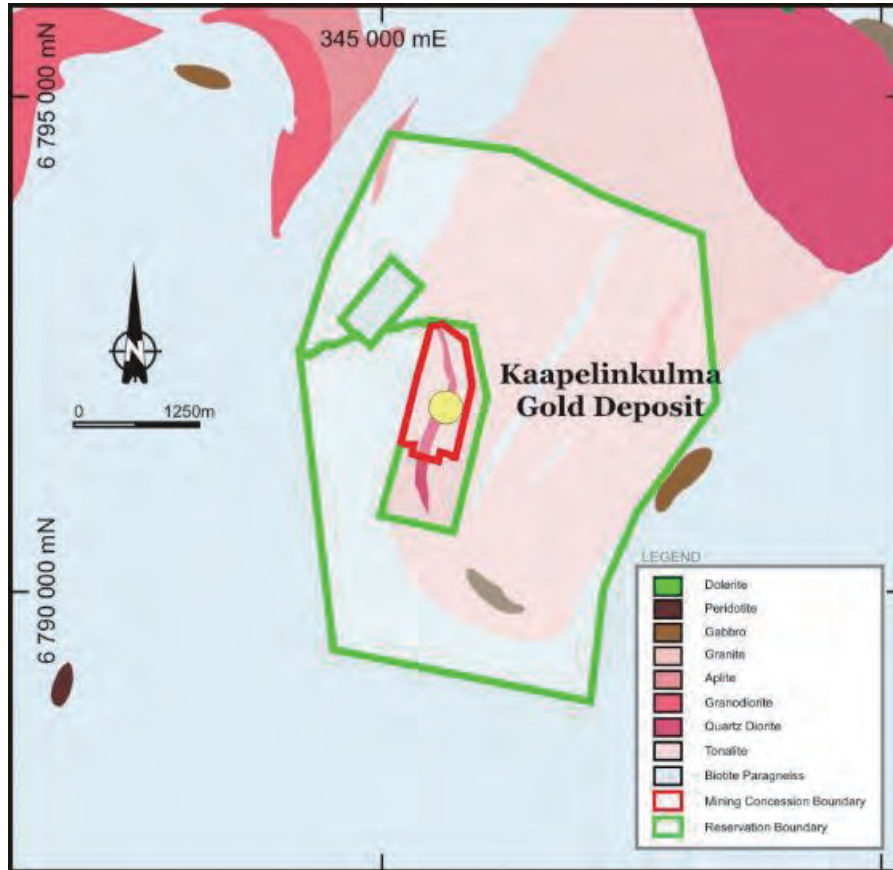


Figure 4-4 Orivesi Mine – Generalised Cross Section

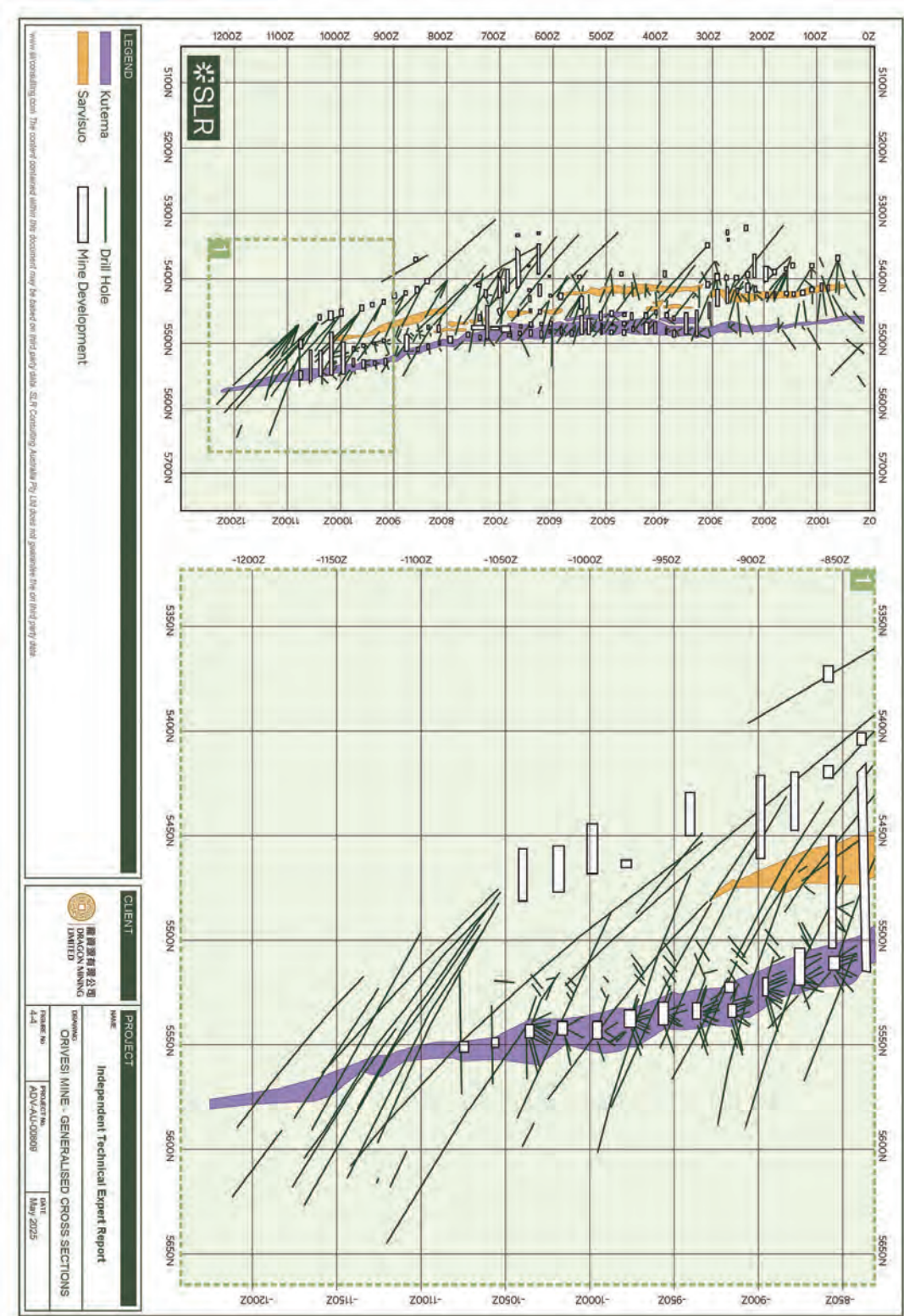
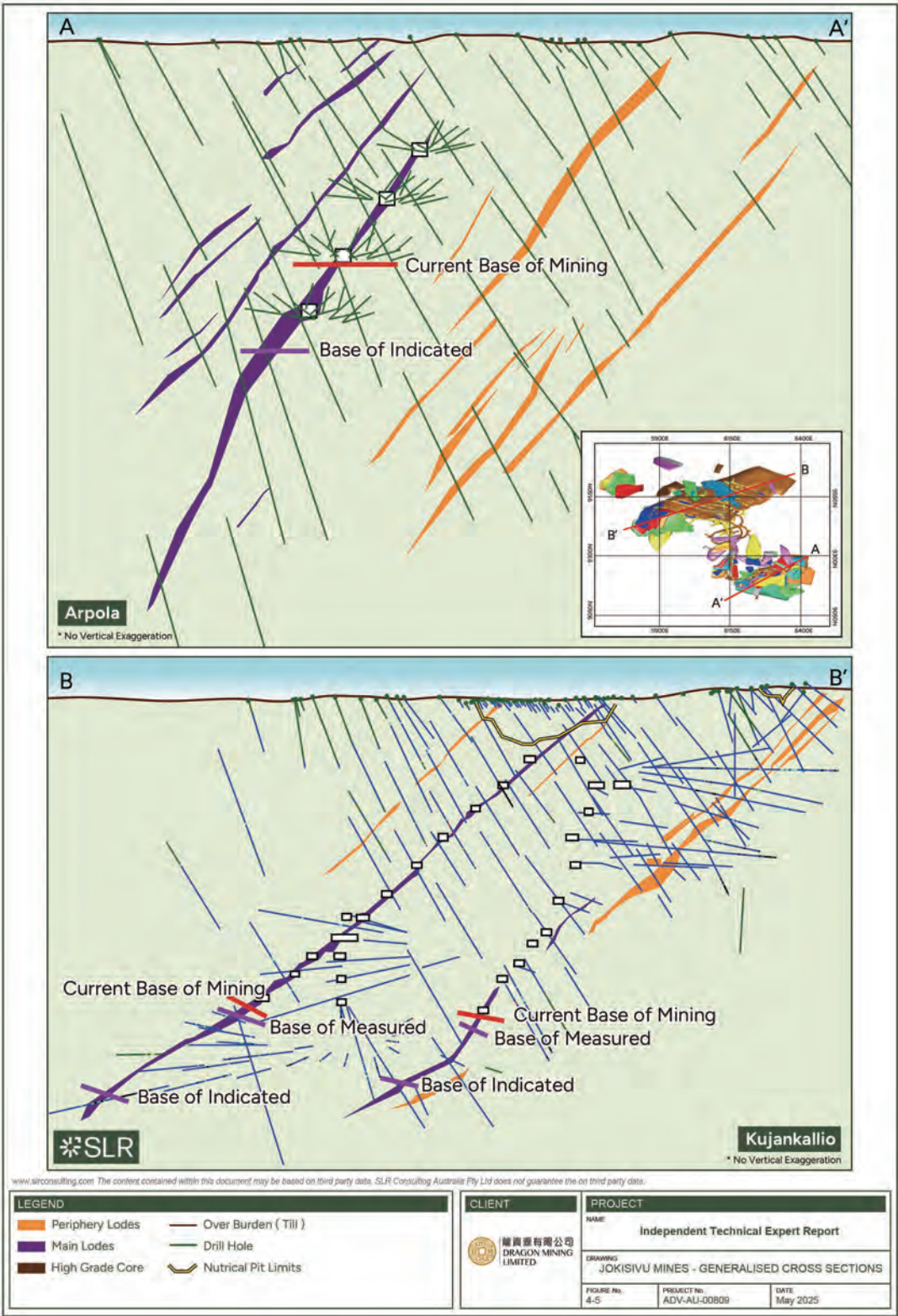
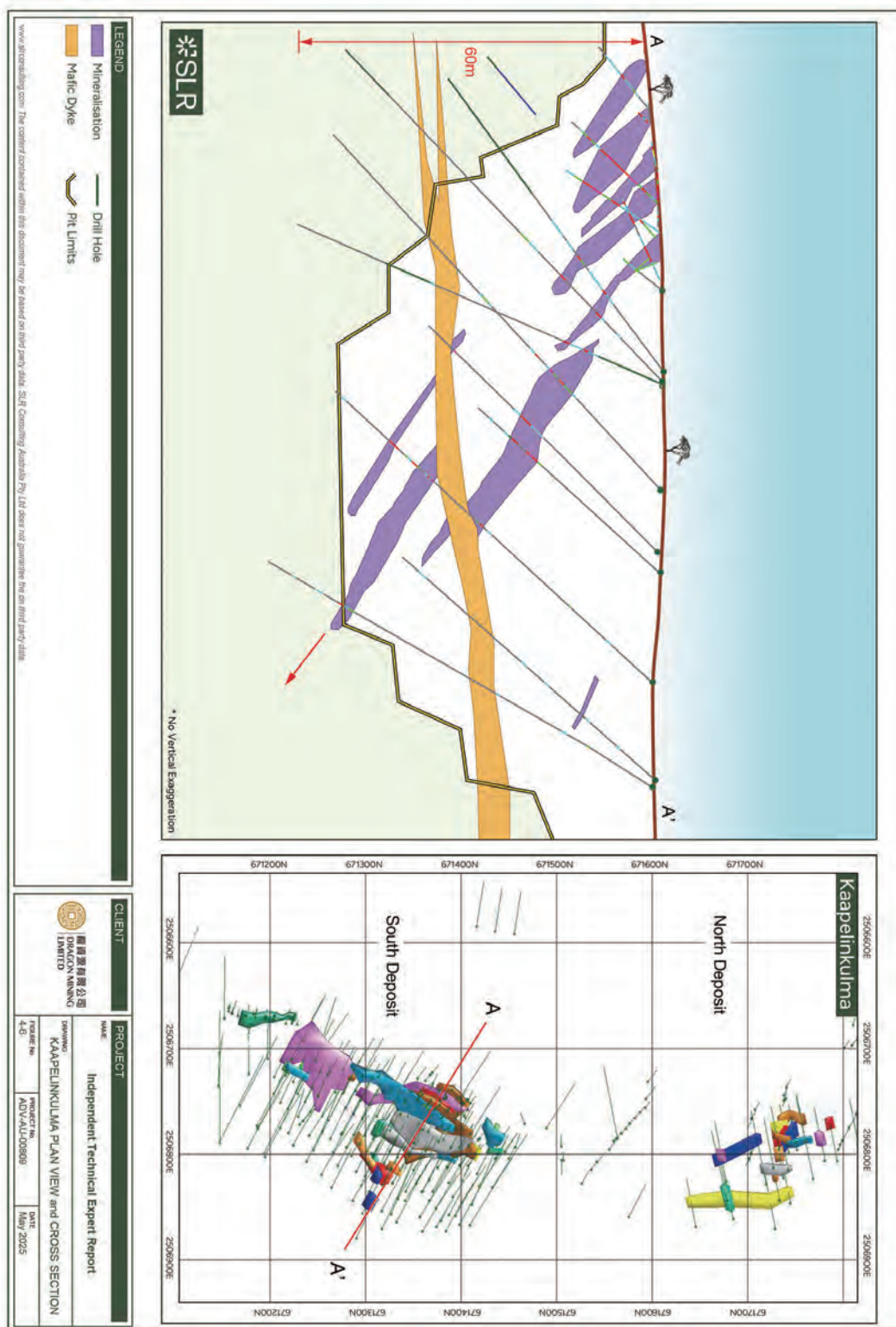




Figure 4-5 Jokisivu Mines – Generalised Cross Section



**Figure 4-6 Kaapelinkulma Plan View and Cross Section**



## 4.2 Svartliden Production Centre

### 4.2.1 Regional Geology

The Svartliden and Fäboliden Projects are located within the Fennoscandian Shield, southwest of the Skellefte District, northern Sweden. At c. 2.45 Ga, rifting of the Archaen craton of the Fennoscandian Shield started, and the final break up of the craton occurred at c. 1.95Ga, generating a large oceanic basin in the south, the Bothnian Basin. This basin, which is filled mainly with thick metamorphosed sediment sequences and subordinate metavolcanic rocks, is interpreted as a fore-arc environment. The thickness of the metasediments is estimated to be approximately 10km, which suggests a depositional continental margin environment.

The supracrustal rocks of the Lycksele-Storuman area, which form part of this sediment sequence, were intruded during the early stages of the 1.9 to 1.8 Ga Svecokarelian orogeny by c. 1.9 to 1.86 Ga calc-alkaline granitoids. During the late stages of the orogeny, the supracrustal rocks were intruded by c. 1.82 to 1.8 Ga S-type granites of the Skellefte-Hamo suite and by 1.81 to 1.77 Ga alkali-calcic granites of the Revsund suite.

### 4.2.2 Local Geology

The Fäboliden deposit, like Svartliden, is hosted in a sequence of volcano-sedimentary packages in the Bothnian Basin. Geological maps of the region interpret the majority of the rock types to be sedimentary but drilling at Fäboliden and Svartliden have proven that a significant percentage of the geology is composed of volcanics or mafic intrusives (**Figure 4-7**).

Fäboliden has been classified as an orogenic gold deposit. Gold mineralisation is hosted by Bothnian Group metasediments and metavolcanic rocks, surrounded by Revsund-type granitoids. The main host rock is metasediment, but in the central portion of the deposit, intercalations of metavolcanic rocks are also mineralised.

The metasediments are strongly foliated and biotite-rich. They are commonly argillitic, with coarser-grained zones (<1 cm grain size) which are less deformed. These less-deformed parts display primary sedimentary textures such as poor stratification and bedding. The metavolcanic rocks are similar in appearance to the metagreywackes. The metavolcanic rocks are also fine-grained and biotite-rich, however, the metavolcanic rocks are commonly distinctly banded. The Revsund granitoid is medium to coarse-grained, with K-feldspar porphyroblasts (commonly 2 cm to 5 cm).

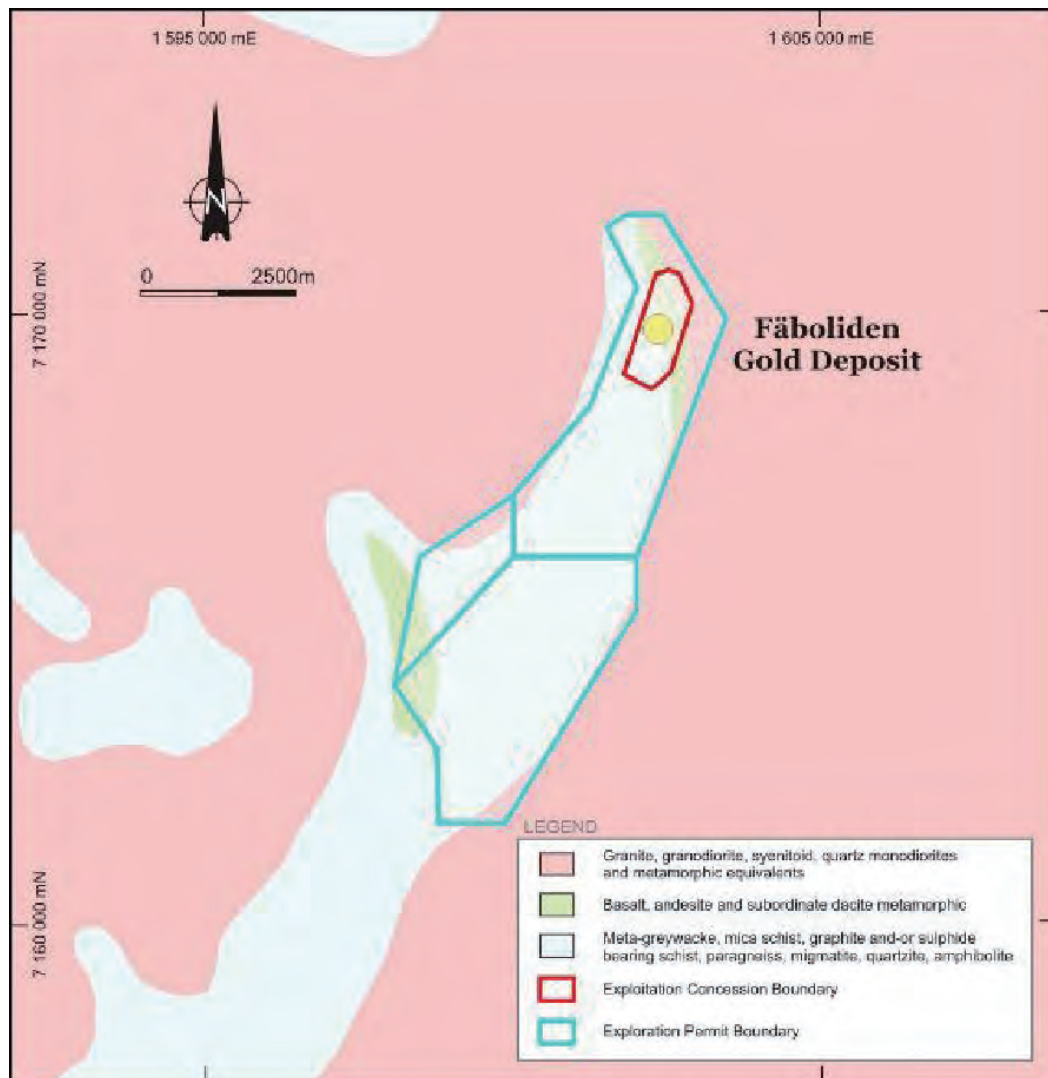
While Svartliden is dominated by meta-basalts, argillitic and arenitic sediments, Fäboliden also contains intermediate volcanics and volcanoclastic sediments. The stratigraphy strikes NNE-SSW and dips from approximately 50° to 70° east with the orientation steepening in the north. A foliation is apparent in most lithologies and is parallel to the stratigraphy. Unit thickness changes abruptly and are likely the result of faulting or shearing.



The mineralisation spans at least 1.7km along strike and varies greatly in thickness which is largely dependent on cut-off grade. Assuming an anomalous gold cut-off of 0.1 g/t, the gold halo is up to 160 m thick in places and could be thicker as only select portions of drill holes were assayed.

The volcano-sedimentary packages and mineralisation are cross-cut by a late dolerite sill which dips gently to the south. Granite dykes also cut stratigraphy but are only significant in the eastern volcanics (**Figure 4-8**). They rarely cut the mineralisation and when they do, are typically thinner than a few meters in thickness. Unlike at Svartliden, granite dykes do not influence the resource at Fäboliden.

**Figure 4-7 Fäboliden Local Geology Map**





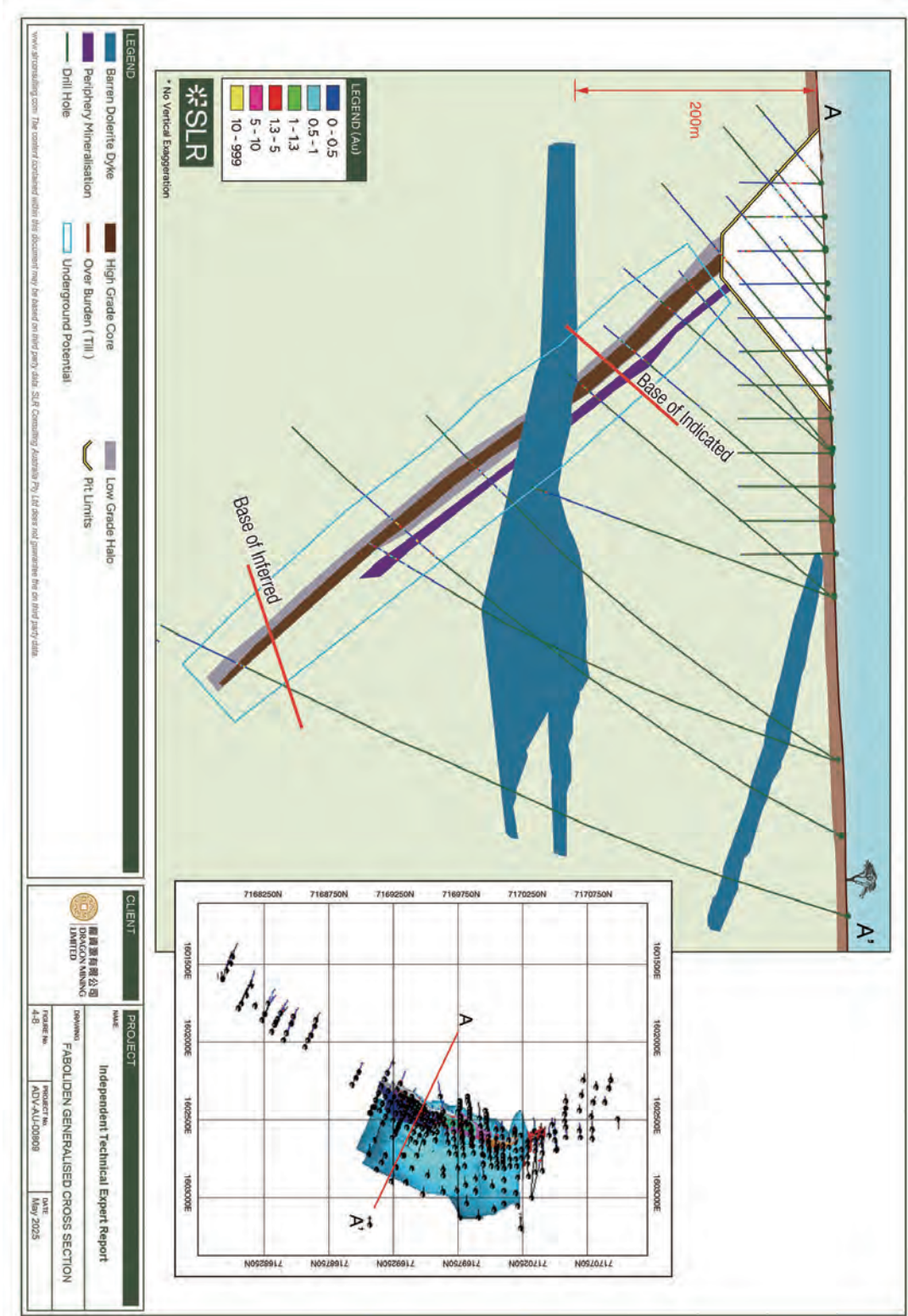
***4.2.3 Mineralisation Style***

The mineralisation is generally situated at or near the boundary between the lower sediments and the intermediate volcanics. In many cases, the high grades are present immediately at this contact with a zone anomalous in gold separating another mineralisation present deeper in the sediments. The latter becomes the dominant mineralisation to the north as the intermediate volcanics pinch out. While mineralisation is hosted both in sediments and volcanics, gold grades are associated with small quartz or sulfide veins (less than 5 cm in thickness) where arsenopyrite tends to be concentrated. The gold is said to be fine-grained and found in fractures and as inclusions within arsenopyrite-löllingite (Alvarez, J. and others, 2010 and Ylvén T., word of mouth). Visible free gold has also been observed in the silicate matrix in the proximity of quartz veins. These quartz veins are parallel to foliation/stratigraphy and are typically boudinaged. Another, later set of quartz veins sometimes cross-cut foliation but do not typically carry gold and are not concentrated around the mineralisation.

Proximal alteration is variable at Fäboliden and its character depends on the rock type that is hosting mineralisation. Diopside, calcic-amphibole and biotite alteration is common in the volcanics and often pervasive. Silicification is occasionally observed. In the sediments, light silicification is common while feldspar alteration can be intense or lacking altogether. Some sericitization and chlorite alteration is observed and diopside, calcic-amphibole alteration is sometimes present in varying intensities.

Distal alteration is more difficult to qualify. In the volcanics, low amounts (1-2%) of pervasive calcite alteration is present, and diopside, calcic-amphibole and biotite alteration is observed quite far from the lode but in veins rather than pervasive. In the sediments, there is little distal alteration other than biotite, but some sericitization is present.

Figure 4-8 Fäboliden Generalised Cross Section



## **5. JORC MINERAL RESOURCES**

Mineral Resources Estimates provided by the Company have been independently reviewed by SLR.

In SLR opinion the Mineral Resource estimates are reasonable. They are reported in compliance with 2012 JOC Code and are suitable for public reporting purposes.

The Mineral Resource estimates are reported as at 31st December 2024 for the Jokisivu deposit and 1st May 2025 for all other deposits.

### **5.1 Mineral Resource Classification System under the JORC Code**

A Mineral Resource is defined in the JORC Code as ‘a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality) that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.’

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.

For a Mineral Resource to be reported, it must be considered by the Competent Person to meet the following criteria under the recommended guidelines of the JORC Code:

- There are reasonable prospects for eventual economic extraction.
- Data collection methodology and record keeping for geology, assay, bulk density and other sampling information is relevant to the style of mineralisation and quality checks have been carried out to ensure confidence in the data.
- Geological interpretation of the resource and its continuity has been well defined.
- Estimation methodology that is appropriate to the deposit and reflects internal grade variability, sample spacing and selective mining units.
- Classification of the Mineral Resource has considered varying confidence levels and assessment and whether appropriate account has been taken for all relevant factors i.e. relative confidence in tonnage/grade, computations, confidence in continuity of geology and grade, quantity and distribution of the data and the results reflect the view of the Competent Person.

SLR has reviewed the Mineral Resource estimates of Dragon and in our opinion, they have been prepared and reported in compliance with the 2012 JOC Code.

## **5.2 Dragon Drilling, Sampling and QAQC**

Geological logging, sampling and QAQC procedures adopted by Dragon are common across all their Projects including both the Vammala and Svartliden Production Centres. SLR has reviewed the site procedures during the site visits and considers them industry standard. These procedures include excellent control of the drilling by geologist, all facets of the sampling and logging process supervised or undertaken by the geologists and a comprehensive QAQC programme including sample preparation checks for fineness carried out by the laboratory, Industry Certified Reference Materials (CRMs) inserted at regular intervals, blanks sourced from barren material and crush duplicates. Various QAQC programmes were used by previous owners and have produced results which support the historical sampling and assaying results. In addition, check sampling has been carried out by Dragon and has further confirmed the assays from historical drilling by previous owners.

Core from infill diamond drilling is submitted for analysis as whole core. Core from exploration drilling is cut in half using a core saw with half core submitted for analysis. Reverse circulation and sludge drill samples are taken at 1m intervals at the rig, with the whole sample collected and split at the laboratory's sample handling facility. Sampling of diamond, reverse circulation and sludge drillholes use industry standard techniques.

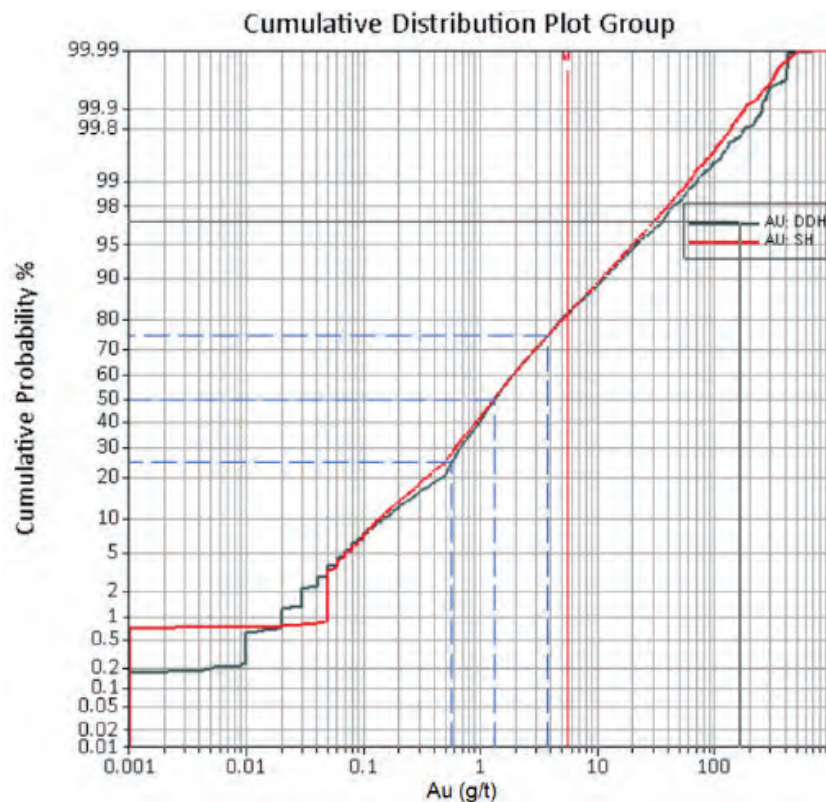
Sampling is undertaken using a sample length of around 1 m or where geological boundaries are identified. Samples are taken by the geological department and sample bags are sorted into batches and dispatched to the ALS sample preparation facility in Outokumpu in eastern Finland (Finland assets) or Piteå in northern Sweden (Sweden assets). After drying, the sample is subjected to a primary crush, then pulverised to 85% passing 75 micron sieve. Analysis for gold is undertaken using Fire Assay with AAS or ICP finish (30 g or 50 g pulps) at the ALS Rosia Montana laboratory facilities in Romania (Finland assets) or ALS Loughrea in Ireland (Sweden assets). From 2008, samples reporting greater than 5.0 g/t Au were checked using Fire Assay with gravimetric finish. From 2024, samples with visible gold were also sent for screen Fire Assay. Since 2015, analysis of sludge samples was conducted at CRS Laboratories Oy in Kempele in northern Finland, using PAL1000 cyanide leach method with AAS finish.

A QAQC programme is implemented and includes commercial CRMs sourced from Rocklabs and inserted at a rate of 1 in 20 samples. Blanks samples are inserted at a rate of 1 in 40 and crush duplicates are inserted at a rate of 1 in 20 samples.

Following the review of the QAQC from each of the assets, SLR is of the opinion that the samples are representative of the underlying data and that no systematic bias has occurred. This conclusion is based on the following:

- Dragon has a comprehensive QAQC program for all drilling that is consistent across all projects and includes duplicates, CRMs and blanks. These data are reviewed on a regular basis by site personnel prior to Mineral Resource estimation and no significant issues with the quality of the assaying are observed in these data.
- A global comparison of the assay results derived from diamond drilling and sludge drillhole samples at Jokisivu was undertaken by SLR and is shown in **Chart 5-1** SLR considers the gold grades derived from the different sampling methods compare well with no systematic bias evident.

**Chart 5-1 Jokisivu Mine – Global Comparison of Au Grades from Diamond Drilling (DDH) and Sludge Drillholes (SH)**



- Dragon completed a re-assay program on the remaining historical Fäboliden drill core, which was in addition to the large QAQC sample dataset provided by the previous owners and authors. The re-samples have a high degree of consistency with the original samples which indicated the good quality of the dataset. Some variation is observed in the quarter core analysis; however, a general trend can be interpreted with high-grade having high grades and low grade having low grade. SLR notes that the reasonably high nugget of the mineralisation (Section 7) and considers that the results represent the tenure of the mineralisation and variations as expected from this type of sampling. This interpretation is clearly supported by the good correlation of the other samples; however, this should be confirmed with additional sampling as the project progresses towards development (in future drilling programs).

### **5.3 Area of the Resource Estimation**

The areas which form part of the Mineral Resource estimates, are located in various locations throughout Finland and Sweden and are grouped according to the respective location as below:

- Vammala Production Centre:
  - Orivesi Mine is a closed gold mine located 80 km from the Vammala Plant and consists of 2 deposits, 200 m apart, namely Kutema and Sarvisuo.
  - Jokisivu Mine is an operating underground gold mine located 40 km from and Vammala Plant and consists of 2 deposits 300 m apart namely Kujankallio and Arpola.
  - Kaapelinkulma Mine is a closed open pit located 65 km east of the Vammala Plant.
  - Stockpile – Production stockpiles are located at Jokisivu.
- Svartliden Production Centre
  - Fäboliden Project is a pre-development open pit with underground extensions located 30km by road southeast of the Svartliden Processing Plant.
  - Svartliden Open Cut (OC) and Underground (UG) Mines (de-commissioned) is located adjacent to the Svartliden Processing Plant.



#### 5.4 JORC Statement of Mineral Resources

The Mineral Resource Estimates for the Projects have been prepared by the Company. The supporting Mineral Resource Estimate reports have been made public by the Company. SLR has relied on the Company reports for the Mineral Resource information summarised in this review. Refer to the Company reports for the complete Mineral Resource statements, including the Table 1 information.

Results of the independent Mineral Resources estimate for the Projects are tabulated in the Statement of Mineral Resources in **Table 5-2** below, which are reported in line with the requirements of the 2012 JORC Code. The Statement of Mineral Resources is therefore suitable for public reporting. The Mineral Resources, shown graphically in **Figure 5-1** to **Figure 5-8** at cut-off grades presented in **Table 5-1**, are inclusive of the Ore Reserves reported in Section 7.

The cutoff grades presented in the **Table 5-1** are based on the following:

- Jokisivu – Based on operating costs, mining and processing recoveries from Jokisivu actuals and a gold price of USD2,766 per troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of an average consensus forecast gold price of USD2,305 per troy ounce that was generated from annual consensus gold forecasts over the mine life period
- Orivesi – Based on operating costs, mining and processing recoveries from Orivesi actuals and a gold price of USD1,770 per troy ounce, extrapolated for the potential economic extraction of the resource at a level approximating 120% of the short-term consensus forecast gold price of USD1,475 per troy ounce.
- Kaapelinkulma – Based on operating costs, mining and processing recoveries from Kaapelinkulma actuals and a gold price of USD1,800 per troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of the long-term average consensus forecast gold price of USD1,500 per troy ounce.
- Fäboliden – Based on costs and recoveries from the 2025 Fäboliden Ore Reserve estimate and Life-of-Mine study and a gold price of USD2,300 per troy ounce the long-term average consensus forecast gold price.
- Svartliden – Based on updated estimates for mining costs and a gold price of USD1,500 per troy ounce, 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 USD1,260.

**Table 5-1 Au g/t Cutoff Grades for Au Mineral Resource**

Project	Area	Cut-off Grade (Au g/t)
Orivesi	–	2.6
Jokisivu	–	1.3
KaaPelinkulma	South zone above 0mRL	0.9
	South zone below 0mRL	1.5
	Butterfly exclusion zone	1.5
	North zone	0.9
Fäboliden	Inside RF* 120% pit shell	1.0
	Outside RF 120% pit shell	2.0
Svartliden	Open pit	1.0
	Underground	1.7

\* RF = Revenue Factor

In addition to the in situ Mineral Resources outlined in **Table 5-2**, further surface stockpiles are estimated based on surveys and sampling (detailed in Section 7.4), include Production Stockpiles of **131 kt at 1.6 g/t Au for 7,000 ounces** of stockpiles located at Jokisivu. These stockpiles are classified as Indicated.

**Table 5-2 Statement of JORC Mineral Resources**

Production Centre	Area	Measured			Indicated			Inferred			Total		
		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)
Vammala	Jokisivu Arpola	227	3.8	28	723	3.3	77	359	2.9	33	1,309	3.3	138
	Jokisivu Kujankalio	291	3.3	31	606	2.8	55	316	2.5	25	1,213	2.8	111
	Jokisivu Stockpiles	–	–	–	131	1.6	7	–	–	–	131	1.6	7
	Orivesi Kutema	59	4.5	9	61	5.1	10	13	4.4	2	133	4.8	20
	Orivesi Sarvisuo	34	5.7	6	47	7.0	11	58	4.9	9	139	5.8	26
	KaaPelinkulma North	–	–	–	33	2.2	2	45	3.5	5	78	3.0	7
	KaaPelinkulma South above 0mRL	8	1.8	<1	14	3.2	1	17	7.1	4	39	4.6	6
	KaaPelinkulma South below 0mRL	–	–	–	–	–	–	35	5.4	6	35	5.4	6
	KaaPelinkulma Butterfly Exclusion Zone	13	2.1	1	16	3.8	2	1	2.6	<1	30	3.0	3
<b>Total Vammala</b>		<b>630</b>	<b>3.7</b>	<b>80</b>	<b>1,630</b>	<b>3.1</b>	<b>170</b>	<b>840</b>	<b>3.1</b>	<b>80</b>	<b>3,110</b>	<b>3.2</b>	<b>320</b>



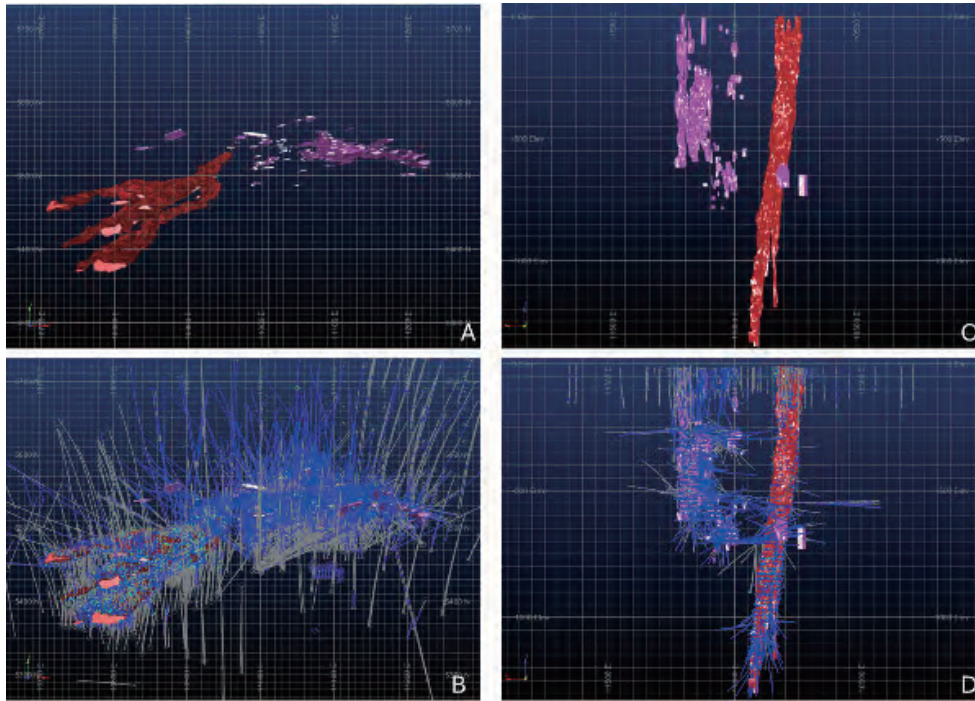
## APPENDIX F

## TO THE DML INDEPENDENT EXPERT REPORT – INDEPENDENT TECHNICAL EXPERT REPORT

Production Centre	Area	Measured			Indicated			Inferred			Total		
		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)
Svartliden	Fäboliden Inside RF 120% shell (485 to 350)	100	3.3	11	5,400	2.6	457	20	3.6	2	5,520	2.6	470
	Fäboliden Outside RF 120% shell (350 to -60)	–	–	–	630	2.6	53	5,170	3.3	556	5,790	3.3	608
	Svartliden Open Pit (OC)*	83	3.1	8	160	3.0	16	<1	2.0	<1	240	3.0	24
	Svartliden Underground (UG)*	36	4.3	5	150	4.6	22	60	4.0	8	250	4.4	35
	<b>Total Svartliden</b>	<b>220</b>	<b>3.4</b>	<b>20</b>	<b>6,340</b>	<b>2.7</b>	<b>550</b>	<b>5,250</b>	<b>3.3</b>	<b>570</b>	<b>11,800</b>	<b>3.0</b>	<b>1,140</b>
<b>Group Total</b>		<b>900</b>	<b>3.4</b>	<b>100</b>	<b>8,000</b>	<b>2.7</b>	<b>700</b>	<b>6,100</b>	<b>3.3</b>	<b>650</b>	<b>14,900</b>	<b>3.0</b>	<b>1,500</b>

*Note:*

1. The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Shaun Searle who is a director of Ashmore Advisory Pty Ltd and a Registered Member of the Australian Institute of Geoscientists. Mr. Searle 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. Mineral Resource Estimates reported in the table above represent estimates at 31st December 2024, for the Jokisivu deposits and stockpiles.
3. Mineral Resource Estimates reported in the table above for all deposits other than Jokisivu are as of 1st May 2025.
4. Mineral Resource Estimates are calculated using different cut-off grades (gold g/t) in different deposits that reflect the geology and economic characteristics of the individual deposit.
5. For the Fäboliden deposit, “RF 120% shell” refers to the revenue factor 120% pit shell developed in pit optimisation at a gold price of USD2,300/oz. This defines the assumed limit of reasonable expectations for economic open pit mining and the start of potential underground mining at a higher cut-off grade.
6. 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 Resource Estimates are 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).

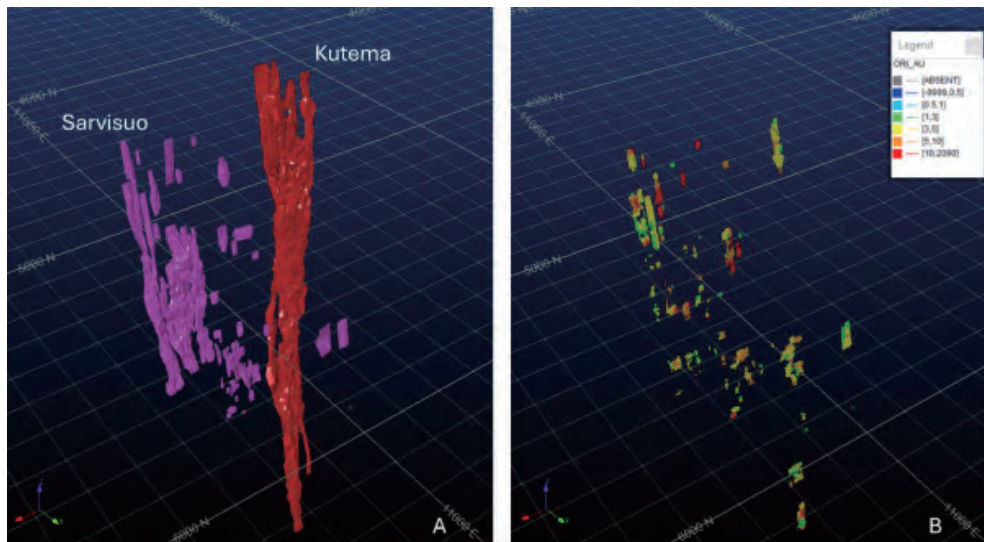
**Figure 5-1 Orivesi Mine Deposit**

A – Isotropic View of Underground Development Without Drillholes (A),

B – Isotropic View of Underground Development with Drillholes

C – Plan View

D – Isotropic View of Block Model Displaying Au grade Filtered on 'unmined' Status and 1.3 g/t Au Cut-Off Grade

**Figure 5-2 Orivesi Mine Isotropic View**

A – Isotropic View of Resource Domains

B – Block Model Displaying Au grade Filtered on 'unmined' Status and 2.6 g/t Au Cut-Off Grade

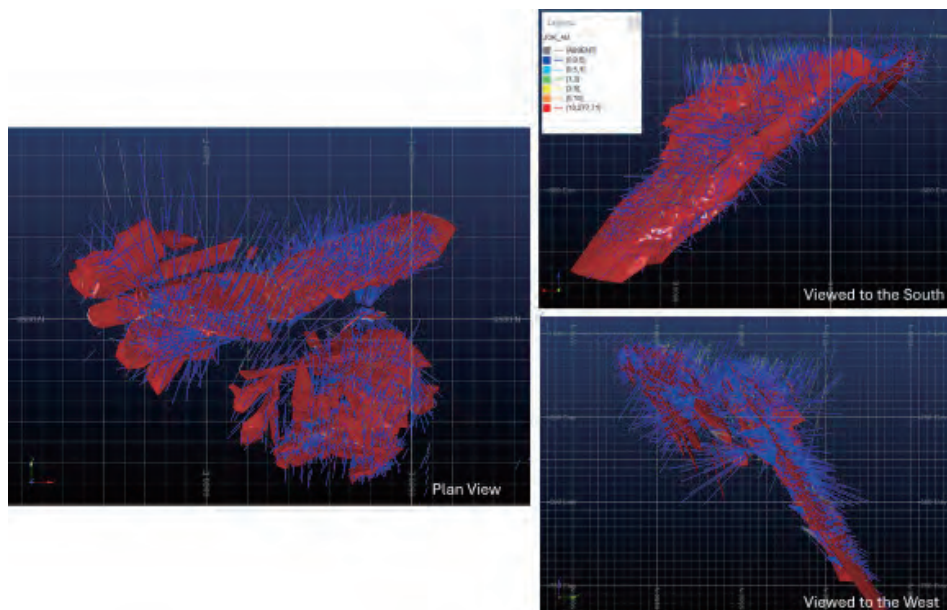
**Figure 5-3 Jokisivu Mine – Resource Domains and Drillholes**

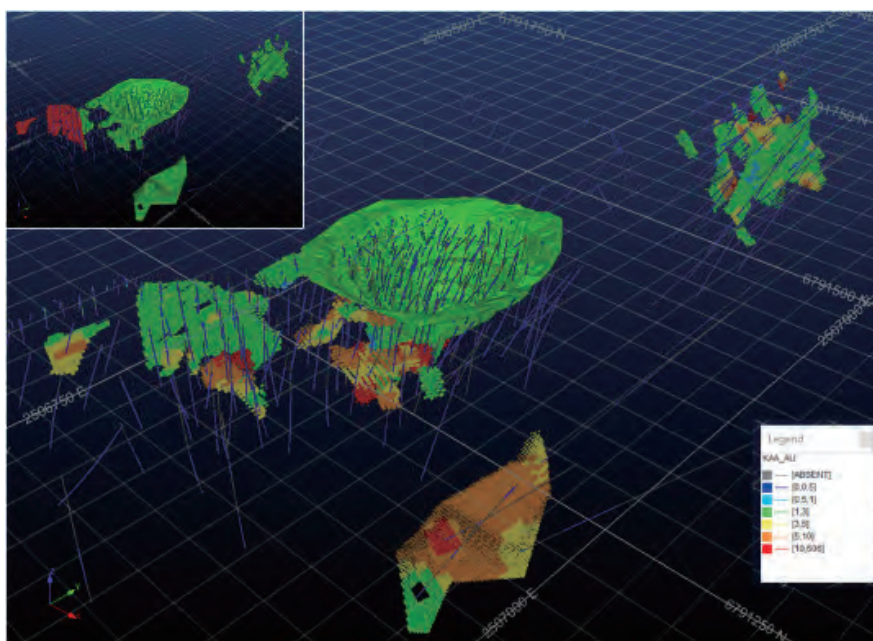
Figure 10 consists of four 3D models (A, B, C, D) showing the spatial distribution of different types of vegetation in the study area. Model A shows the distribution of Key, UG Drive, Slope, and Pillar. Model B shows a different distribution with a legend for 'L' values. Models C and D show the distribution of 'L' values across the terrain.

### B – With Drillholes

### C – Plan View

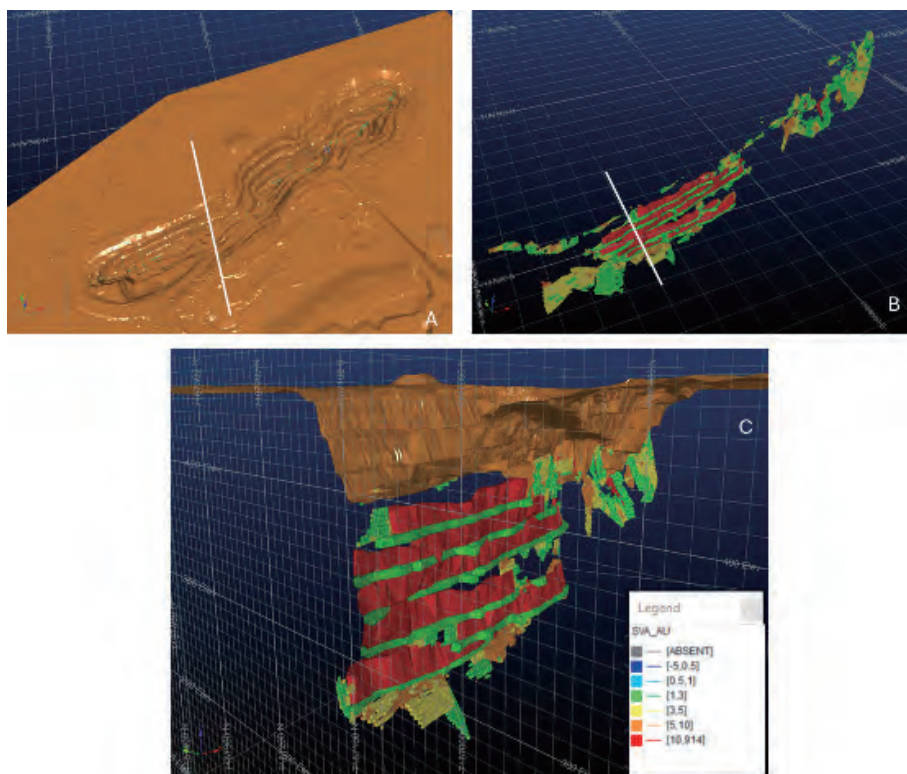
D – Isotropic View of Block Model Displaying Au grade Filtered on ‘unimined’ Status and 1.3 g/t Au Cut-Off Grade



**Figure 5-5 Kaapelinkulma Mine – Isotropic Views**

- \* Isotropic Views of Block Model Displaying Au grade Filtered on 'unmined' Status and appropriate Au Cut-Off Grade. Inset Shows Blocks Coded by Inside (Red) and Outside (Green) Butterfly Exclusion Zone

Figure 5-6 Svartliden Project – Isotropic Views



A – Open Pit

B &amp; C – Underground

Figure 5-7 Fäboliden Project – Resource Domains and Drillholes

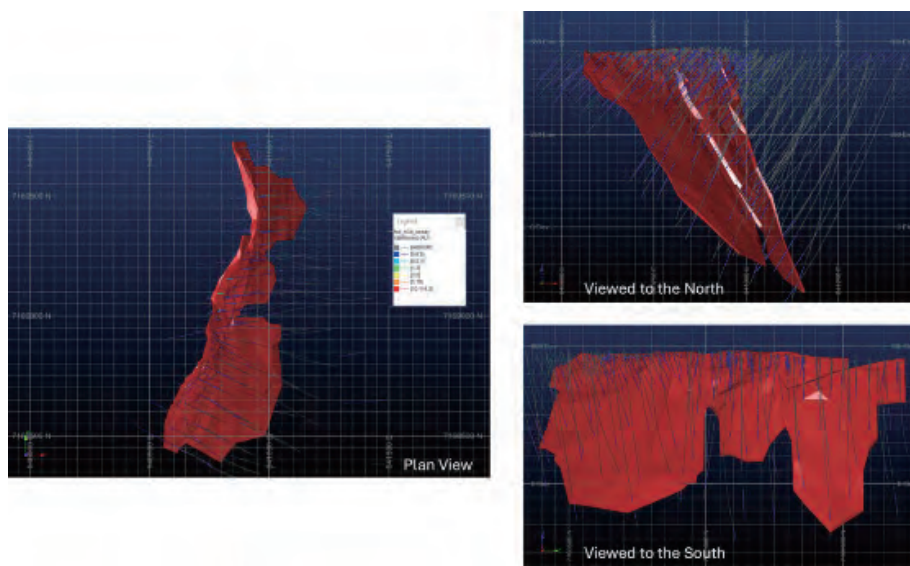
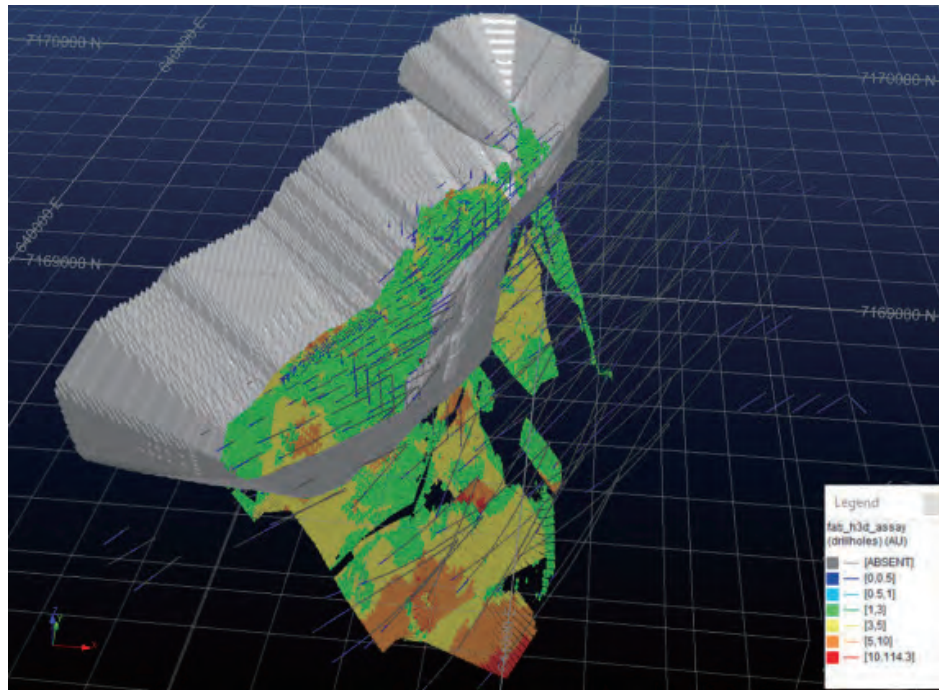


Figure 5-8 Fäboliden Project – Isotropic view



Isotropic view of optimized pit shell and block model with grades filtered above 1.1g/t Au in the open pit and 2.0g/t Au outside the open pit

### 5.5 Estimation Parameters and Methodology for Au Mineral Resources

The 2012 JORC Code describes a number of criteria that must be addressed in the documentation of Mineral Resource estimates prior to public release of the information. The criteria provide a means of assessing whether parts of or the entire data inventory used in the estimate are adequate for that purpose. The Mineral Resources stated in this document are based on the criteria set out in Table 1 of that Code. A summary is provided below for reference:

- The individual Resource estimates cover a variety of areas ranging from 0.12 sq.km to 1.77 sq.km as shown in **Table 5-3**.

**Table 5-3 Block Model Origins and Extents**

Estimate	Origin			Extent			Area
Area	Easting	Northing	Elevation	Easting	Northing	Elevation	
	(m)	(m)	(m)	(m)	(m)	(m)	(sq.km)
Kutema	10,650	5,350	-1,500	400	300	1,500	0.12
Sarvisuo	10,500	5,450	-900	900	300	900	0.27
Jokisivu	5,500	9,000	-950	1,320	900	945	1.188
Kaapelinkulma	2,506,600	6,791,100	-500	450	850	700	0.383
Svartliden	1,587,910	7,186,735	100	1,500	500	400	0.75
Fäboliden	640,347	7,168,099	-250	977	1,812	840	1.770

- Drilling and sampling which was included in the estimates has been conducted on a variety of spacing's via surface and underground diamond core and sludge drilling, surface reverse circulation/percussion drilling in addition to surface trenching and UG channel sampling. The proportion of each method varies between the estimation areas with the currently operating assets being dominated by underground diamond drilling, while the pre-development assets being dominated by surface reverse circulation and diamond drilling. UG diamond drilling was generally conducted on larger spacing down to 50m by 50m with close spaced (25m by 25m or 10m by 10m) grade control drilling being used to define the resource with higher confidences which is subsequently followed by sludge and UG channel sampling. **Table 5-4** shows the number of holes within each estimate.
- Surface diamond drill holes were drilled on dips ranging from 45° to 80° using predominately HQ and NQ sized core for all assets, while all underground diamond holes were drilled using NQ sizes. The underground holes were completed on fans, as a result dips ranged from -45° to +45°. Due to the geometry of the mineralisation within Orivesi and Jokisivu, a number of drill orientations were utilised from both surface and UG, while within Fäboliden, Svartliden and Kaapelinkulma set grids were perpendicular to the strike orientation.



**Table 5-4 Number of Holes and Metres Utilised in the Estimates**

Estimate Area	Diamond	Percussion/ RC	Surface Trench	Sludge	UG Channels	Total Meters
Kutema	1,011	0	0	6,515	301	7,827
Sarvisuo	753	15	0	5,501	1,228	7,497
Kujankallio	841	739	87	5,334	1,105	209,313
Arpola	553	153	83	2,427	272	109,608
Kaapelinkulma	231	215	20	0	0	23,002
Svartliden	724	5,088	8	662	0	210,855
Fäboliden	456	379	0	0	0	73,288

- A series of resource estimation specific site visits have been conducted in the past by SLR with Mr. Richard Ellis completing the recent visit to these assets in April 2025, specifically for the purpose of this Report.
- Collar azimuths have been accurately surveyed by qualified surveyors using total station equipment. Dip values were measured at regular 10m intervals down hole by the drillers using conventional magnetic tools. The deepest holes have been surveyed with Reflex Maxibor, EMS multi-shot or DeviFlex equipment.
- All underground and surface resource diamond drilling for the projects utilised either whole (Orivesi and Jokisivu) or half core which is cut using a core saw or brick saw, while full core sampling is utilised for grade control drilling.
- Core logging and sampling methods have been reviewed by SLR and are considered to be of a very high standard for all of the Company's drilling to date. Sampling is undertaken using a sample length of around 1m or where geological boundaries are identified. Samples are taken by the geological department and sample bags are sorted into batches and dispatched to the ALS sample preparation facility in Outokumpu in eastern Finland (Finland assets) or Piteå in northern Sweden (Sweden assets).
- Analysis for gold is undertaken using Fire Assay with AAS or ICP finish (30g or 50g pulps) at the ALS Rosia Montana laboratory facilities in Romania (Finland assets) or ALS Loughrea in Ireland (Sweden assets). From 2008, samples reporting greater than 5.0g/t Au were checked using Fire Assay with gravimetric finish. From 2024, samples with visible gold were also sent for screen Fire Assay. Since 2015, analysis of sludge samples was conducted at CRS Laboratories Oy in Kempele in northern Finland, using PAL1000 cyanide leach method with AAS finish.

- A QAQC programme is implemented and includes commercial CRMs sourced from Rocklabs and inserted at a rate of 1 in 20 samples. Blanks samples are inserted at a rate of 1 in 40 and crush duplicates are inserted at a rate of 1 in 20 samples. SLR considers the QAQC program to be of industry standard.
- The local Finland and Swedish grid systems are utilised for the estimates.
- Geology and mineralisation wireframes were prepared by Dragon (except for Fäboliden which was completed by SLR) in Surpac software and supplied to SLR for review and subsequently modified as considered appropriate. All mineralisation was constrained based on envelopes prepared using a nominal Au cut-off grade (as outlined in **Table 5-5**) which were based on statistical and spatial analysis, with a minimum down-hole length of 2 m. Although nominal cut-off grades were utilised, geological lithological and structural logging was used to create geology wireframes which has resulted in some variations from the cutoff applied and inclusions of lower grade material.
- The composite lengths utilised in the estimates with a variety of high-grade cuts applied are shown in **Table 5-5**. The high-grade cuts applied were base of statistical analysis for individual mineralised zones, and as such a variety were utilised while a summary is supplied below.

**Table 5-5 Composite Length, Low grade and High-Grade Cuts Applied**

Estimate Area	Composite Length (m)	Cutoff Grades (Au g/t)	
		Mineralisation Envelope	High Grade
Kutema	1.5	0.6 to 1	50
Sarvisuo	1.5	0.5	70
Kujankallio	1	1	Ranged between 5 g/t and 80 g/t
Arpola	1	1	Main lode 50 g/t, others between 10 g/t and 50 g/t
Kaapelinkulma	1	0.5	Ranged between 10g/t and 30g/t
Svartliden	1	1.3	30 g/t for open pit and 60 g/t for underground

- One block model was generated for each estimate to encompass the full extent of the currently defined mineralisation within each estimate areas. Models were created using a variety of parent block sizes and sub-cells as shown in **Table 5-6**.

**Table 5-6 Block Sizes Applied**

Estimate Area	Parent Block Size			Sub-Cell		
	Easting (m)	Northing (m)	Elevation (m)	Easting (m)	Northing (m)	Elevation (m)
Kutema	10	5	10	2.5	1.25	2.5
Sarvisuo	10	2	10	2.5	0.5	2.5
Jokisivu	5	2	5	1.25	0.5	1.25
Kaapelinkulma	2	10	5	0.5	2.5	1.25
Svartliden	10	2	10	2.5	0.5	2.5
Fäboliden	5	10	5	1.25	1.25	1.25

- The Inverse Distance Squared (ID<sup>2</sup>) algorithm with an anisotropic search was selected for Orivesi, Jokisivu and Kaapelinkulma grade interpolation due to the number of samples and the inability to produce robust geospatial analysis while Ordinary Kriging was selected for Fäboliden and Svartliden. The search ellipses utilised for the estimates were based on the interpreted lode orientations and the relative orientations of the geology and fault structures. A total of 3 passes were used to estimate the resources with varying search ellipse parameters as shown in **Table 5-7**.

**Table 5-7 Parameters for Grade Estimation**

Area	Ellipse Orientation				maj/ semi maj	Discretisation		Pass 1			Pass 2			Pass 3		
	Dip	Bearing	Plunge	Maj/ min		Radius	Min Sam	Max Sam	Radius	Min Sam	Max Sam	Radius	Min Sam	Max Sam		
Kutema (Above -700m RL)	0	180	90	2	4	4X by 3Y by 4Z	25	10	20	60	4	20	200	2	20	
Kutema (Below -700m RL)	40	30	75	2	4	4X by 3Y by 4Z	25	10	20	60	4	20	200	2	20	
Sarvisuo	0	180	90	2	4	4X by 2Y by 4Z	30	10	20	60	4	20	200	2	20	
Jokisivu	-85 to 85	5 to 335	0 to 65	1.3 to 2	3 to 4	4X by 2Y by 2Z	30 to 45	10	20	60	6	20	90 to 200	1 to 2	20	
Kaapelinkulma	30 to 80	132 to 235	0 to 38	1 to 2	1	2X by 4Y by 3Z	25-40	10	40	50-80	10	40	100	1	40	
Svartliden	79 to 90	240	30 to 4.3	1 to 3	3 to 5	4X by 2Y by 4Z	25-80	10	-	50-160	10	-	75-160	2	-	
Fäboliden	55 to -70	0 to 335	0	1 to 1.8	2.5 to 3	2X by 4Y by 2Z	50	8	16	100	6	16	150	2	16	
Fäboliden (Grade Control Area)	40 to -55	25	0	1.5 to 1.8	3	2X by 4Y by 2Z	15	8	16	30	6	16	60	2	16	

- While Bulk Density Determination were taken on regular down hole intervals during all drilling completed by the Company, the operating assets also have reconciliation data to enable confirmation of the bulk densities used within the estimates. As a result, there are a significant number of determinations and data which have been utilized to estimate the block BD estimates for each area. Statistical analysis of the datasets for each estimate area shows minimal variation from the mean, with the exception of Fäboliden. The Bulk densities applied included 2.8 cu.m/t for mineralisation and waste material for Kutema, Sarvisuo, Kujankallio and Arpola, 3.08 cu.m/t for Svartliden, and 2.82 cu.m/t was utilised in Kaapelinkulma whilst 1.75 cu.m/t and 1.8 cu.m/t was used for the till material respectively. Although some variation from the mean is observed for Fäboliden there is insufficient sample spatial distribution between the different rock types observed. As such average bulk densities were applied to the estimate for each rock type as outlined in **Table 5-8**.

**Table 5-8 Bulk Density Averages applied to Fäboliden**

Type	Lithology				
	All	Dolerite	Volcanic	Sediment	Rest
Bulk Density ( $t/m^3$ )	1.80	2.98	2.86	2.80	2.84

- All deposits were estimated using the mineralised envelopes as hard boundaries with the Mineral Resource all reported within these envelopes. The reported cutoff grades for the operating asset (Jokisivu) were based on the current mine operating costs, production rates and recoveries as outlined in Section 8 and 9. The cutoff grades and reportable depth for Fäboliden are based on the open pit pre-feasibility study completed on the project also outlined in Section 8 and 9.
- Stockpiles estimation:** Jokisivu Production Stockpiles: Volumes were estimated using detailed surveys by site personnel and cross checked with production records of trucked ore. Grade was estimates using grade control sampling of each truck at both the plant and mine site.

### 5.5.1 Validation

A three-step process was used to validate the estimates at each estimate area. Firstly, a qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling with a visual comparison undertaken. Overall, the assessment indicated that the trend of the modelled grade was consistent with the composite grades.

Secondly a quantitative assessment of the estimate was completed by comparing the average Au grades of the top-cut composite file input against the block model output for each individual lode within each deposit. The comparative results while showing some variation, overall shows reasonable consistency between the block estimate and composites of around 5% or less. A visual inspections of the lodes highlighting clustering of data is the likely cause of the variations.

Following completion of the lode quantitative check a further validation was carried out by comparing the interpolated blocks to the sample composite data on 10m bench heights, and 10m E-W or N-S sections. Similar to the lode comparison an overall good correlation was observed however sectional variations were noted. Further visual comparisons were completed in these areas to ensure no systematic or interpretation errors could be found.

In general, SLR is of the opinion that the comparisons indicate that the block estimates are representative of the underlying sample data and geological interpretation with suitable smoothing of the block grades compared to the composite grades which is suitable for the style of mineralisation.

#### ***5.5.2 Classification***

Given the similar style of mineralisation observed for the estimation areas within Jokisivu and Orivesi the same approach was applied based on a detailed statistical analysis, sample spacing and continuity of the interpreted lodes. The Measured portion of the areas were defined for the main mineralised lodes where there was extensive underground level development and sludge drilling in addition to the supporting diamond and surface RC drilling. This is generally in areas where the sub levels of 20 m are developed along strike and the sludge drilling on the 10 m spacing has been completed. 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 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 has been limited to a distance ranging from 20m to 25m or to half the drill spacing. Areas of extrapolation have been classified as Inferred Mineral Resource.

At Svartliden, Measured Mineral Resources were defined based on drill spacings of 8 m – 12 m along strike and 5 m – 6 m down dip. Indicated Mineral Resources were defined based on a drill spacing of 25 m while remaining portions of the deposit, including poorly tested extensions of the main zones and small zones with no clear lateral continuity were classified as Inferred Mineral Resources.

For deposits without underground development, the Measured Mineral Resource was defined within areas of grade control spaced RC and DD drilling of less than 10m by 6m in the test mining area at Fäboliden or at spacing less than 10m by 10m at Kaapelinkulma. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m (Fäboliden) or 20m by 20m (Kaapelinkulma), and where the continuity and predictability of the lode positions was good. Inferred Mineral Resources were assigned to areas where drill hole spacing was greater than 50m by 50m (Fäboliden) or 20m by 20m (Kaapelinkulma), where small, isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

## **6. ORE RESERVES AND MINING**

Ore Reserve Estimates provided by the Company for the Jokisivu mine have been independently reviewed by SLR.

In SLR opinion the Jokisivu Ore Reserve estimates are reasonable. They are reported in compliance with 2012 JOC Code and are suitable for public reporting purposes.

As a part of this review SLR was engaged by Dragon to revise the Ore Reserve for the Fäboliden open pit for a 1st May 2025 reporting date to allow for the increase in gold price since the prior estimate completed in 2021. SLR has prepared the Ore Reserve estimate for the Fäboliden open pit.

The Ore Reserve estimates are reported as at 31st December 2024 for the Jokisivu deposit and 1st May 2025 for the Fäboliden open pit.

### **6.1 Approach for Jokisivu Ore Reserves**

The Ore Reserve Estimate for the Jokisivu Mine underground mine at Vammala was completed by MoJoe Mining Pty Ltd on behalf of Dragon. The estimation procedure used is described in the MoJoe documentation. SLR has reviewed the documentation and considers the estimate to be completed to a good industry standard. In summary the process applied was,

- Estimate the in situ stope cut-off grade based on historical costs, mining and metallurgy modifying factors and the assumed gold price. A cutoff grade of 1.58 g/t was estimated.
- Modification of the Mineral Resource block model to remove depleted and sterilised material (zero the gold grades) in preparation for stope optimisation.

- Apply stope optimisation software to identify the economic stopes followed by an engineering review of the stope shapes to ensure practicality. The engineered stopes and development will include below cut-off grade mineralisation that must be extracted as part of practical mining operations.
- Design the development required to access the stopes. A development ore cut-off grade of 0.85 g/t was estimated and applied.
- The in situ resource quantity within the stope and development shapes is estimated from the Mineral Resource block model. Mineral Resource categorisation is checked to reject Inferred Mineral Resource material.
- Application of the modifying factors for dilution and ore recovery to the stope and development shapes to estimate the run-of-mine grades and tonnes for delivery to the processing plant. Dilution is material from outside the engineered stope or development shapes that is not desired but for a variety of reasons fails and is mixed with the ore, (sometimes referred as unplanned dilution).
- A Life of Mine (LOM) Plan is completed to confirm the economic viability of the stopes and development ore on a level by level (or similar aggregation) including the capital development required to access the levels. A high-level economic model is used to check the viability of the LOM Plan. Not economic areas of the mine are removed from the LOM Plan and not reported as Ore Reserve.
- Mineral Resource categorisation as Measured or Indicated is applied to estimate the Proved and Probable Ore Reserve.
- The Ore Reserve Estimate is the combined stope and development quantities after modification for dilution and recovery, above the relevant stope or development cut-off grade, and having passed the viability test in the LOM Plan and economic model.

The parameters applied in the estimation of the Jokisivu Ore Reserve are listed in the following table. SLR makes the following comments on the parameters applied in the estimation.

- The mine development costs are expressed as a \$/t unit cost. This is appropriate for the style of the mine with relatively uniform development rates experienced over the life of mine.
- Operating fixed costs are expressed as a \$/t unit cost assuming the mine production rate is steady compared to historical performance. This is appropriate for the nature of the operation, where annual production is relatively stable.

- Jokisivu mining dilution and recovery varies for each stope and is determined from historic experience and in situ to ROM ore reconciliations. SLR has reviewed the stope reconciliation data available at the mine and agrees that a rate 30% of unplanned dilution is appropriate. Similarly, the ore recovery factor of 90% of planned ore is appropriate based on reconciliation information. The actual dilution varies considerably from stope to stope. Application of the mean factors of 30% dilution and 90% ore recovery are reasonable for this mine.

## **6.2 Jokisivu Underground Mine Plan**

### **6.2.1 Stoping**

The mining method employed at Jokisivu Mine is long-hole open stoping (**Figure 6-1**). The mining sequence is upwards in panels of approximately 80 m vertically. Sill pillars are left to separate the mining panels. The sill pillar thickness is 5 to 7 m.

Where there is top access, stopes are backfilled with dry rockfill. Rockfill waste is sourced from mine development or surface stockpiles.

The ore lodes have a dip between 30 and 65 degrees. At a broad scale, the deposit lodes are reasonably uniform and well defined. However, at the stope scale dimension, the higher-grade mineralisation is structurally complex, pinching and swelling. The shallow dip and complex geology limit the sub-level intervals to 15 to 20 m vertically. The stope horizontal span is up to 40 m before support with backfilling or cutting a support pillar (in waste areas). Waste pillars are left in place where geotechnically possible, so the stope span varies considerably following detailed stope design to follow the high grade.

A minimum stope width of 3m and a maximum of 12 m is allowed in the design. The maximum width limit is rarely an issue.

Unplanned dilution of 30% is assumed based on experience. This is approximately a 0.5 m dilution skin on both walls of the relatively narrow stopes. Dilution in stope design is assumed to carry no gold. In practice, the dilution will often carry some gold of around 0.4 g/t.

Stope production drilling is a combination of up-hole and down-hole drilling at 69 mm diameter. The drilling patterns are conventional for small open stopes.

Sludge hole drilling is carried out to provide additional geology information prior to final stope design. The sludge holes provide a location for the edge of the high-grade mineralisation to support the Mineral Resource model information.

The lateral stope sequence is a retreat from the end of the ore body towards the access drive that is normally centrally located.



Stope reconciliation of actual against plan is systematically completed by the technical team. Reconciliation of tonnage is based on loader bucket weights and truck counts. There is no as built survey of the stope void carried out. None the less the reconciliation information is reasonable to support the assumptions in the Ore Reserve estimates.

Stoping generates approximately 50% of the total ore production.

*SLR Comment*

The stope design and actual mining practice are appropriate for the style of the mineralisation and the Ore Reserve estimates reflect the actual mining performance.

**6.2.2 Development**

The access development for the mine is generally conventional. A decline is developed in the footwall of the ore body and access drives established at 15 m or 20 m vertical intervals. Decline gradient is a nominal 1:7 vertical to horizontal, flattened to 1:8 on bends and at access drive intersections.

The main decline is slightly larger than normal practice at 6.1m wide by 5.2 m high. All other development is in the normal range of approximately 5m by 5m. Ore drive dimensions are smaller at a nominal 4.2 m design. The actual width of ore drives varies considerably as the drive follows the ore. The intent is to keep width as tight as possible, within the limits of the mining equipment.

Ore development drives are systematically mapped by geology and survey staff to identify the complex zone of high-grade mineralisation before being shotcreted. This data is used to assist with detailed stope design. The decline road conditions are excellent.

*SLR Comment*

SLR observation is the actual development mining is well executed.

**6.2.3 Ground Support**

Rock mass conditions in development drives are good to very good.

The ground support design for development includes scaling, bolting and meshing and shotcrete applied to the backs and walls. Intersections have additional deep support with cable bolts.

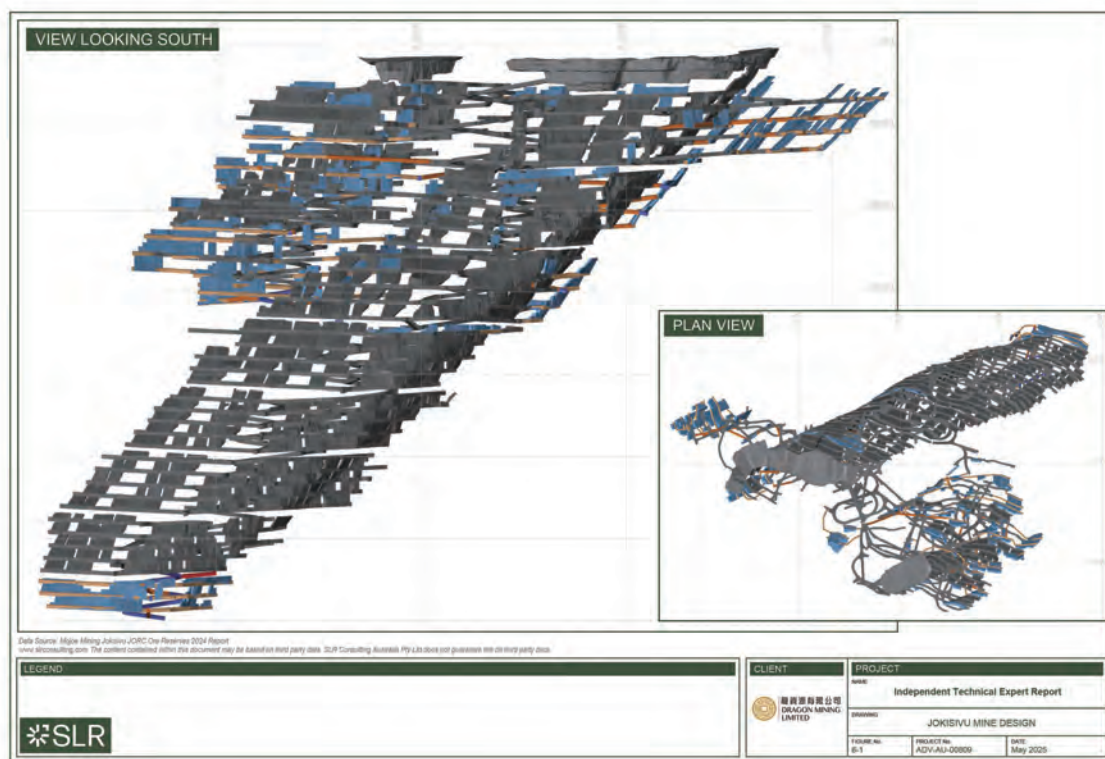
All drives are systematically shotcreted to 2 m from the floor and bolted with 2.1 m splitsets (3 bolts/meter). Mining development is shotcreted without steel fibres. Crosscuts and large openings are cable bolted.

Mining-induced seismicity has been observed in the deeper levels of the mine (below 500 m from the surface). Similar seismicity was observed in the closed Orivesi mine. The horizontal to vertical stress ratio is approximately 2 to 1 and this anisotropic stress field can cause rock spalling in ore drives and sill pillars. The rock stress is managed by providing time for rock relaxation after blasting and ground support rehabilitation as required. The ground support installed is currently sufficient to control the moderate seismicity experienced.

#### *SLR Comment*

The ground support design is appropriate for the rock mass, and installation is a good standard. The Mine seismicity is being managed, and the mine is still relatively shallow so it should not be a concern with the remaining life of mine.

**Figure 6-1 Jokisivu Mine Design**



#### 6.2.3.1 Mining Equipment

The mining equipment is all supplied by the mining contractor. Loading, development and stope drilling equipment is all standard underground mining equipment. Most is Sandvik brand equipment, and in good condition.

The contractor has three development jumbos on site, more than sufficient to support the necessary rates.: Load haul dump machines, long hole drills, shotcrete machines and other equipment is all conventional underground mining equipment of the type and size that suits the mining operation.

Ore haulage is with small ridge body highway Mercedes brand trucks of 25 t capacity. The use of small highway trucks for underground haulage is unusual. It is done at a few smaller mines and can be cost-effective due to the lower capital cost of the equipment. The excellent decline road conditions and the wide decline allow the use of this equipment at Jokisivu mine viable.

*SLR Comment*

The mining equipment employed by the contractor is suitable for the mine stopping and development practices.

**6.2.4 Mine Infrastructure**

The Jokisivu mining operation is supported by suitable infrastructure sufficient to support the Life of Mine plan production schedule. A modest capital project has been identified as necessary to upgrade the primary ventilation infrastructure to improve winter heating.

*Mine Power*

The power supply is via the public grid from overhead power lines by cable (underground) to the mine. A 20 kV supply runs overhead from the two substations on the surface to the 260m-level underground substations, other line 20 kV, 690 V and 400 V. This 20 kV substation is situated on 260 level. From this 20kV substation on 260 level of the underground mine and deliver 690 V and 400 V to the underground equipment. The two main mine ventilation fans are powered by 110 kW and 90 kW motors respectively, with a nearby transformer, frequency converter and switch room providing power.

*Mine Communications*

Mine communications are industry standard digital UHF leaky feeder system. This system is controlled via the main server, which is located at surface. There is also a traditional landline phone system installed in the mine.

*Magazine*

The secure bulk and detonator magazines are located on the 145m-level. Cartridge storage with a maximum capacity of 4,800 kg is located at the 80m-level. The magazines have a sufficient capacity for approximately two weeks' operation.

*Ventilation/Heating*

The mine is ventilated via a series of raises, drives and fans which have been designed by the onsite personnel. The primary ventilation flow is low compared to industry standards, however environmental conditions in the mine are generally very good so the management of ventilation is adequate to support the operations. This is partly due to the spread of mining activity with a majority occurring at shallow depth in the Arpola deposit area and only limited activity at the base of the mine.

An upgrade of the heating system used to warm the intake air in winter is required and included in the capital budget as a specific item.

*Water Supply and Mine Dewatering*

The majority of water within the mine originates from mining activity. There is a modest ground water inflow. There are a series of pump stations at 80 m vertical intervals. Water is pumped from one station to another and from the open pit bottom; a large portion is circulated back to be used as mining process water after clarification. Water is discharged to surrounding streams on an average of 3 days per week. Annual discharge into surrounding streams is roughly 120,000 m<sup>3</sup>. Potable water to site is from community pipeline.

*Waste Rock*

The waste rock is stockpiled on the surface or used as back fill material in exhausted stopes. The waste rock is considered as inert waste and can be used in construction outside the mine.

**6.2.5 Mine Production Schedule**

SLR has relied on the production schedule prepared as part of the 2024 Ore Reserve estimate. The cut-off grades and the schedule parameters used to prepare this production schedule have been reviewed by SLR. The Dragon production schedule has been prepared to a good standard with appropriate schedule parameters applied. In SLR opinion it is a reasonable production schedule for use in the valuation.

SLR has included an additional year of mine life by assuming conversion of a portion of the Inferred Mineral Resource to ore production.

*Cutoff Grades*

The cut-off grade assumed in the preparation of the Ore Reserve and hence in the mine production schedule are based on the Company advised long-term (10-year) gold price of USD2,305 per ounce. The mining modifying factors, metallurgical recovery and recent cost history were used by the Company's consultant to estimate the cut-off grades. SLR has reviewed the cut-off grade estimation process and agrees with the cut-off grades applied.

There are four relevant cut-off grades to be considered. The Mineral Resource cut-off grade is used for the estimation of Mineral Resources and is always lower than the Ore Reserve cutoff grade. The full operating cost cut-off grade is a nominal grade used to check the project economics. It includes all fixed and variable mine costs. The mine plan grade must be higher than the operating cut-off grade to demonstrate the mine is cash positive after the design process is completed. This grade is used confirm economics on an area by area and level by level review. The stoping cut-off grade excludes the cost of development. That is, the average grade of a stope must be above this value for it to be economic to mine. It assumes stope access development has been completed for the level. The Ore Development cut-off grade assumes that all mining costs have been otherwise included and hence provides an indicator whether that development is economic for ore processing.

In previous Ore Reserve Estimate different cut-off grades was determined for both the Kujankallio and Arpola deposit of the Jokisivu mine due to difference in rock mass conditions and mining costs. The December 2024 Ore Reserve Estimate has ignored the small deposit differences and a simpler single cut-off grade for the whole mine is applied.

SLR has reviewed the economic calculations that determine the cut-off grades and found them to be reasonable (**Table 6-1**). The cut-off grades are appropriate for use in the estimation of Ore Reserves.

**Table 6-1 Jokisivu Underground Cut-off Grade, in situ Au (g/t)**

Deposit	Mineral Resource	Full Operating	Stoping	Ore Dev
		Cost		
Kujankallio	1.3	2.13	1.58	0.85
Arpola	1.3	2.13	1.58	0.85

*Mine Schedule Parameters*

The mine schedule parameters assumed are reproduced in the following **Table 6-2**. The parameters assumed for mine scheduling are conventional for underground mining with the methods and mining equipment in the ground conditions observed at the Jokisivu mine. The mining contractor has sufficient mining equipment available at the mine to achieve these production rates.

**Table 6-2 Jokisivu Mine Scheduling Parameters**

<b>Schedule Parameter</b>	<b>Unit</b>	<b>Value</b>
Horizontal Development Targets	m advance/month	350
Vertical Development Targets	m vert/24hr	10
Operational Development Targets	m advance/month	250
Capital Development Targets	m advance/month	50
Production Drilling Targets	m advance/month	3,000
Stope Production Targets (Bogging)	t/month	20,000
Total Ore Production Targets (Stoping and Dev)	t/month	40,000
Single Heading Rate Decline	m advance/month	50
Single Heading Rate Access Drive	m advance/month	50
Single Heading Rate Oredrive	m advance/month	40
Single Heading Rate Vertical	m advance/month	30
Single Heading Rate General	m advance/month	50
Single Stope Production Rate (Bogging)	t/month	8,000
Rockfill Rate	t/month	10,000
Production Drilling Meter	m/t	0.2
Development Turnout Cable Bolt Drilling	drill metres/turnout	12
Development Turnout Cable Bolt Drilling Rate	drill metres/day	150
Stope Cable Bolt Drilling	drill metres/t stope ore	0.05
Stope Cable Bolt Drilling Rate	drill metres/day	150

*Inferred Mineral Resource used for Schedule*

SLR has reviewed the historical performance of the company with in-mine exploration at Jokisivu. The in-mine exploration has been successful in replacement of depletion due to mining over many years. Refer to the Jokisivu Mineral Resource report for the historical record.

SLR opinion is that extension of the mine life through a combination of converting Inferred Mineral Resource to Indicated at a high rate and hence to Ore Reserve, plus in-mine exploration success is highly likely and that it should be included in a reasonable production plan. The following tables give the assumptions applied to estimate additional material for extending the Jokisivu mine life by one year. All the Inferred Mineral Resource is assumed available for upgrade to Indicated and then converted to ore based on historical rates. Not all the available additional material is scheduled.

**Table 6-3 Inferred Mineral Resource to Ore Rates Assumed from historical rates**

<b>Zone</b>	<b>Resource conversion</b>	<b>kt</b>	<b>g/t</b>	<b>koz</b>
Arpola	M&Ind to Ore	60%	na	45%
	<b>Total</b>	<b>60%</b>		<b>45%</b>
Kujankallio	M&Ind to Ore	55%	na	45%
	<b>Total</b>	<b>55%</b>		<b>48%</b>

**Table 6-4 Additional Material Available to Extend Mine Life**

<b>Zone</b>	<b>Category</b>	<b>Additional Material</b>		
		<b>kt</b>	<b>g/t</b>	<b>koz</b>
Arpola	Converted ore	210	2.2	15
Kujankallio	Converted ore	170	2.2	12
	<b>Total</b>	<b>390</b>	<b>2.2</b>	<b>28</b>

The Jokisivu mine life has been extended by one year on the assumption that Inferred Mineral Resource will convert to ore following in-mine resource drilling and exploration drilling. Recent drilling results were shown to SLR that support this assumption. The production plan for Jokisivu Mine prepared by the Company as part of the December 2024 Ore Reserve Estimate and reviewed by SLR is shown in the following table and chart. SLR considers the production plan to be reasonable and appropriate for use in valuation.

Chart 6-1 Jokisivu mine ore production

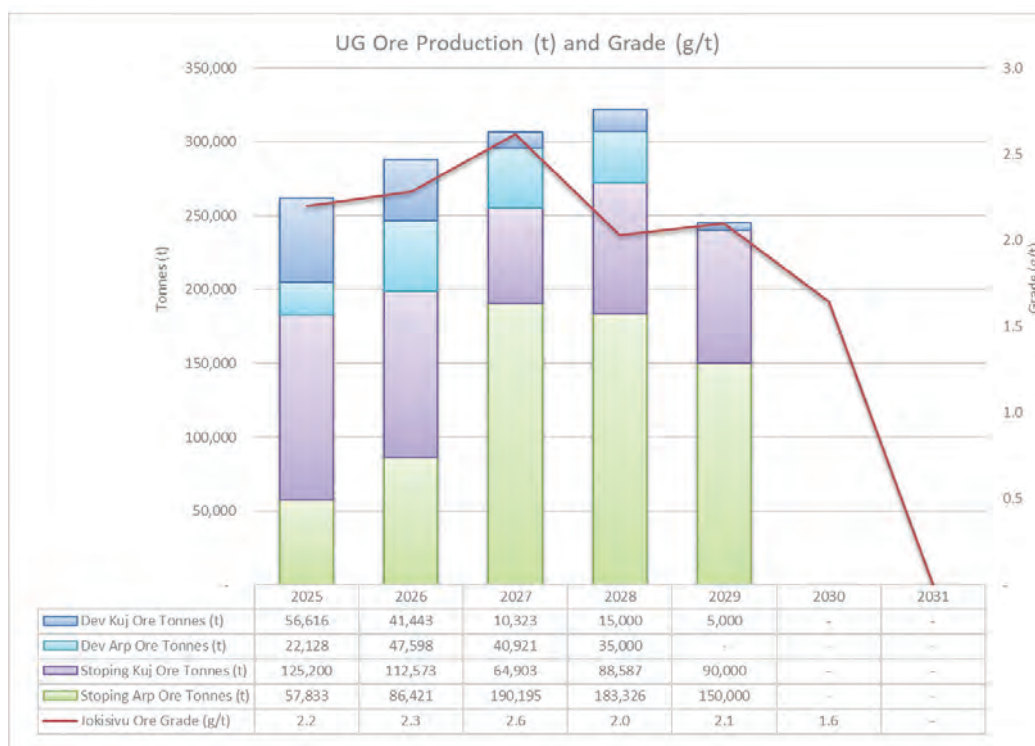




Table 6-5 Jokisivu Mine Schedule

Mine Schedule  
Dragon Mining  
Jokisivu UG Schedule - Reserves + Converted Inferred Mineral Resource

			2025	2026	2027	2028	2029	2030	2031	2032	Total
Dev	Arp	Development	1,089	2,312	1,605	1,400	-	-	-	-	6,407
		Vertical Deve	38	45	50	45	-	-	-	-	178
		Waste Tonnes	50,369	80,000	65,000	10,000	-	-	-	-	205,369
		Ore Tonnes (t)	22,128	47,598	40,921	35,000	-	-	-	-	145,647
		Ore Grade (g/t)	1.9	2.1	2.1	2.0	-	-	-	-	2.0
	Kuj	Ore Metal (oz)	1,366	3,175	2,747	2,251	-	-	-	-	9,539
		Development	2,560	2,062	1,131	-	-	-	-	-	5,752
		Vertical Deve	57	25	50	-	-	-	-	-	132
		Waste Tonnes	113,470	73,515	75,000	50,000	-	-	-	-	311,985
		Ore Tonnes (t)	56,616	41,443	10,323	15,000	5,000	-	-	-	128,382
	Total	Ore Grade (g/t)	2.4	2.4	2.1	2.1	2.1	-	-	-	2.3
		Ore Metal (oz)	4,437	3,206	691	1,013	338	-	-	-	9,683
		Development	3,649	4,374	2,736	1,400	-	-	-	-	12,159
		Vertical Deve	96	70	100	45	-	-	-	-	311
		Waste Tonnes	163,839	153,515	140,000	60,000	-	-	-	-	517,355
		Ore Tonnes (t)	78,744	89,041	51,244	50,000	5,000	-	-	-	274,029
		Ore Grade (g/t)	2.3	2.2	2.1	2.0	2.1	-	-	-	2.2
		Ore Metal (oz)	5,803	6,381	3,437	3,263	338	-	-	-	19,223
Stooping	Arp	Ore Tonnes (t)	57,833	86,421	190,195	183,326	150,000	-	-	-	667,774
		Ore Grade (g/t)	2.3	2.0	2.7	1.9	2.2	-	-	-	2.2
		Ore Metal (oz)	4,304	5,422	16,505	11,385	10,610	-	-	-	48,226
	Kuj	Ore Tonnes (t)	125,200	112,573	64,903	88,587	90,000	-	-	-	481,263
		Ore Grade (g/t)	2.3	2.7	2.7	2.1	2.2	-	-	-	2.4
		Ore Metal (oz)	9,109	9,599	5,620	6,093	6,366	-	-	-	36,786
	Total	Ore Tonnes (t)	183,033	198,994	255,098	271,913	240,000	-	-	-	1,149,038
		Ore Grade (g/t)	2.3	2.3	2.7	2.0	2.2	-	-	-	2.3
		Ore Metal (oz)	13,413	15,020	22,124	17,478	16,976	-	-	-	85,011
Backfill	Arp	Backfill Vol (m³)	14,795	10,815	55,868	42,180	35,000	-	-	-	158,657
		Backfill Tonnes	26,631	19,466	100,562	75,923	63,000	-	-	-	285,582
	Kuj	Backfill Vol (m³)	28,878	35,501	24,062	17,963	10,000	-	-	-	116,404
		Backfill Tonnes	51,981	63,902	43,311	32,333	18,000	-	-	-	209,527
Mined		Ore Tonnes (t)	261,777	288,035	306,342	321,913	245,000	-	-	-	1,423,067
		Ore Grade (g/t)	2.3	2.3	2.6	2.0	2.2	-	-	-	2.3
		Ore Metal (oz)	19,216	21,401	25,562	20,741	17,313	-	-	-	104,234
Stockpile		Ore Tonnes (t)	131,130	92,908	80,943	87,284	109,197	54,197	-	-	555,660
		Ore Grade (g/t)	1.6	1.6	1.6	1.6	1.6	1.6	-	-	1.6
		Ore Metal (oz)	6,922	4,905	4,273	4,608	5,765	2,861	-	-	29,334
Processed	Jokisivu	Ore Tonnes (t)	300,000	300,000	300,000	300,000	300,000	54,197	-	-	1,554,197
		Ore Grade (g/t)	2.2	2.3	2.6	2.0	2.1	1.6	-	-	2.2
		Ore Metal (oz)	21,234	22,033	25,227	19,585	20,217	2,861	-	-	111,156

### **6.3 Approach for Fäboliden Open Pit Ore Reserves**

The Ore Reserve Estimate 2025 for Fäboliden open pit was prepared by SLR as a separate report to this ITER. The Company will report the Fäboliden open pit Ore Reserve estimate including Table 1. The Ore Reserve estimation process and the estimate for Fäboliden are summarised in this report. The cut-off grade assumed in the preparation of the Ore Reserve and hence in the mine production schedule are based on the Company advised long term (10-year) gold price of USD2,305 per ounce. The mining metallurgical recovery and forecast operating cost used by SLR were supplied by the Company based on previous studies updated for price escalation over time.

An open pit cut-off grade of 1 g/t Au has been applied to estimate the Ore Reserve. This is higher than the nominal breakeven cut-off grade for the gold price and costs assumed. The higher 1g/t cut-off grade results in an Ore Reserve sufficient for eleven years of production which is a realistic production plan necessary to demonstrate an economic project. The 1g/t cutoff grade provides a robust operating cash margin for the project that helps ameliorate the project risk associated with the cost to manage of environmental and community permitting.

The Fäboliden open pit Ore Reserve is classified as Probable. While there is some Measured Mineral Resource within the pit design, the uncertainty associated with time for the grant of a mining permit by the Land and Environment Court prevents the quotation of any Proved Ore Reserve.

SLR has determined suitable technical parameters to apply in the Ore Reserve estimation process following; a site visit in 2025, discussions with site management, review of at least pre-feasibility level accuracy technical studies, proposed life of mine plans, mining method, tailing dam capacity and the forecast processing plant recoveries. The Ore Reserve Estimate is reported as separate document. The estimation process and relevant parameters are described in the mining section of this report.

### **6.4 Fäboliden Open Pit Mine Plan**

The Fäboliden open pit is a development project that is suspended pending the receipt of a mining permit from the Land and Environment Court. The project is at the status of pre-feasibility study.

SLR has prepared an updated Ore Reserve for the Fäboliden open pit in parallel with this report. The Ore Reserve is reported separately and quoted in this report. The process applied in the estimation of the Ore Reserve is described in this section of the report since it is relevant to the reader understanding of the nature of the project.

The Fäboliden deposit is well suited to open pit mining. The key attributes are as follows;

- Mineral Resource starts near surface with minimal waste rock cover of 10m.
- The deposit is overlain by a layer of unconsolidated till ranging from 1 to 10 m thick.
- The overall dip is steep, although individual lode dip can vary.
- Mineralisation width ranges between 2 and 10m thick.
- The deposit geometry makes it amenable for mining with mining equipment commonly used by local contractors, so initial capital investment in equipment will be minimal.
- Dragon has experience mining the similar style Svartliden open pit using contractor mining (the contractor continues to use the Svartliden industrial site as its base of operations) and could mobilise contractor to the Fäboliden within a few months.
- A 100 kt test parcel of ore was successfully mined from the Fäboliden deposit. The test pit confirmed the estimates of ore continuity and rock characteristics.

Fäboliden open pit will be mined by conventional methods using modest size mine equipment. The open pit mining process for these small, hard rock deposits is well established. The Company and the local mining contractors are experienced in the pit mining methods of work. The process typically involves:

- excavation and stockpiling of till (for use in rehabilitation of waste rock dumps);
- drilling of a blast pattern;
- blasting to fragment rock;
- marking out ore zones based on grade control information;
- digging, loading and hauling of ore and waste rock to the surface;
- placement of the waste rock in dumps with low permeability constructed base foundation to limit long term discharge of any contact water from the dump to the ground water;
- placement of the ore at the surface in controlled finger stockpiles with grade and other metallurgical characteristics reported;
- primary crushing of the ore to -150mm size by mobile crushing machines;
- road haulage of the crushed ore to the Svartliden CIL plant for processing; and
- progressive rehabilitation of the waste rock dumps in compliance with the closure plan.

#### ***6.4.1 Mining Equipment***

The design concept for the open pit is to use small mining equipment with sufficient capacity to match the ore processing plant and road haulage capacity constraints and to handle the rock type to be mined. The mining excavator equipment will have modest size bucket of 4.5m<sup>3</sup> capacity to allow very selective ore mining with minimal dilution by waste.

Dragon has advised SLR that Fäboliden is planned as a contractor mining operation. As such the contractor will be responsible for ensuring that suitable equipment types and numbers are used to achieve the mining schedule as directed by Dragon.

Typical equipment envisaged for the operation includes:

- Excavator – CAT 385 – 4.5m<sup>3</sup>-6.5m<sup>3</sup> with a 1.9 m wide bucket
- Trucks – CAT 775 – 63t capacity and CAT 773 – 54t. capacity
- Small drills
- CAT D9 bulldozer for pit clean up and waste rock dump management
- CAT 12G grader for haul road maintenance

This size and type of equipment (Caterpillar or other brand) is commonly used by civil contractors in the region.

Excavation rates of 150,000 to 180,000 bcm per month can easily be achieved with this type of equipment. Mining equipment will not be a constraint on Fäboliden pit production.

#### ***6.4.2 Mining Costs***

The following **Table 6-6** shows the assumed mining costs for the Fäboliden open pit. The costs are considered reasonable to the pre-feasibility level of accuracy at +/-25%.

Mining costs for the Fäboliden open pit are forecast based on contractor-supplied budget pricing as at 2019, which have been adjusted higher by inflated using the appropriate Swedish inflation index in Kroner and then converted to USD at exchange rate of 9.8 SEK:USD.

SLR considers the adjusted open pit mining costs to be realistic for a small-scale open pit operation.

**Table 6-6 Fäboliden Open Pit Mining Unit Cost Assumptions**

Operating Costs Item		Unit	Variable Rates
Waste Mining	Drill and Blast – Till	USD/bcm	0.2
	Drill and Blast – Fresh Rock	USD/bcm	3.5
	PreSplit Cost	USD/bcm	0.5
	Fuel Cost	USD/bcm	2.7
	Load and Haul – Till	USD/bcm	2.4
	Load and Haul – Fresh Rock Average	USD/bcm	3.4
Ore Mining	Drill and Blast – Fresh Rock	USD/bcm	3.5
	PreSplit Cost	USD/bcm	0.5
	Fuel Cost	USD/bcm	2.7
	Load and Haul	USD/bcm	3.6
	Minesite Admin	USD/ore t	2.2
	Grade Control	USD/ore t	3.2
	Service Costs	USD/ore t	4.2

**6.4.3 Ore Loss and Dilution**

Ore loss and dilution for the Fäboliden open pit mine are accounted for by re-blocking of the Mineral Resource model to a larger block size that is representative of the smallest mining unit for the 4.5 m<sup>3</sup> size excavator to be used for ore mining. The SMU block size used for pit optimisation, Ore Reserves and the production schedule is 5m by 2.5m by 2.5m. No additional ore loss and dilution is applied to modify the production schedules.

**6.4.4 Mining Production Schedule**

The Ore Reserve process for Fäboliden open pit has resulted in a pit design with a small norther pit and large south pit. A mine production schedule has been prepared assuming a three-stage mining sequence for the large southern pit and single stage mining of the northern pit (**Chart 6-2**).

The mine schedule is sufficient to support the quotation of an Ore Reserve for the Fäboliden mine project open pit mine. It is not an optimised schedule and SLR would expect improvement in the economic results from future studies.

The mining rates required to produce 300 ktpa of ore from the pit are well within the capacity of the specified excavation equipment. The mining operation is constrained by ore processing and limits on ore trucking to comply with expected environmental permit constraints. Hence the schedule is prepared to meet the demand for ore at 300 kt per year while maintaining a reasonable steady mining rate so equipment and contractor labour is realistic.

Gold production in doré assumes a flat 80% recovery in ore processing at the Svartliden CIL plant.

The Fäboliden open pit schedule has been scheduled so that year 1 is 2029 in the consolidated production plan.

**Chart 6-2 Fäboliden Open Pit Ore Mining by Pit and Stage**



**Table 6-7 Fäboliden Detailed Life of Mine Production Schedule**

Mining Summary	Units	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Waste movement												
Waste Mined	kt	4,586	5,179	5,381	5,639	5,515	2,684	2,619	1,878	2,595	1,099	0
Waste – Till	kbcm	763	222	99	0	0	0	0	0	0	0	0
Waste – Fresh	kbcm	1,131	1,683	1,832	1,986	1,942	945	922	661	914	387	0
Ore Movement												
Till – Ore	kt	0	0	0	0	0	0	0	0	0	0	0
Till – Ore	kbcm	0	0	0	0	0	0	0	0	0	0	0
Till Au Grade	g/kt	0	0	0	0	0	0	0	0	0	0	0
Till Au Ounces	oz	0	0	0	0	0	0	0	0	0	0	0
Fresh – Ore	kt	281	309	314	306	442	292	367	417	388	140	0
Fresh – Ore	kbcm	99	109	110	108	156	103	129	147	137	49	0
Fresh Au Grade	g/kt	2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	0.00
Fresh Au Ounces	oz	21,852	23,782	25,776	26,900	39,023	29,745	34,000	38,624	48,515	19,953	0
Strip Ratio	kt:kt	16	17	17	18	12	9	7	5	7	8	0
Mining Summary												
Total Ore Mined	kt	281	309	314	306	442	292	367	417	388	140	0
Total Ore Au Grade	g/kt	2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	0.00
Total Ore Au Ounces	oz	21,852	23,782	25,776	26,900	39,023	29,745	34,000	38,624	48,515	19,953	0
Processing												
Feed												
Feed Au Tonnes	kt	281	300	300	300	300	300	300	300	300	300	274
Feed AU Grads	g/kt	2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	2.41
Total												
Total Feed AU Tonnes	kt	281	300	300	300	300	300	300	300	300	300	274
Total Feed AU Grads	g/kt	2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	2.41
Total Feed Au Ounces	oz	21,852	23,100	24,650	26,365	26,506	30,533	27,830	27,795	37,468	42,864	21,220
<b>Recovered Au Ounces</b>	<b>oz</b>	<b>17,482</b>	<b>18,480</b>	<b>19,720</b>	<b>21,092</b>	<b>21,205</b>	<b>24,426</b>	<b>22,264</b>	<b>22,236</b>	<b>29,975</b>	<b>34,291</b>	<b>16,976</b>

**6.4.5 Pit Optimisation to Support Ore Reserve Estimate**

The economic pit limits were determined using the Deswik pit limit optimisation software. It is termed ‘optimisation’ as the pit shell generated defines the theoretical optimal economic mining limits for the given input parameters. It does not optimise the Project development as practical elements such as blending strategy; water management, etc. are excluded.

The general approach to identifying the final economic pit limit is:

- identify the physical constraints to mining;
- define the project economic input parameters, for example, mining costs and ore price;
- estimate mining modifying factors, for example, ore loss and dilution;
- estimate metallurgical modifying factors, for example, process plant ore recovery;

- define the pit slope design requirements (overall slope including ramps, catch berms etc.);
- import all above parameters including the geological model into the pit limit optimisation software;
- run the pit limit optimisation software to produce a series of nested pit shells at a range of product selling prices;
- analyse results; and
- select a preferred pit shell in conjunction with the Client.

Physical constraints are typically surface features which limit the allowable extent of mining. Examples include critical infrastructure, mining titles, property ownership and environmentally sensitive areas.

#### 6.4.5.1 Geotechnical Parameters

A desktop geotechnical study was completed by InfraTech Consulting Pty Ltd. The SLR pit optimisation and design work for this study follows the recommended slopes included in this report.

Three slope domains based on rock domains and weathering have been identified: footwall (northwest) fresh rock, hanging wall (southeast) fresh rock and overburden (till). the pit slope parameters for the various rock domains and regions are presented in **Table 6-8**.

**Table 6-8 Fäboliden InfraTech Geotechnical Parameters**

Domain	Wall Type	Weathering Profile	Design Sector	BFA (°)	Berm Width (m)	Batter Height (m)	IRSA (°)	IRSH (m)
Footwall	Final	Fresh	West	60	5.5	20	50	100
Hanging wall/ Mineralised	Final/Interim	Fresh	East/South	75	7.5	20	57	100

Legend: BFA – Batter Face Angle; IRSA – Inter-Ramp Slope Angle; IRSH – Inter-Ramp Slope Height

In the report Infratech noted that No slope geometry has been recommended for the overburden/till material as it was assumed that the material will be stripped prior to the formation of the pit walls. For pit optimisation and design SLR have used a slope of 1:3 (18 degrees), a value used by Dragon in their 2021 Fäboliden pit design.



*6.4.5.2 Mining Modifying Factors*

Ore Reserve estimates and pit optimisation require the application of modifying factors to reflect ore loss, waste rock dilution and other practicalities of mining. When mining at the boundaries of the mineralisation it is not possible to selectively mine 100% of the ore and exclude 100% of the waste. This selectivity is dependent on the type and size of mining equipment used and the structure of the mineralisation.

Mining loss and dilution is simulated by modifying the geological block model to use a larger block size that is equal to the expected selective mining unit (SMU) size. The SMU defines the size of material that can be selectively excavated based on the mining parameters. The SMU is applied by re-blocking the orebody model so that no block is less than or greater than the SMU size. In this way the loss and dilution are built into the geological model and will vary by location depending on changes in the mineralised structures. During re-blocking the grades of adjacent blocks were combined resulting in lower grade material added to higher grade blocks (dilution) and higher-grade material added to lower grade blocks (loss). The SMU sizes used for final pit optimisation and in reserving for Fäboliden are shown in the following table.

**Table 6-9 Fäboliden Open Pit Selective Mining Unit (SMU) Sizes (m)**

<b>X (East)</b>	<b>Y (North)</b>	<b>Z (Height)</b>
2.5	2.5	5.0

*6.4.5.3 Metallurgical Factors*

A gold recovery of 80% for Fäboliden was provided by Dragon based on the results of the of metallurgical test work and utilised in the pit optimisation. Dragon also advised that the resulting metal was 100% payable and that a refining cost was applied on the gold produced. No recovery was provided for the silver and though it is tracked by SLR no values has been assigned to it in the pit optimisation or economic modelling.

*6.4.5.4 Operating and Sustaining Capital Costs*

The mining cost inputs for the Whittle 4X Optimiser can be classified into four categories:

- Rock mining cost;
- Ore mining and processing costs;
- Site overheads; and
- Selling costs.

The rock mining cost is the expense to fragment, load and haul rock to the pit crest and place it in an adjacent pile; this could be either a ROM pad or waste rock dump. The rock mining cost generally has two components: a fixed component and a variable component, which is a function of the depth of mining. That is, as mining proceeds deeper, the rock mining cost increases. This cost is applied to each tonne of rock.

The ore mining and processing costs are expenses specifically for ore such as grade control, stockpile rehandle and ore processing. These costs are applied to each tonne of ore input to the processing plant.

Site overheads are all other site costs required to support the mining operation while selling costs are all off-site costs such as concentrate transport, and any additional processing and refining of the product. Depending on the nature of these costs, they are either applied to the ore tonnage or to the product made by the processing plant (e.g., metal, concentrate, etc.).

Rates for mine operating costs are based on a mining contractor quotation prepared for Dragon in inflated to 2025 prices using the appropriate Swedish index for contractor and labour pricing. The prices were also adjusted for USD to Swedish Kroner exchange rate change from 2020 to 2024.

The contractor unit rates include the contractor capital costs and anticipated replacement capital for the term of the contract. In addition to the contractor costs all owner costs relating to the supervision of the contract have also been provided by Dragon and added to the unit operating costs. No Dragon capital costs were included in the pit optimisation process as major Project infrastructure expenditure should be considered a sunk cost.

The cost unit rates used in pit optimisation are intended to be order of magnitude only and do not represent results of detailed mine planning and detailed cost estimating. The non-mining costs, including ore processing and site overheads, were provided by Dragon, with escalation since 2020 applied by SLR.

The waste and ore mining costs are summarised in the following table.

Table 6-10 Operating Cost Assumptions for Pit Optimisation

Operating Costs Item		Unit	Variable Rates USD/Unit
Waste Mining	Drill and Blast – Till	bcm	0.2
	Drill and Blast – Fresh Rock	bcm	3.5
	PreSplit Cost	bcm	0.5
	Fuel Cost	bcm	2.7
	Load and Haul – Till	bcm	2.4
	Load and Haul – Fresh Rock Average	bcm	3.4
Ore Mining	Drill and Blast – Fresh Rock	bcm	3.5
	PreSplit Cost	bcm	0.5
	Fuel Cost	bcm	2.7
	Load and Haul	bcm	3.6
	Minesite Admin	ROM t	2.2
	Grade Control	ROM t	3.2
	Service Costs	ROM t	4.2
Ore Processing	Labour	Feed t	8.34
	Power	Feed t	2.31
	Maintenance materials	Feed t	2.28
	Reagents and consumables	Feed t	7.73
	Miscellaneous (less rehandle)	Feed t	2.02
	Admin (G&A)	Feed t	1.2
	Crushing	Feed t	12.26
Selling Costs	Refining cost	USD/troy.oz	5

#### 6.4.5.5 Metal Price and Royalties

The price for gold used in the pit optimisation was USD2,300 per troy ounce. The Company advised that the ten-year long-term consensus pricing for gold should be used for the Fäboliden open pit optimisation given the expected time to production. The ten-year consensus price provided by the Company is USD2,305 per troy ounce, and this is a price confirmed by SLR from our sources. SLR has applied USD2,300 per troy ounce as the reference price for pit optimisation, a rounded-down, simplified price.

The silver production expected from ore processing is not attributed as revenue in the pit optimisation. This is a conservative approach.

Dragon confirmed that no royalties, fees or other selling costs would apply to the metal sold to reduce the selling price.

#### 6.4.5.6 Mining and Processing Rate

Dragon has advised SLR that the ore processing rate for Fäboliden is in the range 300 to 330 kt per annum. The mining rate has not been constrained and is selected based on the requirement to supply sufficient ore.

#### 6.4.5.7 Other Assumptions

For the discounted cash-flow analysis, the discount rate was set at 10%. All cash flows are pre-taxation.

Pit optimisation has excluded any Inferred Mineral Resource. All Inferred Mineral Resource is treated as waste rock with no metal content.

#### 6.4.6 Cutoff Grade

A cut-off grade of 1 g/t was calculated using the following assumptions that are common to pit optimisation and Ore Reserve. The cutoff grade of 1 g/t is applied within the optimisation to determine ore within the shells.

**Table 6-11 Cutoff Grade calculation assumptions**

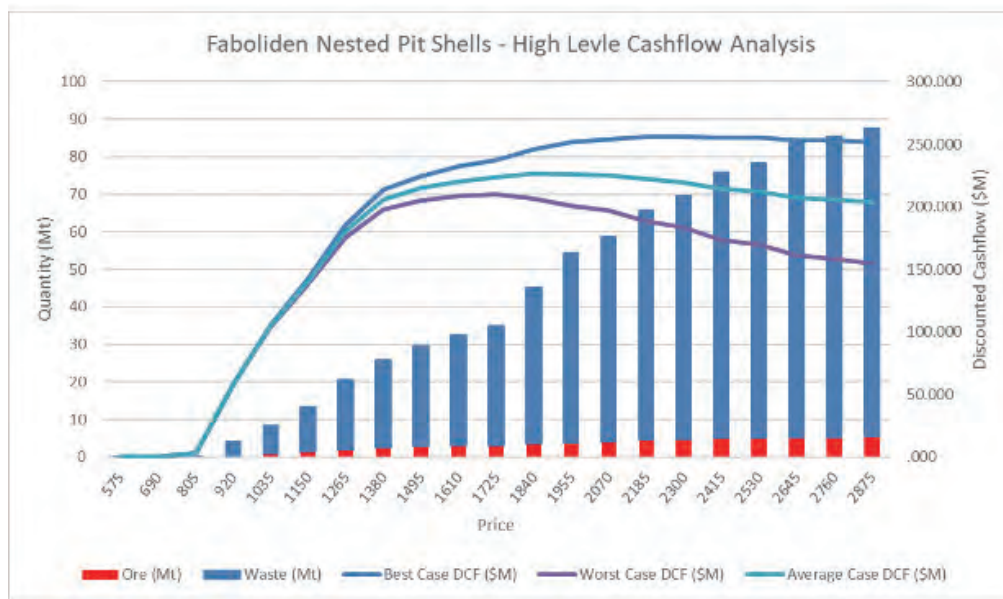
Item	Unit	Value
Au Price	USD per Ounce	2,300
Processing Recovery	%	80%
Incremental Ore Cost	\$/t ore	9.6
Processing Cost	\$/t ore	38.6
Ore Haulage/Rehandle	\$/t ore	6.0
Admin (G&A)	\$/t ore	3.8
Refining Cost	USD per ounce	5
Royalty	% Metal Price	0%
Contingency	%	2%

#### 6.4.6.1 Optimisation Results

As the graphed results show, the highest undiscounted cash-flow occurs for pit shell 16 (USD2,300), the optimum pit. However, when the average case discounted cash-flow is considered the pit shell 12 (USD1840) is the highest value.

After considering the results of these analyses, SLR has selected pit shell 12 (USD1840) as the basis for pit design and Ore Reserve estimates. The pit 12 optimum shell is shown in **Chart 6-3**.

**Chart 6-3 Fäboliden High Level Cashflow Analysis (Excluding CAPEX)**



#### 6.4.6.2 Mine Design

Mine designs were completed based on the pit shell 12. This shell was composed of two adjacent pits; small northern pit and large southern pit.

**Table 6-12 Fäboliden Mine Design Parameters**

Description	Units	Value
Ramp Gradient	%	10
Ramp Width: Standard	m	16
Ramp Width: Goodbye Cut	m	10
Batter Angle: Footwall	degrees	75
Berm Width: Footwall	m	7.5
Batter Angle: Hangingwall	degrees	60
Berm Width: Hangingwall	m	5.5
Till Slope	degrees	18.4
Till Berm	m	8

Where possible haulage ramps were in the shallower northwest (footwall) of the pit allow a greater pit depth to be reached. For safety, a catch bench was included at the fresh rock/till interface to prevent any unconsolidated till material from falling into the pit. In addition to the pits shown in **Figure 6-2**, a smaller starter pit was designed over the southern pit. The four pits, along with the starter pit, allow the mining to be progressed in stages thus reducing the annual stripping and allowing a more consistent ore supply.

The cut-off grade used for selecting ore is 1g/t.

#### 6.4.6.3 Waste Dumps

All waste is planned to be stored on surface is two main waste dumps, one for till and the other for fresh waste rock. As directed by Dragon, the waste dump is positioned on the east side of the pit at a position outside of the 200% Revenue Factor optimiser shell. The waste dump uses 5m high benches with 6m berms to give an overall slope angle of 18° (a gradient of 1:3). A till bottom of 1.5 m height is required, and a till cover of 1 metre is required on closure. Where possible, PAF material will be encapsulated within the waste dump. A rock swell factor of 30% has been used for converting in situ volume to broken volume.

Dragon advised that as the Storbäcken stream to the north-west is environmentally protected all surface water from the waste dumps should flow to the Lördagsbäcken stream to the east. The water shed diagram in **Figure 6-3** highlights the dividing line for these water flows and shows the resulting waste dump position.

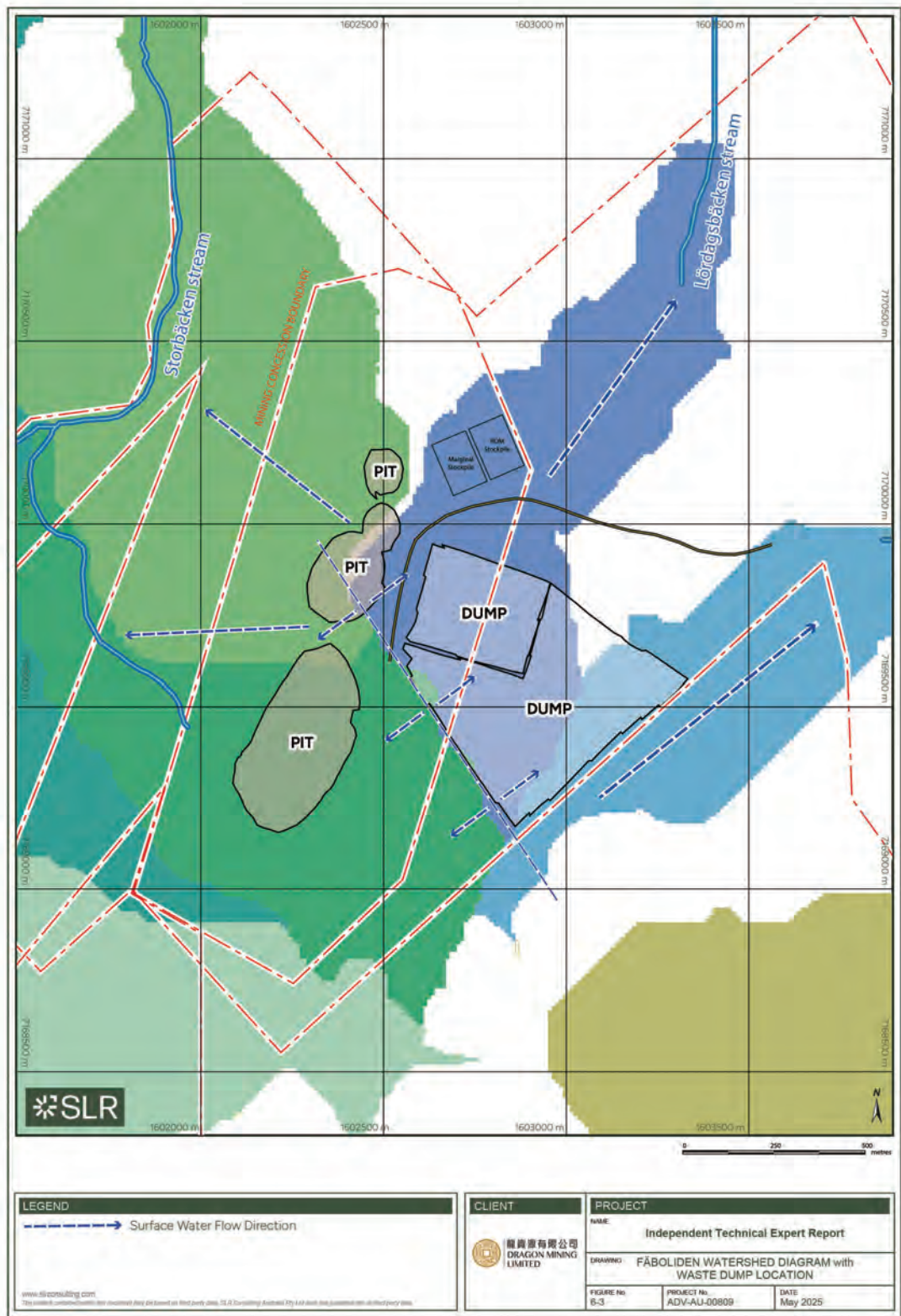
The waste dump location has not changed since the 2015 design and the following figure is re-used from the earlier report to indicate the dump location relative to surface water flows.



Figure 6-2 Fäboliden Pit Design



Figure 6-3 Fäboliden Water Shed Diagram with Waste Dump Location





#### *6.4.6.4 Mine Construction*

The Fäboliden open pit project will in SLR opinion be very quick to start. Most of the required preparation for glacial till stripping, establishing waste rock dump, ore stockpile locations and haul roads has been completed sufficient to allow mining to commence. Civil works for water and sediment control can be completed simultaneously with the first year of mining.

Much of the site establishment civil work was completed as part of the 2019 100 kt trial pit operation. Drilling and blasting to start the open pit mining can commence within weeks of approval to start mining.

The Svartliden ore processing plant can be used immediately. Minor sustaining capital works to improve the quality of the plant can be completed while the plant is operating.

SLR observed in the 2025 site visit that there is no existing building infrastructure at Fäboliden mine project site. The necessary buildings are likely to be transportable structures to support a modest size work force and they can be established within months. The local civil and mining contractor already has established workshop and supply facilities at the Svartliden processing plant and will require only small service workshops at the mine site. Fuel, water and other services will be transportable type facilities that are quickly mobilised.

The capital expenditure on facilities will be modest at the mine site. Most technical and management staff will be accommodated within the existing Svartliden facilities.

In SLR opinion the start-up of the Fäboliden open pit can be achieved very quickly. Ore production can start within three to four months of approval.

### **6.5 Consolidated Production Plan**

The consolidated life of mine plan for the Company combines the Vammala and Svartliden production centres with the following assumptions;

- Jokisivu mine has a life of five years assuming a one-year extension beyond the Ore Reserve from the conversion of Inferred Mineral Resource to ore.
- Fäboliden open pit is permitted within four and can start production 2029.
- Fäboliden open pit project start up is rapid because the mine site is already established as part of the 2019 100 kt test pit program and the Svartliden processing plant is an existing operating plant with key staff engaged.

SLR opinion is the consolidated plan is a reasonable basis for valuation of the producing assets using a DCF methodology.

**Table 6-13 Consolidated Production Plan**

Production Centre	Project	Units	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Vammala	Jokisivu	Ore Mined	kt	1,423	262	288	306	322	245									
		Mined Grade	g/t	2.28	2.28	2.31	2.60	2.00	2.20									
		Recovery	%	85%	85%	85%	85%	85%	85%									
	Plant	Ore Feed	kt	1,554	300	300	300	300	54									
		Feed Grade	g/t	2.22	2.20	2.28	2.62	2.03	2.10	1.64								
Svartliden	Fäboliden	Ounces Recovered	koz	94	18	19	21	17	2									
		Ore Mined	kt	3,255				281	309	314	306	442	292	367	417	388	140	
		Mined Grade	g/t	1.92				2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	
		Recovery	%	80%				80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
		Waste-Till	kt	1,952				1,374	399	179								
	Plant	Waste	kt	29,651				3,212	4,780	5,203	5,639	5,515	2,684	2,619	1,878	2,595	1,099	
		Strip Ratio	t:t	9.1				16	17	17	18	12	9	7	5	7	8	
		Ore Feed	kt	3,255				281	300	300	300	300	300	300	300	300	274	
		Feed Grade	g/t	2.96				2.42	2.40	2.56	2.73	2.75	3.17	2.89	2.88	3.88	4.44	2.41
		Mined Oz Recovered	koz	248				17	18	20	21	21	24	22	22	30	34	17
		Vammala Conc Oz Recovered	koz	90	17	18	20	16	16	2								
		Total Oz.	koz	338	17	18	20	34	21	20	21	21	24	22	22	30	34	17

*Notes*

1. Jokisivu project Recovery is the net of Vammala plant flotation and
2. Svartliden CIL plant recovery of gold from Vammala concentrate is 95%
3. Jokisivu plan includes assumed conversion of Inferred Mineral Resource to ore production.

**6.6 JORC Statement of Ore Reserves**

SLR has relied on the Company reports for the Ore Reserve information summarised in this review. Refer to the Company reports for the complete Ore Reserve statements, including the Table 1 information.

The JORC Code defines an Ore Reserve as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. (JORC Code – Clause 28).

The Company has two Ore Reserves:

- Jokisivu Underground Mine at Vammala.
- Fäboliden Open Pit Mine project at Svartliden.

The Proven and Probable JORC Ore Reserves estimate as at 31 December 2024 for the Jokisivu mine and as at 1st May 2025 for the Fäboliden Open Pit is summarised in **Table 6-14** and shown graphically in **Figure 6-4**.

The JORC Ore Reserves estimates reported below are inclusive of the supporting Measured and Indicated Mineral Resources.

**Table 6-14 Statement of Ore Reserve Estimate**

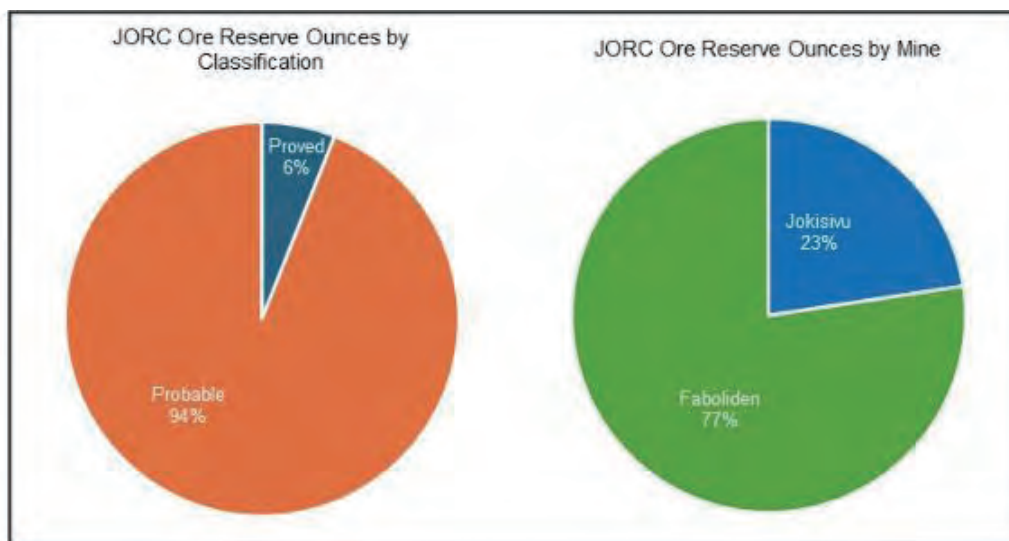
Area	Class	Quantity (kt)	Au (g/t)	Au (koz)
Jokisivu (U/G)	Proved	300	2.5	24
	Probable	930	2.2	66
	<b>Sub Total</b>	<b>1,200</b>	<b>2.3</b>	<b>90</b>
Fäboliden (O/P)	Proved	0	0.0	0
	Probable	3,200	3.0	310
	<b>Sub Total</b>	<b>3,200</b>	<b>3.0</b>	<b>310</b>
<b>Total</b>	<b>Proved</b>	<b>300</b>	<b>2.5</b>	<b>24</b>
	<b>Probable</b>	<b>4,200</b>	<b>2.8</b>	<b>380</b>
	<b>Total</b>	<b>4,500</b>	<b>2.8</b>	<b>400</b>

*Notes:*

1. The Ore Reserve Estimates are included within the supporting Mineral Resource Estimate. Ore Reserves are NOT in addition to the Mineral Resource Estimates.
2. The Statement of Jokisivu mine Ore Reserve Estimate has been compiled under the supervision of Mr. Joe McDiarmid, who is a full-time employee of MoJoe Mining and is a Chartered Professional of the Australian Institute of Mining and Metallurgy. Mr. McDiarmid has sufficient experience that is relevant to the style of mineralisation and type of deposit and to the activity which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the JORC Code.
3. The Statement of the Fäboliden mine project Ore Reserve Estimate has been compiled under the supervision of Mr Ian Sheppard, who is an employee of SLR and is a Fellow Member of the Australian Institute of Mining and Metallurgy. Mr Sheppard has sufficient experience that is relevant to the style of mineralisation and type of deposit and to the activity which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the JORC Code.
4. Ore Reserve Estimates are not precise calculations, as they depend on the interpretation of limited information regarding the location, shape, and continuity of the ore body, as well as available sampling results. The quantities presented in the table have been rounded to reflect the relative uncertainty of the estimate. As a result, rounding may cause apparent computational discrepancies in the tables.

5. All estimates are reported on a dry metric tonne basis.
6. Jokisivu mine cutoff grades; the following economic in situ ore cutoff grades were determined based on a gold price of USD2,305 per troy ounce, historical costs, and mining and metallurgy modifying factors
  - a. Stoping in situ cut-off grade of 1.58g/t Au
  - b. Development in situ cutoff grade of 0.85g/t Au
7. Fäboliden mine project cutoff grade of 1g/t in situ ore for open pit mining and was determined based on a gold price of USD2,300 per troy ounce, forecast costs and metallurgy modifying factors.
8. Refer to individual reports Table 1 of the published Ore Reserve Estimate reports for complete details of the estimation process.

**Figure 6-4 Graphical Representation JORC Ore Reserves Ounces**



The gold price guidance for Ore Reserve Estimates has been advised by the Company as the 10-year long term consensus pricing of USD2,305 per troy ounce. The Fäboliden open pit Ore Reserve is estimated at USD2,300 per troy ounce (price rounded down in pit optimisation). The Jokisivu Ore Reserve Estimate by the Company assumed USD2,305 per troy ounce.

The long-term gold price forecasts were sourced from third party reports completed by marketing experts provided by the Company along with discussions with the Company personnel. SLR has confirmed the consensus price assumption is appropriate by reference to Third Party market reports. SLR is not a commodity forecasting specialist and has relied on third parties for price assumptions. As per the JORC Code reporting requirements, SLR has completed independent reviews based on public and internal pricing information and considers the price assumption to be reasonable.

### 6.7 Mine Life Extension Opportunity

Life of Mine plan based on Ore Reserve has a mine life of approximately 15 years as at the start of 2025,. SLR considers there to be several opportunities to increase the Mineral Resource these include:

- **Down Dip extension Jokisivu mine deposits Kujankallio and Arpola:** A ground based geophysical survey has highlighted that the host rocks to the gold bearing quartz veins extend at depth, this potentially presents significant upside to locate additional mineralisation within close proximity to current mining infrastructure. This area, which has had no previous exploration work carried out is planned to be drilled by the Client in the ensuing years, and if successful will allow Resource and mine planning work to be completed out prior to the current Ore Reserves being depleted. While it is unknown if exploration will be successful, significant intercepts of similar mineralisation to that currently being mined may form the basis to extended mine life.
- **Fäboliden Underground:** preliminary studies completed by SLR highlights the potential for the area directly below the planned pit to form an underground operation. An underground mine could potentially be completed during the later years of the current planned open pit to provide high grade feed to the plant and would likely continue after cessation of current planned pit operations. Based on the current resources defined SLR considers that there is potential for a preliminary small scale UG operation with a mine life up to 8 years (at rates of 300ktpa). Additional drilling and mining feasibility studies are required to confirm the economic and environmental viability any underground mining operation.

Given the above opportunities, SLR recommends the Company develop an exploration and mining study plan to evaluate the opportunities which SLR has reviewed and considers appropriate. Resource drilling of Jokisivu Inferred Resources and depth extensions and subsequent mining studies is already in progress. This drilling aimed at extending the mine life on year-by-year basis by defining additional Inferred Mineral Resource and upgrading it to Indicated status for inclusion in the annual revision of the Life of Mine Plan. It is highly likely that at least one year life extension of the Jokisivu mine can be secured and this outcome can be considered in the valuation.

SLR notes that the potential mine life's presented are conceptual in nature and require additional drilling and mining studies to be undertaken and may not result in an economically viable project being defined and are presented to highlight the potential timeframes for additional mining to be undertaken if drilling and studies show the economic viability of any defined resource.

**7. METALLURGY AND ORE PROCESSING****7.1 Vammala Production Centre****7.1.1 Introduction**

The Vammala Production Centre is located in the Sastamala region in southern Finland, 165 kilometres northwest of the Finnish capital Helsinki. It comprises the Vammala Plant, a 300 ktpa crushing, milling and flotation facility, which sources feed from the Jokisivu gold mine.

**7.1.2 Production Record**

The production record for the Vammala Production Centre treating the Jokisivu and Orivesi ores is presented in **Table 7-1**. Relatively high gold recoveries are found for both ore types, particularly the lower grade Jokisivu ores. Overall recovery includes concentrate treatment at Svartliden CIL plant.

**Table 7-1 Vammala Production Centre Gold Production History**

Ore Type Parameter	Orivesi Feed Grade (g/t Au)	Jokisivu Recovery (%)	Feed Grade (g/t Au)	Recovery (%)
2008	6.3	85.6		
2009	5.8	84		78.3
2010	5	83.3	4.1	79.8
2011	4.3	82.9	3.1	82.9
2012	3.5	76.2	2.8	85.9
2013	4.4	77.4	2.8	83.2
2014	5	78.7	4.1	85.4
2015	5.9	81.1	4.3	89
2016	4.7	83.1	3.0	88.8
2017	4.3	77.8	2.7	87.1
2018	4.8	84.3	2.6	87.5
2019	5.6	87.2	2.7	87.0
2020	3.2	88.7	2.7	86.2
2021			2.7	85.9
2022			2.5	85.9
2023			2.3	84.7
2024			2.5	84.6

The Vammala plant is a well-established facility built on proven technology. The plant has been in operation since the 1970's, first as a pilot plant and later as an actual production plant treating nickel sulphide ores at a rate of 70 tonnes per hour. Since 1994 this plant has successfully been used for recovering gold from Orivesi mine ores and in recent years from Jokisivu mine ores at a rate of 30 to 40 tonnes per hour depending on ore hardness.

The Vammala process can be divided into 6 sections, namely crushing, grinding, gravity circuit, flotation circuit, concentrate dewatering and tailings pumping. Throughput is 300 ktpa and the mean hourly throughput is 38 t/h. The crushing circuit is currently not operational. All crushing is done at the Jokisivu mine before truck haulage to the plant. The process flowsheet is presented in **Figure 7-1**.

***7.1.4 Crushing Circuit***

Crushing is performed at the Jokisivu mine site using contractor owned and operated mobile primary and secondary crushers to produce a product 80% passing 20mm. The crushed ore is trucked to the Vammala plant, and a front-end loader feeds it to the fine ore bin.

The ore bin has been designed as a mass flow bin, with a very small capacity due to concerns of freezing of stagnant ore during the winter months.

***7.1.5 Grinding Circuit***

Ore is drawn from the fine ore bin and fed to a 500-kW overflow rod mill (3.2m Ø x 4.5m) operating in an open circuit. The rod mill discharge is classified by hydrocyclones and the underflow gravitates to the ball mill. The hydrocyclone underflow can also be fed to a Skim Air coarse flotation cell depending on the ore type being treated. Any Skim Air concentrate produced is pumped to either the final concentrate or to the cleaner circuit.

The 630-kW overflow ball mill (3.2m Ø x 4.5m) is rubber lined. The ball mill discharge is combined with the rod mill discharge and pumped to the hydrocyclones. The hydrocyclones (140mm Ø) consist of one duty and one standby unit, operating at a nominal feed pressure of 100 kPa to produce an overflow product of 80% passing 103 microns with Jokisivu ore.

***7.1.6 Gravity Circuit***

When processing Jokisivu ores, a gravity concentration circuit is employed which consists of a Reichert cone, spirals and a shaking table. Gold was very fine-grained in the Orivesi ore, and the gravity concentration circuit was not beneficial.

***7.1.7 Flotation Circuit***

The hydrocyclone overflow is conditioned with reagents prior to flotation. The flotation circuit consists of six Outokumpu 16 m<sup>3</sup> flotation cells, with the first two flotation cells employed as roughers and the last four cells as scavengers. The cleaning circuit consists of eight Outokumpu 3 m<sup>3</sup> flotation cells, however, are not used.

***7.1.8 Concentrate Dewatering***

The final concentrate is pumped into a thickener, after the addition of flocculant. The thickener underflow is pumped to a Larox PF automatic pressure filter and the resultant filter cake conveyed to a 720 m<sup>2</sup> concentrate storage area, which has the capacity to hold up to 1,500 tonnes of concentrate. Moisture content is in the range of 10 to 11%.



### ***7.1.9 Tailings Storage Facility***

Flotation tailings are pumped a few hundred metres to the 50 ha Tailings Storage Facility (TSF) which consists of 3 (A, B and C) compartments. Supernatant water from the tailings dam is reclaimed via a settling pond to the process plant as process water.

SLR is aware that two raises are planned over the next 12 months. These raises are permitted and will support the planned production over the next 3 years.

The TSF ultimate capacity will be reached in about five years. Technical design, environmental base line data collection and permitting application preparation has commenced for a new TSF at the site, likely to be adjacent to the current facility. Permitting and construction time is anticipated to be four years and so the process has commenced in anticipation of extended mine life.

SLR opinion is that a significant extension of mine life or new exploration discovery would be required to make construction of a new TSF economic.

### ***7.1.10 Plant Condition***

The Vammala ore processing plant is in generally good condition except there is no operational crushing circuit. The plant is old but reasonably maintained with a realistic sustaining capital budget. There are plans to replace components of the gravity recovery circuit with new equipment.

SLR opinion is that the plant is in good condition to operate for the proposed life of mine.

### ***7.1.11 Jokisivu Ores***

Gold occurs as intergrowths with tellurides, in fractures and inter-granular spaces of silicates and sulphides. A small amount of gold is present as aurostibite ( $\text{AuSb}_2$ ) and maldonite ( $\text{Au}_2\text{Bi}$ ). Approximately 90% of the gold occurs as free gold, varying in size from a few microns to a couple of millimetres.

Gold mineralisation occurs within two zones located 200 metres apart, which are referred to as Kujankallio and Arpola. There are no differences in the mineralogy of the ore from either zone. The mineralogy of these deposits has been shown to be consistent as the mine progresses deeper.

The concentrates produced from the Jokisivu ores are mainly iron sulphides (37.53% pyrrhotite, 8.02% pyrite) with plagioclase (15.45%) and other gangue minerals (refer to **Table 7-2**). The main source of ore has been from both the Kujankallio and Arpola zones with a typical head grade of 4 g/t. The typical flotation concentrate grade is 115 g/t Au, while the gravity concentrate grade is 92% Au. The concentrates are recombined before trucking to the Svartliden CIL plant for final processing.

The overall gold recovery to concentrate is 85%. Recovery loss of gold when treating the concentrate at Svartliden CIL plant is of 5%.

The concentrate has demonstrated an occasional capacity of for spontaneous heating and combustion. When this does happen then blending with non-combusting concentrate is used to control the and dampen the combustion. The concentrate subjected to combustion will form a clinker than requires light grinding in the Svartliden ball mill before sending the CIL plant. Dragon reports no restrictions on the road haulage of concentrate due to the occasional self-heating characteristics of the concentrate.

**Table 7-2 Jokisivu Concentrate Mineralogy**

<b>Mineral</b>	<b>Wt%</b>	<b>Mineral</b>	<b>Wt%</b>
Pyrite	8.02	Kaolinite	0.16
Pyrrhotite	37.53	Smectite	2.01
Pyrrhotite oxidized	2.24	Kyanite	1.32
Chalcopyrite	4.49	Spodumene	0.30
Quartz	9.46	Allanite	1.04
Plagioclase	15.45	Titanite	0.10
K-feldspar	2.30	Grossular	0.83
Enstatite	0.24	Calcite	0.05
Diopside	0.15	Apatite	0.13
Augite	0.04	Gold	0.02
Actinolite	0.18	Pentlandite	0.05
Hornblende	5.66	Sphalerite	0.50
Talc	0.11	Lollingite	0.18
Serpentine	0.16	Arsenopyrite	2.71
Chlorite	1.52	Bi-tellurides	0.06
Biotite	1.21	Ilmenite	0.14
Muscovite	0.98	Al-oxide	0.06
		Goethite	0.14

## **7.2 Svartliden Production Centre**

### **7.2.1 Introduction**

The Svartliden processing plant currently treats flotation concentrates produced by the Vammala processing operation in Finland and consists of a CIL plant with nominal capacity of 330 ktpa (mine ore basis). The plant is located some 30km by road from the Fäboliden gold deposit which will be the future source of feed for the plant. The Fäboliden mined ore would be treated along with the Vammala concentrates not unlike the previous approach where Svartliden ores were processed with Vammala concentrates.

### 7.2.2 Flowsheet

The Svartliden processing plant flowsheet is a conventional flowsheet with an established production profile and is presented in **Figure 7-2**.

The overall flowsheet consists of the following unit processes, which are described in detail in the sections below:

- Four-stage crushing.
- Single stage ball milling.
- Leach/Carbon in Leach (CIL).
- Atmospheric Zadra elution.
- Cyanide detoxification.
- Arsenic precipitation.
- In-pit tailings storage facility.

To support the processing operation, there are water and air services, reagent mixing and storage facilities and a site assaying facility.

A local contract crushing group owns and operates the on-site ore crushing plant. The relocatable crushing plant is a four-stage circuit comprising a primary jaw crusher, secondary gyratory crusher and tertiary and quaternary cone crushers, comprising:

- Primary Jaw Crusher: Svedala R120120-250 single toggle weight 80t: 1200mm x 1200mm feed (inlet 700mm, product 0-200mm)
- Secondary Gyratory Crusher: Metso S 300 (inlet 200mm – product t 0-70mm)
- Tertiary Crusher: Sandvik CH 440 Cone Crusher (inlet 70 mm – product 0-20 mm) medium manganese
- Quaternary Crusher: Sandvik CH 440 Cone Crusher (inlet 40mm – product 0-14 mm) fine manganese
- The capacity to produce a minus 8mm final product is approximately 130-150 t/hr.

The grinding circuit has a single stage 1.2 MW fixed speed ball mill operating in closed circuit with hydrocyclones. The ball mill is 3.5 m Ø by 5.5 m EGL.

The hydrocyclone cluster is fed by duty/standby horizontal centrifugal slurry pumps and consists of two duty and one standby 165 mm Ø cyclones, operating at nominal feed pressure of 100 kPa. Lime slurry can be added to the mill feed to ensure the correct pH (10.5) is achieved prior to addition of cyanide in the downstream leach circuit. Mill scats and pebbles discharge into a small bin for disposal.

The ore feed rate to the ball mill is controlled via the plant control system to set measured tonnage determined by the plant operators. Both mill discharge pumps have variable speed drives to ensure optimum grinding circuit performance. Water additions are manually controlled.

The leach/CIL circuit is designed with a circuit residence time of approximately 16 hours at nominal throughput, with each tank having a nominal volume of 125 cu.m. Cyclone overflow reports by gravity to a trash screen which discharges into the first leach tank. From here, slurry flows by gravity to the second leach tank and on to the CIL circuit. Each CIL tank is equipped with a vertical cylindrical intertank screen to retain carbon. The screens are equipped with a low-speed pump mechanism to move slurry to the next tank.

For the treatment of Fäboliden ores, lead nitrate would be added to leach tank 1 mainly to enhance the leaching rate. Activated carbon is transferred counter-current to the slurry flow by the use of airlift pumps before being recovered from the first CIL tank by a recessed impeller vertical spindle pump. Oxygen is sparged into all leach and CIL tanks to maximise gold extraction. The gold recovery circuit consists of a Zadra-style elution circuit with a separate acid wash column.

Loaded carbon from CIL1 is recovered by a recessed-impeller vertical spindle pump located in the tank and pumped to the loaded carbon screen. Screen undersize (slurry) is returned to CIL1, while the washed carbon discharges into the acid wash column.

The acid wash column and downstream elution column have a nominal capacity of 2 tonne of carbon. Once the acid wash column is full, 2% HCl is pumped into the column to remove contaminants from the carbon. The carbon is then rinsed with raw water to remove the acid before being transferred to the elution column. Waste acid and rinse water are discharged to the tailings hopper for disposal in the tailings storage facility.

Acid washed carbon is transferred to the elution column before being treated with a heated caustic/cyanide solution to remove gold. The solution is pumped via a heat exchanger to the elution column and back to the dedicated electrolyte tank, with heating provided by a gas-fired heater. Once the solution reaches temperature, the solution leaving the column is diverted to two parallel electrowinning cells prior to returning to the electrolyte tank.

Gold and silver are deposited onto mild steel wool cathodes in the electrowinning cells. Once loaded, the cathodes are removed and calcined to oxidise the steel wool prior to smelting. The calcined cathodes are mixed with fluxes prior to smelting in an electric furnace to produce doré which is then shipped off site for refining. At the completion of the elution cycle, the batch of carbon is hydraulically transferred from the elution column to the last CIL tank (CIL 5) or to the feed hopper of the regeneration kiln.

Barren carbon is regenerated in a gas-fired horizontal rotary kiln to remove organic contaminants and to maintain the activity of the carbon. Regenerated carbon is then quenched and returned to CIL 5. Fine carbon is screened out at the kiln discharge and transferred to the tailings hopper for disposal.

Carbon is maintained in the reactivation zone of the kiln at 700 to 750 °C for a nominal 15 minutes to ensure regeneration to acceptable activity. One 2 tonne batch of carbon is regenerated over a period of approximately 20 hours, at a nominal 100 kg/h.

#### ***7.2.2.1 Tailing Treatment***

Discharge from the CIL circuit is detoxified in a two-stage process employing covered 18 m<sup>3</sup> tanks. The first stage utilises hydrogen peroxide and copper sulphate to destroy cyanide and CNwad, while the second stage uses ferric sulphate to precipitate arsenic as stable ferric arsenates (scorodite process) by adding iron in a molar ratio of approximately 6:1 Fe to As.

Detoxified slurry is pumped out of the detoxification tank to the arsenic precipitation tank by duty/standby variable speed slurry pumps. The arsenic precipitation tank has a live capacity of 125 cu.m, providing a nominal 1.9 hour residence time. The final plant effluent overflows the arsenic precipitation reactor to the final tailings sump before being pumped to the Tailings Storage Facility (TSF) by a two-stage pumping circuit.

#### ***7.2.3 Plant Condition***

The Svartliden CIL plant is in fair condition. SLR opinion is that a modest program of sustaining capital will be required to bring the plant to good condition, so it is suitable for the planned Fäboliden ore processing over eleven years. An allowance of USD1.5M has been included in the Fäboliden project economic model to cover the capital cost of returning the plant to good condition and for minor modifications to improve gold and silver recovery.

**IRON ORE** → **CRUSHED ORE** (CONTRACT CRUSHING) → **SCREENED** → **PRIMARY CYCLONES** → **GRINDING** → **LEACHING** → **ABSORPTION** → **CALCIN. RESERVATION** → **SMELTING** → **TAILINGS STORAGE FACILITY**

**ACID WASH** → **ELECTRON** → **ELECTROWINNING** → **DILUTE** → **PRECIPITATION** → **RECYCLING** → **LEACHING**

**7.2.4 Fäboliden Mineralogy**

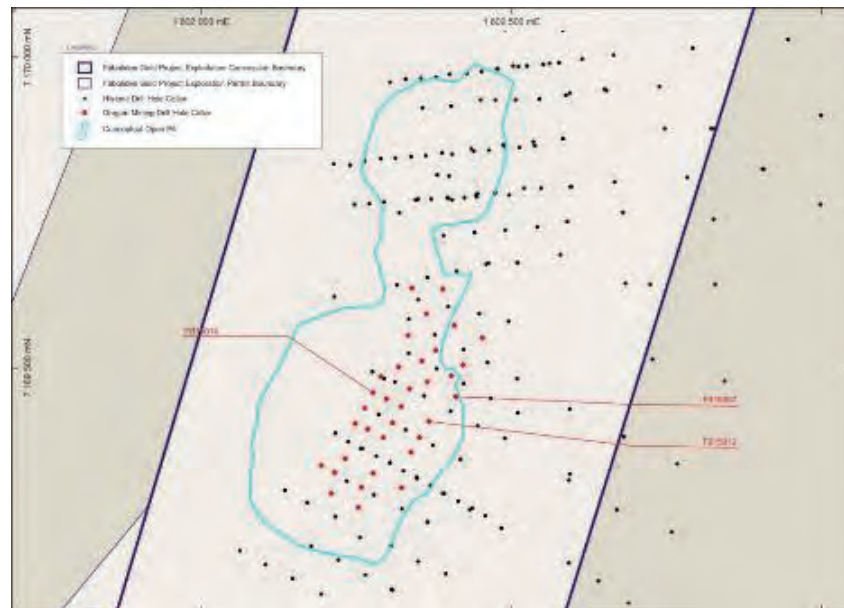
The main sulphide minerals in the ore zone are arsenopyrite and pyrrhotite with accessory chalcopyrite, pyrite, and sphalerite. Arsenopyrite and pyrrhotite is often disseminated along the foliation or closely associated with quartz veins, while chalcopyrite and pyrite are mostly bound to quartz veins. Sphalerite often forms narrow veins parallel to foliation or clusters in quartz veins. A younger generation of pyrrhotite-arsenopyrite veins and clusters sometimes overprint the previous fabric.

Stibnite has also been noted as an accessory mineral during core logging and like the chalcopyrite and pyrite is bound to quartz veins. The alteration assemblage consists of quartz, biotite, pyrrhotite, arsenopyrite, pyrite, feldspar, muscovite, chlorite and a range of rarer amphibole minerals. Narrow widespread boudinaged quartz-sulphides veins with biotite rims or without alteration haloes define the broad low grade mineralisation envelope.

Three samples were submitted to ALS in Brisbane, Australia for mineralogical assessment and selected from the area of the conceptual open-pit area representing three different gold ranges. The location of where these samples were taken is shown in **Figure 7-3** while the assay details are summarised in **Table 7-3**.

**Table 7-3 Mineralogical Samples**

Sample ID	Hole ID	From	To	Au (ppm)	Ag (ppm)	As (%)	S (%)	Sb (ppm)
150388	FB15007	119	120	18.60	62.1	1.22	2.15	729
150649	FB15012	110	111	8.13	26.8	2.41	2.96	644
150765	FB15014	25	26	3.52	16.4	3.05	3.40	403

**Figure 7-3 Location of Mineralogical Samples**

The mineralogical study included Extended Liberation Analysis to quantify the gangue and sulphide mineralogy and Sparse Phase Analysis for the search of gold bearing minerals. The results included a mineral list, mineral abundances, elemental distributions, mineral association (liberation and locking), grain size distributions and gold bearing minerals and their abundances.

The minerals identified in the Fäboliden samples are presented in **Table 7-4**.

All samples were enriched in sulphide minerals and dominated by arsenopyrite and pyrrhotite, varying in abundance between 2.9 wt.% to 7.6 wt.% and between 7.7 wt.% to 12.7 wt %, respectively. The pyrite and sphalerite abundances were found to range between trace to minor levels, whilst boulangerite, galena and chalcopyrite were present as only trace occurrences.

Non-sulphide minerals included abundant quartz (42 wt.% to 45 wt.%) and feldspars including K-feldspars, albite and plagioclase (12.9 wt.% to 31.7 wt.%). Muscovite and phlogopite (grouped into phyllosilicates) were also abundant (11.59 wt.% to 17.72 wt.%).



Table 7-4 Mineral List

Mineral	Density	Formula	Au (%)	Ag (%)	As (%)	Fe (%)	S (%)	Sb (%)
Gold	18.77	(Au,Fe)	98.95	0.00	0.00	1.05	0.00	0.00
Gold-Ag10	17.67	(Au,Ag,Fe)	90.27	9.14	0.00	0.59	0.00	0.00
Electrum-Ag30	15.32	(Au,Ag,Fe)	70.55	28.61	0.00	0.84	0.00	0.00
Electrum-Ag40	14.44	(Au,Ag,Fe)	60.80	38.62	0.00	0.58	0.00	0.00
Electrum-Ag50	13.41	(Au,Ag,Fe)	47.97	51.62	0.00	0.41	0.00	0.00
Dyscrasite	9.73	(Ag,Au)3Sb	11.75	68.35	0.00	0.00	0.00	19.90
Aurostibite	9.95	(Au,Fe)(Sb,As)2	46.64	0.00	0.55	0.58	0.00	52.23
Aurostibite-FeNi	9.95	(Au,Fe,Ni)(Sb,As)2	36.67	0.00	2.70	2.16	0.00	55.39
Antimony	6.70	Sb	0.00	0.00	0.00	0.00	0.00	100.00
Arsenopyrite	6.09	FeAsS	0.00	0.00	46.13	34.07	19.80	0.00
Boulangerite	6.21	Pb5Sb4S11	0.00	0.00	0.00	0.00	18.93	24.82
Chalcopyrite	4.19	CuFeS2	0.00	0.00	0.00	30.43	34.94	0.00
Galena	7.54	PbS	0.00	0.00	0.00	0.00	13.40	0.00
Gudmundite	6.84	FeSbS	0.00	0.00	0.00	26.83	15.39	57.78
Lollingite	7.04	(Fe,Ni)(As,S,Sb)2	0.00	0.00	68.03	27.16	2.89	0.55
Pyrite	4.90	FeS2	0.00	0.00	0.00	46.55	53.45	0.00
Pyrrhotite	4.65	Fe7S8	0.00	0.00	0.00	60.68	39.32	0.00
Sphalerite	4.05	(Zn,Fe,Mn,Co,Cd)S	0.00	0.00	0.00	7.04	33.25	0.00
Stannite	4.47	(Cu,Zn)FeSnS4	0.00	0.00	0.00	11.18	28.30	0.00
Tetrahedrite	4.88	(Cu,Ag,Fe)12Sb4S13	0.00	19.35	0.00	5.54	23.20	28.41
Ullmannite	6.74	(Ni,Fe,Co)(Sb,As)S	0.00	0.00	0.94	0.46	15.88	57.10
Rutile	4.46	TiO2	0.00	0.00	0.00	0.00	0.00	0.00
Calcite	2.79	(Ca,Mn)CO3	0.00	0.00	0.00	0.00	0.00	0.00
Apatite	3.21	Ca5(PO4)3(OH,F)	0.00	0.00	0.00	0.00	0.00	0.00
Monazite	5.16	(Ce,La,Nd,Pr,Sm,Th,U,Ca,Pb)(PO4,SiO4)	0.00	0.00	0.00	0.00	0.00	0.00
Scheelite	6.10	CaWO4	0.00	0.00	0.00	0.00	0.00	0.00
Xenotime	4.66	(Y,Dy,Er,Gd,Ho,Yb,Sm)PO4	0.00	0.00	0.00	0.00	0.00	0.00
Albite	2.62	NaAlSi3O8	0.00	0.00	0.00	0.00	0.00	0.00
Allanite	3.82	(Ca,Mn,Mg)(Ce,La,Nd,Pr,Sm,Gd)(Al,Fe) 2Fe(Si2O7)(SiO4)O(OH)	0.00	0.00	0.00	4.49	0.00	0.00

Mineral	Density	Formula	Au (%)	Ag (%)	As (%)	Fe (%)	S (%)	Sb (%)
Alminosilicate	3.59	Al <sub>2</sub> SiO <sub>5</sub>	0.00	0.00	0.00	0.00	0.00	0.00
K-feldspar	2.58	(K,Na)AlSi <sub>3</sub> O <sub>8</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Chamosite	3.12	(Fe,Mg) <sub>5</sub> Al(Si <sub>3</sub> Al)O <sub>10</sub> (OH) <sub>8</sub>	0.00	0.00	0.00	29.80	0.00	0.00
Clinochlore	2.82	(Mg,Fe,Mn,K,Na) 5Al(AlSi <sub>3</sub> O <sub>10</sub> )(OH) <sub>8</sub>	0.00	0.00	0.00	7.15	0.00	0.00
Clinzoisite	3.34	Ca <sub>2</sub> (Al,Mg,Fe,Mn) <sub>3</sub> (Si <sub>2</sub> O <sub>7</sub> )(SiO <sub>4</sub> )O(OH)	0.00	0.00	0.00	1.80	0.00	0.00
Margarite	3.04	(Ca,Na)Al <sub>2</sub> (Si <sub>2</sub> Al <sub>2</sub> )O <sub>10</sub> (OH) <sub>2</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Muscovite1	2.83	(K,Na)(Al,Mg,Fe,V,Ti) <sub>2</sub> Si <sub>3</sub> AlO <sub>10</sub> (OH) <sub>2</sub>	0.00	0.00	0.00	0.27	0.00	0.00
Muscovite2	2.83	(K,Na)(Al,Mg,Fe,V,Ti) <sub>2</sub> Si <sub>3</sub> AlO <sub>10</sub> (OH) <sub>2</sub>	0.00	0.00	0.00	1.95	0.00	0.00
Prehnite	2.90	Ca <sub>2</sub> Al(AlSi <sub>3</sub> O <sub>10</sub> )(OH) <sub>2</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Phlogopite	2.81	K(Mg,Fe,Mn) <sub>3</sub> (Al,Ti,Fe,Cr,V)Si <sub>3</sub> O <sub>10</sub> (OH) <sub>2</sub>	0.00	0.00	0.00	2.61	0.00	0.00
Plagioclase1	2.67	(Na,Ca,K)[Al]1-2[Si]3-2O <sub>8</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Plagioclase2	2.74	(Ca,Na)[Al]2-1[Si]3-2O <sub>8</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Pumpellyite	3.25	Ca <sub>2</sub> (Al,Mg,Fe)Al <sub>2</sub> (SiO <sub>4</sub> )(Si <sub>2</sub> O <sub>7</sub> )(OH,O) 2.H <sub>2</sub> O	0.00	0.00	0.00	0.84	0.00	0.00
Quartz	2.67	SiO <sub>2</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Titanite	3.50	Ca(Ti,Al)SiO <sub>5</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Tourmaline	3.10	(Na,Ca)(Mg,Fe) <sub>3</sub> (Al,Cr,V,Ti,Fe) 6(Si <sub>6</sub> O <sub>18</sub> )(BO <sub>3</sub> ) <sub>3</sub> (OH) <sub>3</sub> (OH)	0.00	0.00	0.00	0.49	0.00	0.00
Tremolite	3.01	Ca <sub>2</sub> (Mg,Fe,Mn) <sub>5</sub> (Si,Al) <sub>8</sub> O <sub>22</sub> (OH) <sub>2</sub>	0.00	0.00	0.00	0.66	0.00	0.00
Zircon	4.54	(Zr,Hf)SiO <sub>4</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Iron	7.87	Fe	0.00	0.00	0.00	100.00	0.00	0.00

Table 7-5 Mineral Abundances

Mineral	150388	150649	150765
Gold minerals	0.00	0.00	0.00
FeAs sulphides	2.93	5.71	7.58
Fe sulphides	7.86	12.63	12.74
Other sulphides	0.28	0.56	1.42
Phosphates	0.39	0.82	0.24
Feldspars	31.67	12.85	16.18
Other silicates	0.00	4.13	4.33
Phyllosilicates	12.62	17.72	11.59
Quartz	42.30	44.44	45.00
Others	0.96	1.13	0.91
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The elemental distribution of gold and silver based on mineral composition and mineral abundances is summarised in **Table 7-6**. The silver is only included where detected in gold bearing minerals or in other minerals within the host particles.

The distribution of gold to the detected minerals is consistent with the relative mineral abundances. The high silver bearing electrum was the source of the majority of gold in samples 150388 and 150765. Gold-Ag10 contributed significant gold in sample 150649. Aurostibite was a significant source of gold in samples 150649 and 150765. Aurostibite is a gold-antimony compound.

**Table 7-6 Gold and Silver Elemental Distributions to Gold and Host Minerals**

Mineral	150388 Ag	150649 Ag	150765 Ag	150388 Au	150649 Au	150765 Au
Gold	0.00	0.00	0.00	0.02	1.75	1.99
Gold-Ag10	0.13	11.73	0.34	1.03	44.15	2.23
Electrum-Ag30	3.74	14.93	9.93	7.46	14.03	16.18
Electrum-Ag40	51.79	47.29	46.44	65.93	28.36	48.33
Electrum-Ag50	28.50	17.32	27.75	21.42	6.13	17.05
Dyscrasite	13.25	8.71	12.74	1.84	0.57	1.45
Aurostibite	0.00	0.00	0.00	1.76	4.59	12.77
Aurostibite-FeNi	0.00	0.00	0.00	0.55	0.41	0.00
<b>Total</b>	<b>97.40</b>	<b>100.00</b>	<b>97.20</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Tetrahedrite	2.60	0.00	2.80			
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>			

The distribution of copper in the samples was as chalcopyrite, and in both chalcopyrite and tetrahedrite for one sample. Lead is found predominantly as boulangerite and galena, whilst zinc was present as solely sphalerite. Between 70% and 74% of the iron reported was present as pyrrhotite with the remainder mainly in arsenopyrite. Pyrite only accounted for a minor amount of the iron. More than 70% of the sulfur was attributed to pyrrhotite, with the remainder in predominantly arsenopyrite and pyrite. The sulfur distribution is shown in **Table 7-7**.

**Table 7-7 Sulfur Distribution**

<b>Mineral</b>	<b>150388</b>	<b>150649</b>	<b>150765</b>
Arsenopyrite	15.48	17.67	21.52
Boulangerite	0.57	0.13	0.06
Chalcopyrite	0.17	0.14	0.16
Galena	0.07	0.05	0.05
Gudmundite	0.05	0.08	0.06
Lollingite	0.02	0.00	0.00
Pyrite	2.05	8.10	0.24
Pyrrhotite	80.91	71.61	71.66
Sphalerite	0.60	2.18	6.22
Tetrahedrite	0.05	0.01	0.01
Ullmannite	0.03	0.03	0.02
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Electrum-Ag30, -Ag40 and -Ag50 were the most abundant gold minerals detected in the samples. As shown in **Table 7-8** except for electrum-Ag50 in sample 150649, the electrum grains tended to be relatively coarse in samples 150388 and 150649. The electrum in sample 150765 was relatively fine grained with maximum diameters less than 12 microns for all variants.

Gold-Ag10 represented a significant proportion of the detected gold occurrence in sample 150649 only. The 80% passing values for minimum and maximum diameters were relatively coarse for this sample at 13 microns and 42 microns respectively. When all of the gold bearing grains were grouped the percentage passing data P80 values for the minor axis varied from 5.5 microns to 24.5 microns and for the major axis from 10.7 microns to 96 microns.

**Table 7-8 Grouped Gold Bearing Mineral Maximum and Minimum Sizing**

Minimum Passing Size (micron)	150388	150649	150765
P10	1.9	1.8	1.0
P20	3.6	3.0	1.4
P50	10.6	11.1	2.7
P80	23.9	24.5	5.5
P90	25.5	25.8	8.1
Maximum Passing Size (micron)	150388	150649	150765
P10	3.9	3.4	1.9
P20	6.7	6.3	2.6
P50	26.4	20.5	5.4
P80	96.1	69.1	10.7
P90	101.1	72.1	11.2

The grouped gold bearing grains in all samples showed a strong association with sulphide minerals and the most abundant gangue minerals for all of the samples (refer to **Table 7-9**). Arsenopyrite, boulangerite and pyrrhotite were commonly associated with gold grains.

**Table 7-9 Grouped Gold Mineral Associations (%)**

Mineral	150388	150649	150765
FeAs Sulphides	11.1	10.2	12.6
Fe Sulphides	2.5	6.1	7.4
Other Sulphides	7.9	8.7	6.3
Phosphates	0.0	0.0	0.3
Feldspars	19.5	13.5	8.1
Other Silicates	6.6	5.0	23.6
Phyllosilicates	8.6	10.6	6.0
Quartz	17.8	22.5	20.6
Others	1.0	0.4	1.0
Free Surface	25.1	22.9	14.0

The hosting of gold grains by silicate minerals was diverse and included feldspars, quartz and micas. The most common association was with quartz (17.8 wt. % to 22.5 wt. %) as shown in Table 11-57.

**Table 7-10 Grouped Gold Minerals with Gangue Minerals Association (%)**

<b>Mineral</b>	<b>150388</b>	<b>150649</b>	<b>150765</b>
Arsenopyrite	11.1	10.2	12.6
Boulangerite	5.7	2.5	3.3
Pyrrhotite	2.5	5.9	7.4
Ullmannite	0.3	3.1	0.8
Albite	6.2	2.2	1.4
K-feldspar	4.8	7.6	3.6
Clinozoisite	2.5	2.7	0.3
Muscovite	5.6	7.1	6.0
Prehnite	0.0	0.0	22.3
Phlogopite	2.5	3.1	0.0
Plagioclase 1	8.0	3.1	2.4
Pumpellyite	3.6	1.4	0.0
Quartz	17.8	22.5	20.6

### 7.2.5 Ore Types

Ore types have not been specifically addressed since the material to be treated is surface material. However variations in gold grade have been recognised (cf. mineralogical studies) while differences in gold recovery between test work conducted by Ammtec in 2001 and more recent test work (ALS, 2014) may be due to ore types.

The ore zone at Fäboliden in the area of the proposed open pit area is characterised by intensive, pervasive silicification and the presence of numerous quartz veins parallel to the foliation. It is predominantly hosted in meta-sedimentary units, further to the north and south of this area meta-volcanics are the primary host unit. From an ore type perspective, lithology appears to be relatively consistent and does not provide the basis for variability in ore types.

The ore and waste zones represent fresh rock, oxidation is limited to fracture surfaces, generally in the first five to ten m below the bedrock surface. The bedrock underlies an unconformable glacial till layer that ranges from 1 to 15 m in thickness and contains no gold. A head grade of 2.5 to 3.0 g/t gold is expected from the ore zone. The existence of only one degree of oxidation removes this classification as an ore type.

The final potential ore type classification is variability in mineralogy, namely high and low grade zones of pyrrhotite. The mineralogical studies seem to indicate that the abundance of the pyrrhotite does not vary appreciably within the likely mining zones and thus does not contribute to selection as an ore type. In spite of previous differences in metallurgy between test work programs, only one ore type would appear to exist.

**7.2.6 Metallurgical Test Work****7.2.6.1 Introduction**

Several metallurgical testing campaigns have been carried out, namely:

- Initial test work conducted in 2001 Metallurgical Test Work Conducted on an Ore Sample from the Fäboliden Gold Deposit for Swedish Geochem Services AB, Ammtec, Report No. A7732.
- Autogenous comminution flotation and leaching test work in 2006 Autogenous Grinding and Bench Scale Tests on Fäboliden Gold Ore Deposit, Minpro AB.
- Comminution results reported in 2012 by Metso Minerals in Fäboliden Grinding Circuit Trade-Off Study from Ammtec report No A12666 and Boliden Process Technology report TM\_REP2004/2005.
- Leaching test work in 2012 by GTK, Finland (raw data only).
- Flotation test work in 2012 by GTK Finland (raw data only).
- INCO detoxification test work in 2012 by GTK Finland (raw data only).
- Comminution and whole ore leaching test work conducted in 2014 Metallurgical Test Work conducted upon Composite from Fäboliden Gold Ore Project for Minnovo/ Dragon Mining Sweden AB, ALS Metallurgy Report No. A15995.
- A 1,000-tonne parcel of Fäboliden ore was processed through the Svartliden processing plant in October 2014, the results of which were summarised in Report 1 kt test batch Fäboliden ore by Dragon Mining.
- A 100 kt parcel of Fäboliden ore was mined and successfully treated in the Svartliden processing plant in 2019.

Historical metallurgical test work conducted on samples from Fäboliden were based on the flowsheet adopted by the previous owners (Lapland Goldminers AB), which consisted of a flotation circuit and cyanide leaching of the flotation concentrates. Metallurgical test work examining the leaching of whole rock samples was limited.

As part of the due diligence process preceding acquisition of the project, Dragon Mining submitted representative drill core samples from the near surface higher grade zone at Fäboliden to ALS Metallurgy in Perth for benchscale comminution and leaching test work, using process parameters from the Svartliden plant as reference. This test work program was managed by an independent consultant (Minnovo Pty Ltd.).

The comminution results showed moderate hardness and abrasion, with a Bond Ball Mill Work Index (BBMWi) of 15.3 kWh/t and a Bond Abrasion index (Ai) of 0.2614. Modelling of the Svartliden mill based on the obtained parameters showed that for a grind size of P80 of 75 microns, a throughput range of 33 to 42 t/hr would be achievable at Svartliden. Similarly, for a grind size of P80 of 106 microns a throughput range of 46 to 53 t/h would be possible.

The separation test work program examined whole ore cyanide leaching and found gold recoveries ranging from 70.3% to 84.4%. All tests completed displayed relatively fast leaching, with approximately 97% of the final gold extraction being achieved after 16 hours.

Test work at ALS supports the general findings that the ores are moderately hard (Bond Ball Mill Work Index of 15.3 kWh/t for 80% passing 90 microns) and moderately abrasive (Bond Abrasion Index of 0.2614).

#### 7.2.6.2 Leach Test work

Leaching test work was conducted as bottle rolls at pH10.5, a base-line initial cyanide concentration of 1,000 ppm and a dissolved oxygen concentration between 15 to 20 mg/L. Solution samples were taken after 2,4,8 and 24 hours. In the pre-oxidation test, 2 hours of oxygenation was applied followed by the addition of lead nitrate prior to bottle rolling. Additionally, test work was conducted in 2015 in the plant, SGS in 2016, and ALS in 2019 in the laboratory. These studies confirm average recoveries of 85.9% for ALS in 2019. **Table 7-11** summarises the findings of the leaching test work programs.

**Table 7-11 Bottle Roll Test Work Results and production test**

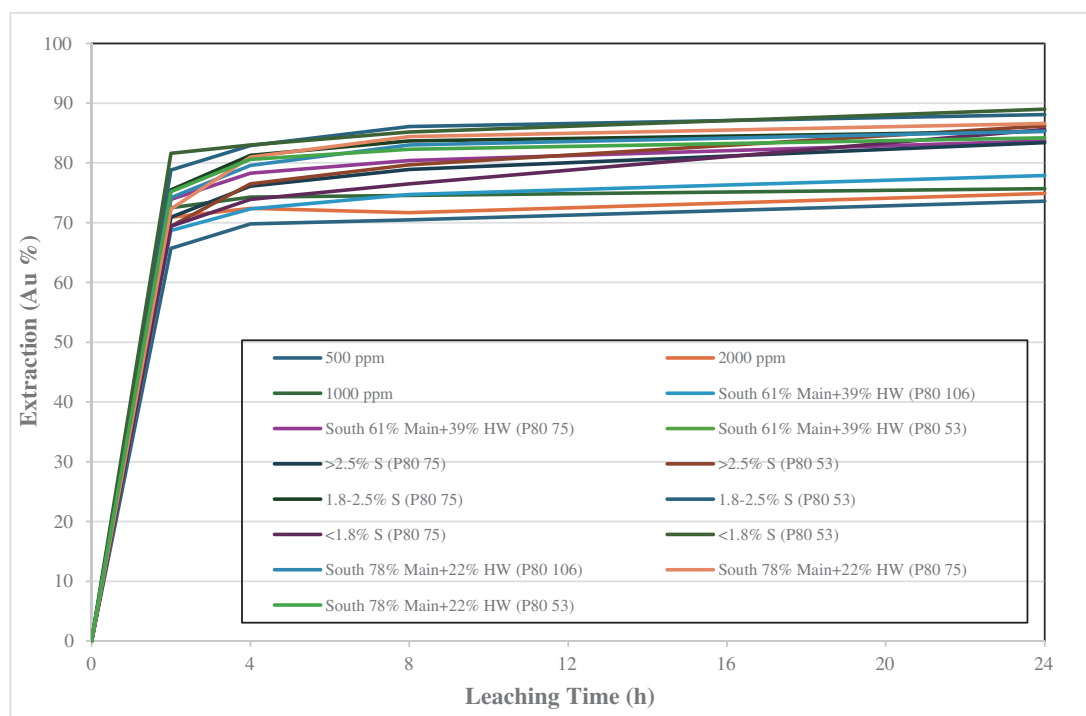
Data	Grind Size (P80, microns)	Initial NaCN Conc (ppm)	Comment	Gold Recovery (%)				Gold Grade (g/t)		Reagent Consumption (kg/t)		
				2 h	4 h	8 h	12h	24h	Calc Feed	Leach Residue	NaCN	Lime
2014 ALS	150	1,000	Standard test conditions	55.9	61.3	63.3		70.3	2.89	0.86	0.99	0.26
	106			57.7	64.8	67.7		76.6	3.54	0.83	0.92	0.25
	75			56.8	63.1	65.3		70.4	2.67	0.79	0.93	0.31
	53			71.5	75.3	74.5		84.4	3.18	0.5	1.19	0.25
	53	500		65.7	69.8	70.5		73.6	3.29	0.87	0.72	0.4
		2,000	Lead nitrate Pre-oxidation + lead nitrate	70.9	72.4	71.7		74.9	3.31	0.81	1.95	0.29
		1,000		72.5	74.3	74.6		75.7	3.31	0.81	0.81	0.29
		1,000		70.8	72.2	72.9		74	3.23	0.84	0.71	0.6
2015	108		Production test, 1000t northern deposit				79.7		3.21	0.64		
2016 SGS	106		Drill core southern portion deposit	68.7	72.3	74.7	76.3	77.9	3.12	0.69	0.7	0.43
	75			73.9	78.3	80.4	82.5	83.7	3.26	0.53	0.67	0.53
	53			80.5	84.6	85.6	85.9	86.8	3.14	0.42	0.84	0.52
ALS 2019	75		High sulfur >2.5%	70.9	76.1	78.9	80.2	83.4	3.38	0.56	1.26	0.52
	53			69.4	76.5	79.7	82	86.2	3.56	0.49	1.08	0.42
	75		Medium sulfur 1.8-2.5%	75.5	81.3	83.7	84.3	85.3	3.46	0.51	0.7	0.59
	53			78.8	82.9	86.1	86.1	88.1	3.24	0.39	0.68	0.8
	75		Low sulfur <1.8%	69.4	73.9	76.5	79.1	85.6	2.64	0.38	1.43	0.3
	53			81.6	83	85.2	84.4	89	2.55	0.28	0.73	0.62
	75		Drill core southern portion deposit	74.2	79.6	83	83.7	85.3	3.34	0.49	1.21	0.38
	53			72.3	81	84.4	85.1	86.6	3.14	0.42	0.69	0.51
	75			75.2	80.6	82.3	82.7	84.2	3.03	0.48	0.57	0.56



The feed grade for the test employing a grind size of 75 microns was considered anomalously low at 2.67 g/t Au; based on the average head grade of 3.12 g/t Au, a gold recovery of 74.7% is indicated. In addition, the residue or tailings grade for the 53-micron grind size was also considered anomalously low at 0.50 g/t Au, particularly in the light of the other residue results for this grind size.

As **Figure 7-4** shows, gold dissolution is relatively fast, with most (~94%) of the cyanidable gold being recovered in the first three hours.

**Figure 7-4 Whole Ore Leaching Kinetics**



Gravity concentration test work found that 28.3% of the gold could be recovered at a grind size of 80% passing 150 microns and that, after regrinding to 80% passing 53 microns, 58.1% of the gold could be recovered from the gravity tailings. Overall, 86.2% gold recovery was found with a significantly lower final tailings assay (0.45 g/t Au). Other gravity test work, employing amalgamation and leaching, produced similar results (refer to **Table 7-12**).

**Table 7-12 Gravity Test Work Results**

Test	Grade (Au g/t)		Gravity		Total Recovery (Au %)		
	Head	Residue	Mass % (Au %)	Amalgamation Recovery (Au %)	Leach Recovery (Au %)	Calculated Head	Average Head <sup>1</sup>
Whole Ore Leach	3.31	0.81			75.65	75.6	74.0
Leach of Gravity Tail and Amalgam Tail	2.97	0.53		5.9	76.44	82.3	83.2
Leach of Gravity Tail Only	3.13	0.45	5.2	28.3 <sup>2</sup>	58.08	86.4	86.2

<sup>1</sup> Average head grade of 3.12 g/t Au as determined by screen fire assay.

<sup>2</sup> Assumes 100% of gold in gravity concentrate is recovered. There will be some gold lost in this stream, depending on the process used. For example, a regrind to a P80 of 10 µm and leach would result in around 95% recovery of the 28.3% gold in the gravity concentrate, reducing the overall recovery to 84.2%.

Test work on a low-grade composite (ALS, A16026, 2014) was based on establishing the potential for heap leaching. The sample assayed 1.42/1.48 g/t Au with 1.04% As, 2.34% S and 0.63% Sb. At 80% passing 106 microns, 57.5% of the gold was recovered after 24 hours with an agitated leach, with around 92% of the gold recovery occurring in the first two hours.

Subsequent bottle rolls at 100% passing 12.5 mm and 6.3 mm found that in both cases, less than 30% gold recovery was achieved after 120 hours. Further test work was not conducted, indicating the non-viability of heap leaching this lower grade ore.

### 7.2.7 Design Criteria

The design criteria for the processing plant based on treating historical and future feed stock. Notably, the data shows the processing requirements to treat Fäboliden ores and the nature of the improvements required to achieve the design throughput and gold recovery. It is proposed to treat at up to 335 ktpa of ore at a design feed grade of 2.6 g/t Au with a recovery of 80% to produce 20 koz per year.

Note that the proposed maximum road haulage rate from Fäboliden pit to the plant has been reduced to 300 ktpa since the design work was completed, leaving spare capacity or opportunity to increase gold recovery.

Observations and recommendations from the plant trial include:

- No modifications to the crushing circuit would be required;
- Comminution modelling based on a F80 of 7.5mm, 80th percentile harness (BBMWi = 15.9 kWh/t) and a P80 of 75 microns:
  - Increased ball charge to 32%
  - Install ball retaining ring
  - Throughput of 42 tph
  - Comparative Milling Circuit Parameters for historical Svartliden deposit ore and future Fäboliden ore treatment summarised in **Table 7-13**.

**Table 7-13 Comparative Milling Parameters**

Item	Unit	Svartliden	Fäboliden
Nominal throughput	dry t/h	37.5	42
Feed Size, F80	µm	7,500	7,500
Product Size, P80	microns	106	75
Primary Mill			
Type			Ball
Ball mill specific pinion energy required	kWh/t	16.9	20.2
Ball mill pinion power required	kW	635	849
Ball mill motor power required including contingency	kW	717	960
Mill motor installed	kW		1,200
Operating ball charge	% v/v	22	32
Maximum ball charge	% v/v		36
Mill diameter (inside shell)	m		3.5
Mill length (EGL)	m		5.5
Mill discharge density	% w/w		75

- The leaching circuit would have a reduced residence time, and this would be increased by:
  - Increasing leach feed to 48% solids
  - Addition of lead nitrate (100g/t) to enhance kinetics
  - Comparative Leaching Circuit Parameters are shown in **Table 7-14**.

**Table 7-14 Comparative Milling Parameters**

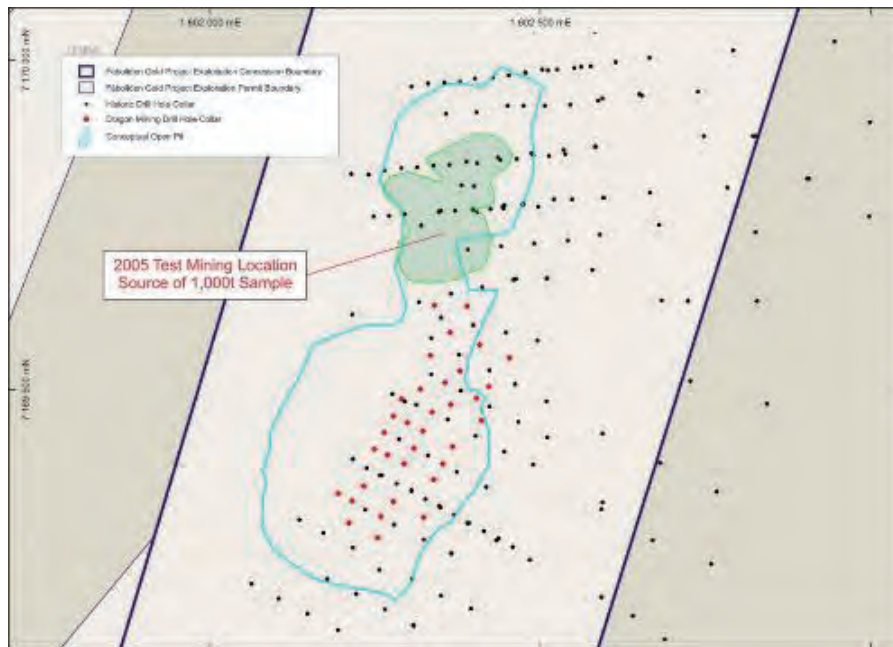
Item	Unit	Svartliden	Fäboliden
Leach feed	t/h	37.5	42
	% w/w solids	45	48
	m <sup>3</sup> /h	58	60
Leach tank nominal live capacity	m <sup>3</sup>	125	
Number of leach tanks	No.	2	
Leach tank capacity	m <sup>3</sup>	250	
Nominal leach residence time	h	4.3	4.2
CIL tank nominal live capacity	m <sup>3</sup>	125	
Number of CIL tanks	No.	5	
Leach tank capacity	m <sup>3</sup>	625	
Nominal CIL residence time	h	10.8	10.4
Total tank capacity	m <sup>3</sup>	875	
Nominal residence time – total	h	15.1	14.6

- No changes are required to the Elution/Electrowinning circuits
- Detoxification circuit may require review based on the findings of the plant trial; high CNwad levels were found due to a combination of oxidised ores and insufficient hydrogen peroxide addition rates
- No major changes to the Reagent Mixing and Distribution circuits; inclusion of a system for lead nitrate.

### 7.2.8 Two Plant Trials

A full-scale production test of approximately 1,000 tonnes of higher-grade gold bearing material from the Fäboliden deposit was trialled at the Svartliden Plant. This material was excavated during the 2005 test mining and processing program and stockpiled on the surface. The location of the sample is shown in **Figure 7-5**. It is likely that the sulphide minerals had become passivated and the surface oxidised nature of the sulphide minerals no doubt contributed in part to the high CNwad values (3.2ppm) that were recorded.

The production trial confirmed the results of the bench scale leach test work, yielding a gold recovery of 79.4% from a head grade of 3.22 g/t gold. The tailings residue was 0.64 g/t Au. 85.3% of the cyanidable soluble gold was recovered with a comparable cyanide consumption to that of Svartliden ores was found (1.7 kg/t).

**Figure 7-5 Location of Plant Trial Sample**

Analyses of feed grade samples showed that 90.8% of the contained was potentially recoverable (refer to **Table 7-15**).

**Table 7-15 Plant Trial Feed Grade Analysis**

<b>Ore Feed PAL</b> (g/t Au)	<b>Leach Feed PAL</b> (g/t Au)	<b>Leach Feed Fire Assay</b> (g/t Au)	<b>Cyanidable Gold</b> (%)
2.74	2.92	3.22	90.8

The plant was operated over three days at a nominal rate of 36 tph to produce a leach feed 80% passing 108 microns and an effective leaching residence time of 16 hours. Mill power draw increased to 720 kW, marginally higher than that required for Svartliden ores with the same mill size.

In 2019 a 100 kt sample of ore was mined from a test pit at Fäboliden. The ore was processed at the Svartliden CIL plant. SLR has not reviewed any technical reports on this test run of ore processing. Dragon management advise is the gold recoveries were an average of 80%. There were no significant problems encountered in treatment of the test parcel of ore.

**7.2.9 SLR Comments**

A sufficient quantity of test work culminating in a 100 kt and an earlier controlled 1 kt plant trial has been conducted to demonstrate the technical viability of treating Fäboliden ores in the existing Svartliden processing plant. Based the proposed processing parameters, it is reasonable to assume that a gold recovery of 82% would be achievable with a gold feed grade of 3.2 g/t and a grind size of 80% passing 75 microns. Plan grades are lower at 2,9 g/t hence a gold recovery of 80% is appropriate assumption for valuation (recovery is moderately sensitive to the head grade).

Based on comminution modelling, test work and plant trial results, a processing capacity of 42 tph (336,000 tpa) has been established with minor changes required to the existing plant. This mainly involves increasing the mill ball charge and installing a lead nitrate mixing and addition system. The 42 tph rate exceeds the proposed permitted road haulage rate of 300 ktpa leaving the plant with capacity for some toll treatment or ore from remnant mining at Svartliden deposit.

While studies have not been undertaken on the co-treatment of Vammala concentrates and Fäboliden ores in the Svartliden Production Centre, no particular issues are foreseen based on previous

**7.2.10 Recommendations**

The opportunity to improve gold recoveries by the relatively cost-effective adoption of gravity concentration and treatment circuit should be examined as well as the benefit of adding additional leaching capacity should also be reviewed.

Regrinding of the sulphide component of Fäboliden ores to 80% passing 10 microns has shown a significant improvement in gold recovery (10 to 15%) however the viability of this approach would need to be studied further.

Test work should be conducted on fresh representative Fäboliden ore samples to confirm reagent consumptions (cyanide, lime, lead nitrate and oxygen demand) as well as the production of CNwad (which would be expected to be lower than that found during the plant trial) and the subsequent impact on the detoxification circuit.

A study, which may include modelling, to examine the optimum blend of Vammala concentrates and Fäboliden ores and the associated processing and detoxification requirements, is recommended. The opportunity to lower crushing costs, which are very high based on historical figures, is worth pursuing.

## **8. EXPLORATION POTENTIAL**

The Projects have a long history of systematic exploration which has included geological mapping, geophysical and geochemical surveys as well as large quantities of surface and underground diamond drilling. These have been undertaken over numerous generations however within recent years the main focus has been on the deposits which form part of the consolidated production plan (Section 9). Although having a long history of exploration, SLR considers there to be good potential to define additional mineralisation particularly at Jokisivu (operating), Uunimäki (exploration project) and Fäboliden (pre-development project) which are near current or planned mining infrastructure and as such are likely to require minimal CAPEX for development.

Below is a summary of SLR's opinion of the exploration potential for the Operating and Pre-Development and Exploration Projects.

### **8.1 Jokisivu**

While the Jokisivu Mine has been in continuous production since mining commenced in 2009, the mine has consistently had limited Ore Reserves, and as such, mine life's that rarely exceeded 3 years. This is primarily due to the style and geometry of the mineralisation, the resultant mining methods employed and budgetary constraints. A single decline with minimal off lode (waste development) is utilised to allow access to the stoping areas for each deposit, as such due to the near vertical dip of the mineralisation limited drilling positions occur within the mine to allow effective and cost-efficient drilling to target the down dip extensions of the deposits.

While drilling from surface would allow access at depth to define the potential in some of the areas, the cost of drilling from surface far exceeds that from underground positions lower in the mine (due to the drilling meterage requirements). It is industry standard practice in operations of this type for drilling to be undertaken on an ongoing basis on regular intervals as the mine vertically advances effectively targeting panels below the current production and reserve plan levels as such, they have revolving mine life's. In the case of Jokisivu it is recommended that major future resource drilling programs are undertaken on 2-year intervals with grade control and smaller drilling programs completed each year for stope definition purpose. This will allow for earlier definition of resources and reserves at depth resulting in continuous production.

The Company has successfully replenished ore material mined, maintaining a mine life of approximately three years at any one time due to the style and geometry of the mineralisation. It is standard industry practice for exploration drilling to be undertaken on an ongoing basis at regular intervals as the mine advances.

SLR considers the exploration potential of the Jokisivu Mine to be good, with opportunities being identified to increase the current resource in the short to medium term and longer term. A critical aspect of the Jokisivu Mine is that good vertical continuity of the mineralised diorite structure is observed from the mining and exploration drilling to date.

SLR considers the following to be high priority targets for the next phase of drilling.

- **Jokisivu Down Dip Extensions:** A ground based geophysical survey has highlighted the extension of the host rocks (dioritic intrusion) to the gold bearing quartz veins well beyond the current drilling limits. Modelling of gravity survey data identified that the intrusion continues to plunge to the east (similar to current orientations) to at least a depth of 800 m to 1,000 m which is well beyond the current mine depth of 350 m and 645 m in Arpola and Kujankallio respectively and the maximum drilling depth of 730 m. Because of the presence of the host rock and the potential for the structural gold bearing zone to continue at depth, SLR considers this a high priority target that can be drilled from drill sites within the current and planned mine development. SLR is aware the company will continue to target the down dip extensions at Kujankallio and Arpola as the Jokisivu Mine progresses deeper, with the undertaking of a series of underground diamond core drilling programs based on a fan array design to firstly, identify extensions to the known mineralisation and then to outline the extent and geometry of identified mineralisation to a level where it can be potentially included in Mineral Resource and Ore Reserve estimates. While it is unknown if the gold bearing structure continues at depth, if economic mineralisation is successfully delineated this target presents the opportunity to underpin future mining operations well beyond the current mine life in the medium term. Of particular significance is that these mineralisation types in the Nordic region commonly display excellent vertical continuity, as can be seen in Orivesi which had mineralisation defined below the 1,200m-level.



Figure 8-1 Jokisivu Down Dip Extensions Resource Classification

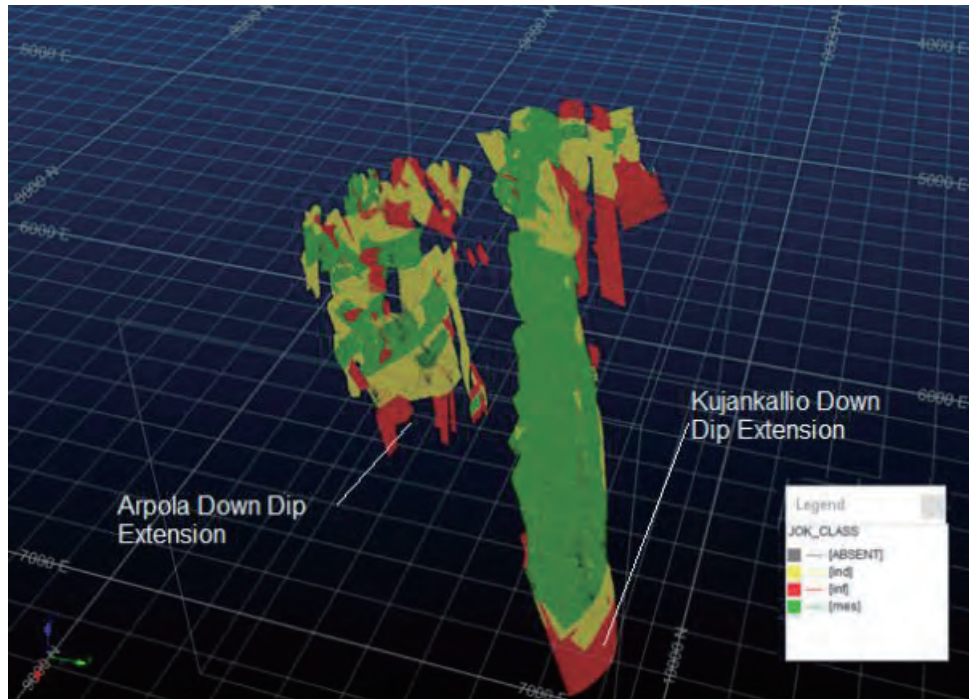
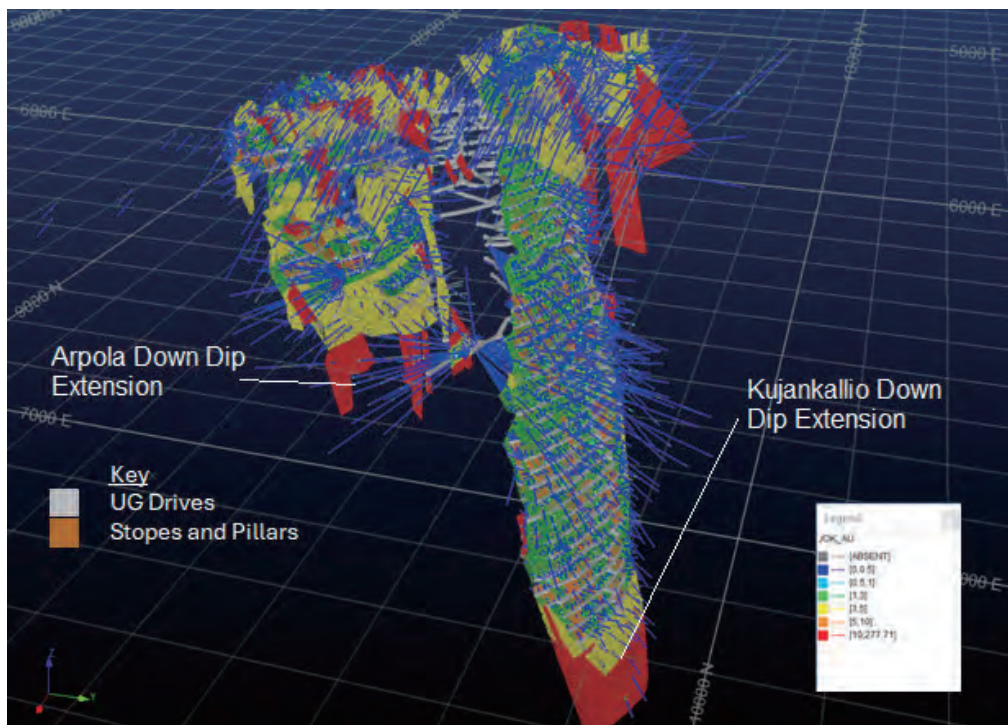


Figure 8-2 Jokisivu Down Dip Extensions Block Model, Drillholes, Mine Development and Stopes



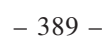
- **Other Extensions:** SLR is aware the Company plans to further investigate satellite zones of mineralisation located parallel to and in close proximity to the known Kujankallio and Arpola deposits. Two satellite areas, the Basin Zones and Osmo Zones have already been identified from earlier drilling, where a series of significant intercepts were returned. Continued drill success in these areas would extend the life of the Jokisivu Mine and improve efficiencies by providing additional mining fronts and greater flexibility for production.

## 8.2 Uunimäki

The Uunimäki gold project is located 80 km southwest of Tampere and is an early-stage exploration project within trucking distance of the Vammala plant. Gold mineralisation was discovered by the Geological Survey of Finland (GTK) in 2008 and is associated with arsenopyrite-bearing quartz veins that are hosted within a sheared metamorphosed gabbro. Drilling by the GTK included 36 diamond core drillholes for 3,424 m. Better intercepts reported by the GTK included:

- 9.0 m at 5.1 g/t Au from 97.0 m depth in drillhole R25.
- 6.0 m at 3.7 g/t Au from 41.7 m depth in drillhole R49
- 1.0 m at 35.7 g/t Au from 23.8 m depth in drillhole R23
- 8.0 m at 2.2 g/t Au from 99.0 m depth in drillhole R27
- 4.0 m at 4.6 g/t Au from 71.5 m depth in drillhole R41

**Figure 8-3 Uunimäki Gold Project Exploration Drilling and Interpreted Mineralisation**

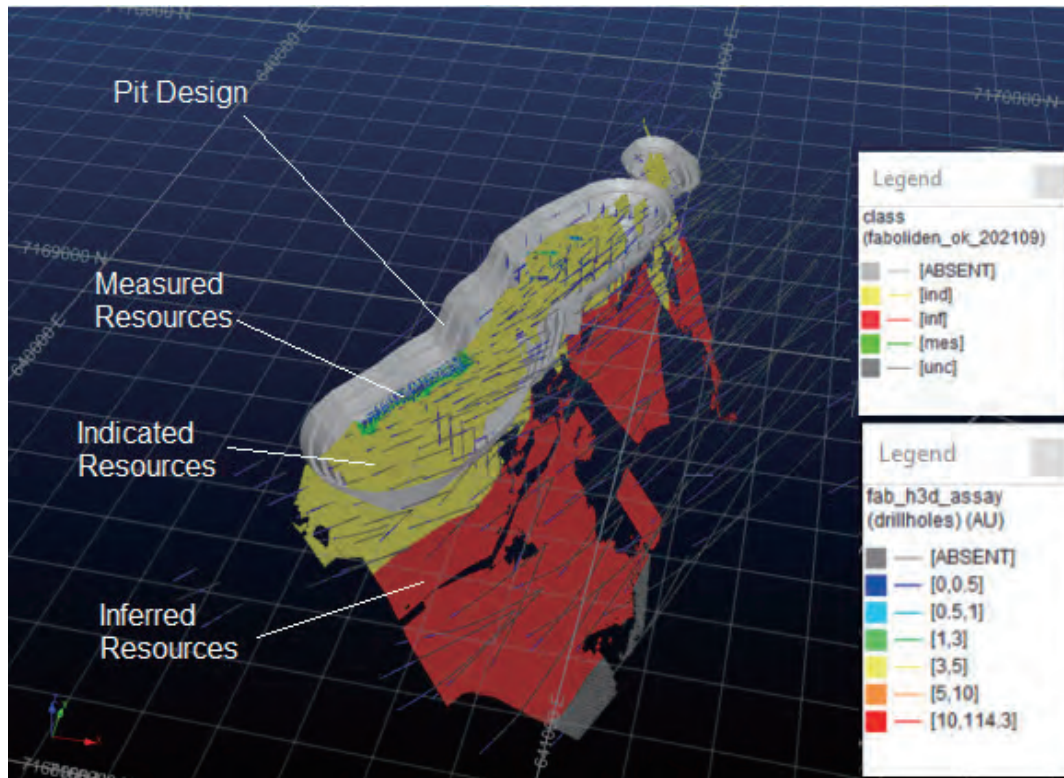


### **8.3 Fäboliden**

Significant mineralisation has been defined through several generations of drilling which culminated in the latest drilling by Dragon in 2020-2021. The Prefeasibility Study (PFS) open pit mining study completed by SLR resulted in the definition of an open pit with a maximum depth of 90 m from surface. Following this study SLR reviewed the project and identified several exploration opportunities which are potential sources of additional feed for the exiting Svartliden Plant. These targets include:

- **Underground Potential:** Mineralisation at Fäboliden Project extends well below the base of the Ore Reserve open pit and has been defined to a depth of 400 m vertically continuous in several lodes. This mineralisation below the base of the Ore Reserve open pit includes approximately 2.1 Mt Indicated Mineral Resource at 2.8 g/t Au of possible open pit material and 5.8 Mt of Indicated and Inferred Mineral Resources at a grade of 3.3 g/t Au of possible underground mining material (majority Inferred). SLR considers there is good potential to upgrade this material to Measured or Indicated Mineral Resources with additional exploration drilling. These Mineral Resources could then be included in a PFS for an underground mine at Fäboliden with the potential to provide medium to long term source of ore to the Svartliden plant after completion of the Fäboliden open pit.
- **Along Strike Potential:** Historic base of till and top of bedrock geochemical survey datasets highlight a number of gold anomalous zones along strike of the Fäboliden host geological sequence. These anomalous zones warrant further evaluation in the longer term.



**Figure 8-4 Fäboliden Drillholes, Block Model and Resource Classification**

## 9. PERMITTING, ENVIRONMENTAL IMPACT, AND SOCIAL AND COMMUNITY IMPACT

### 9.1 Review Process

SLR has considered documents and data provided by Dragon, in addition to interviews with relevant Dragon personnel, and observations made by SLR on the site visit. SLR has also considered the findings of consultants ERM as set out in the previous ITER on the Dragon assets from 2018. At the time of reporting SLR has considered available documentation including:

- Monthly internal management reports for February 2025, December 2024, December 2023, and December 2022.
- Public reports submitted by Dragon to the HKEx, in particular the 2024 interim report.
- Basic tenure information provided by Dragon.

SLR has not had opportunity to consider other documents that might be material to such a review, including:

- A current summary of key permits.
- Details of permit and tenement conditions.
- Details of material grievances and actions.
- Details of agreements with third party landholders.
- Basis of closure cost estimates.
- Baseline and monitoring studies.

## **9.2 Vammala Plant**

### ***9.2.1 Background***

The Vammala processing plant sits within the Valkeakoski Commune of Pirkanmaa Province, about 6 km from the eastern limits of the city of Sastamala, and about 1.5 km of the village of Stormi. The site lies in a mainly forested area with some agricultural and residential land use. Several residences lie within a few hundred metres of the site, with the nearest about 100 m from the plant. There are no identified special nature conservation areas close to the site although the Ekojärvi Natura 2000 area lies about 7 km to the east of the site, and the Vehmaanniemi Natura 2000 area about 4.5 km to the west on Ekolahti Bay (**Figure 3-1**).

### ***9.2.2 Tailings***

ERM noted that Vammala was subject to a tailings dam safety monitoring program, approved by the regional regulator (Pirkanmaa ELY Centre), that incorporates regular monitoring and inspections, with the dam safety authority inspecting the site every five years. There was a small tailings leak in 2015 that was resolved to the satisfaction of regulators, and occasional problems with tailings dust that are addressed further below. SLR has not reviewed information to assess geochemical risks, but the facility has a modest size and height and no reported geotechnical issue.

Dragon reports that it identified elevated seepage from the dam in February 2025, caused by high water levels in the pond; SLR has not determined the environmental or regulatory consequences, if any.

**9.2.3 Water**

Water from the site, including excess water from process, seepage from the tailings dam, and surface runoff, is discharged via Kovero-oja ditch and Korvalamminoja ditch to the Ekojoki River which flows to Ekolahti Bay on Lake Rautavesi, and that discharged water could have elevated sulphate, metals, and nutrients.

Dragon reports that annual water monitoring reports have been sent to the regulator for recent years. Dragon notes that monitoring as of early 2025 demonstrated discharge water compliant with the environmental permit; impacts including elevated nickel and sulphate are however still apparent in the Kovero-oja ditch, although Dragon asserts that impacts to Lake Rautavesi should be minor. Dragon reports that work to clear Kovero-oja ditch and improve water flows was completed in March 2024.

Dragon reports that an updated water monitoring plan incorporating several new monitoring bores required under new conditions imposed by the SAC was approved by Pirkanmaa ELY Centre in April 2024, and additional sampling was carried out to determine the extent of any impacts on neighbouring property owners. Dragon advises that while no impact has been demonstrated, it has offered a nominal settlement to complainants that they have rejected. Dragon does not expect the final settlement to have material financial impact.

Dragon reports that it submitted studies and proposals for water management to the regulator in December 2024 in response to the permitting decision from the SAC, including ceasing the use of water from the old underground nickel mine, increasing process water re-use, optimising water streams, and treatment of discharge.

**9.2.4 Air Quality**

The site is adequately equipped with air emission controls, such as bag filters at the plant and particulate filters on generator exhausts; further, the high rainfall and surrounding forest help to naturally mitigate the transport of dust from ore handling and tailings deposition through most of the year however dust may be blown from tailings surfaces in dry spells. Supplementary water sprays are used to control dust during the dry season. The control of tailings dust was an issue in 2015 and 2016 but is now addressed with sprinklers and placement of rock cover in summer.

Dragon reports that three continuous dust monitoring units are maintained at the site – one at the tailings disposal area, and the others at neighbouring properties. Dragon reports that work to improve control of tailings dust incorporating liming and water sprays has recently been completed, with recent monitoring demonstrating that dust has been kept below relevant limits.

Dragon advises that due to a dispute with the crushing contractor, all ore is presently crushed at the Jokisivu mine, and none crushed at Vammala.

***9.2.5 Noise and Vibration***

SLR made no observations regarding the management of noise and vibration at Vammala. Dragon reports that noise measurements for the mobile crusher were taken in February 2024 at neighbouring properties and submitted to Pirkanmaa ELY Centre, and that all readings were within the relevant limit. As noted above, no ore is presently crushed at Vammala.

***9.2.6 Hazardous Materials and Dangerous Goods***

SLR noted that the site used a variety of bulk hazardous materials including diesel fuel, hydrochloric and sulfuric acid, xanthates, frothing agents, and flocculants, with several storage facilities at the site. Previous site audits have reported that secondary containment was not in place at some storage facilities including hydrochloric and sulfuric acid tanks, with potential for ground contamination in the event of a leak or spill. SLR has not assessed the potential liability for contaminated sites, if any.

***9.2.7 General Compliance***

Dragon reports that Pirkanmaa ELY Centre inspected Vammala in May 2024 and found the operations generally in compliance, with only two minor corrective actions raised. Dragon advises that Vammala can operate within the terms of its environmental permit and it expects to maintain the permit for the life of the asset, though some aspects such as water management may be challenging. SLR has not reviewed the conditions of the permit or records to verify compliance.

***9.2.8 Rehabilitation and Closure***

A conceptual closure plan has been prepared, setting out a broad strategy for rehabilitation of the main residual landform (the tailings dam) that incorporates deposition of gold tailings over the more reactive old nickel tailings to prevent acid formation and drainage, shaping the embankments to a stable profile, spreading with topsoil to encourage revegetation, and segregating recovered tailings seepage from other surface runoff.

Dragon advises that the current closure plan for Vammala incorporates an engineered cover for the 35 ha tailings surface; the plan remains to be fully approved by the regulator but has been substantively approved. Dragon advises that securities (performance bonds) of €12M are presently lodged with the state regulator for the site.



### **9.3 Jokisivu Mine**

#### **9.3.1 Background**

The Jokisivu mine sits within the jurisdiction of Huittinen Commune, Satakunta Province, about 7 km south of the town Huittinen town. Several residences lie within a few hundred metres of the mine, and a number more within one to two kilometres. The mine lies in remnant forest within a generally agricultural area. ERM noted several protected flying squirrel territories identified in the vicinity of the mine. The Vanhakoski Natura2000 area lies along the Loimijoki River about 5 km downstream of the mine to the northeast, and is listed for its terrestrial and riverine habitats, biodiversity, and scenic watercourses (**Figure 3-2**).

#### **9.3.2 Waste Rock**

Waste rock at Jokisivu has been tested and certified inert, with some material used to backfill the old Arvola open pit, and the remainder placed in surface dumps pending approval for use as construction material. Dragon reports that in April 2024, the regulator approved the use of a small amount of waste rock for tailings dam construction at Vammala.

#### **9.3.3 Water**

SLR understands that mine water has been discharged since the commencement of operations in 2009 via clarification ponds through the Paukkionoja ditch to the Loimijoki River east of the mine. ERM reported that the site had typically discharged about 100 ML a year and that monitored parameters generally met the applicable standards. Dragon reports that annual water monitoring reports have been sent to the regulator in recent years.

Dragon reported discharge of 251 ML in 2023 and 169 ML in 2022. Dragon notes concern for elevated nutrients, sulphate, and metals in the Paukkionoja ditch downstream of the discharge site but asserts that impacts to the Loimijoki River are minor. Dragon reports that the revised environmental permit issued in January 2025 (**Section 3.2**) includes some minor changes to discharge limits.

#### **9.3.4 Air Quality, Noise, and Vibration**

As noted above, SLR understands that in addition to the mining operations at Jokisivu, Dragon has installed a mobile crusher at the site. ERM noted that the environmental permit was revised to incorporate crushing in June 2016 and as noted in **Section 3.2**, Dragon reports that an updated environmental permit was issued in January 2025, authorising crushing on site up to 300 ktpa.

Dragon reports that additional vibration meters were installed near properties around the site in October 2023 and monitoring from early 2024 demonstrated vibration well within guidelines. Dragon has given monitoring results to neighbouring property owners.

#### ***9.3.5 General Compliance***

Dragon advises that Jokisivu can successfully operate within the terms of its environmental permit. Dragon reported that the recent application to extend the Jokisivu 4 mining permit did not attract any objections from neighbours or NGOs. SLR has not reviewed the conditions of the permit or records to verify compliance.

#### ***9.3.6 Rehabilitation and Closure***

Dragon advises that securities of €2.8M are presently lodged with the state regulator in accordance with the site environmental permit.

### **9.4 Orivesi Mine**

#### ***9.4.1 Background***

The Orivesi mine sits within the jurisdiction of Orivesi Commune, Pirkanmaa Province, about 10 km west of Orivesi city centre. The nearest residences are some holiday cottages on Lake Kutemajärvi, about 0.6 km southwest of the mine, with the nearest permanent residences about 1.2 km to the east and west. The site lies in forest adjacent to Lakes Kutemajärvi, Ylä-Jalkajärvi, and Ala-Jalkajärvi, and abuts the Harjunvuori-Viitapohja Natura2000 area, listed for its biodiversity conservation values including rare wetland habitats, protected species, and regional habitat connectivity (**Figure 3-3**).

#### ***9.4.2 Waste Rock***

Dragon advise that waste rock has been segregated into inert and potentially acid forming (PAF) materials, with PAF material placed in the old open pit, and that channels had been dug alongside the surface waste rock dump to drain runoff toward sedimentation and neutralisation ponds before discharge. SLR has not reviewed information related to geochemical characterisation or monitoring for acid rock drainage (ARD).

#### ***9.4.3 Water***

Dragon reports that about 100 ML of water from the mine was previously discharged to Lake Ala-Jalkajärvi each year during operations. As noted in preceding sections, Dragon ceased mining and mine dewatering at Orivesi in June 2019, with current operations limited to care and maintenance.

Discharge water and the downstream lakes were monitored daily for pH and monthly for metals and noted several non-conformances with regard to water quality from 2014 to 2016, with elevated aluminium, uranium, and other metals indicated, presumed due to low pH discharge mobilising deposited metals. Dragon advise that the local authorities did not consider the non-conformances harmful to the environment, and that automated pH adjustment was subsequently integrated into the discharge system.

Dragon reports that metal concentrations in Lake Ala-Jalkajärvi have reduced significantly in recent years, but many metals remain “significantly high” in relation to environmental quality standards and ecological reference values and have a significant impact on the ecology of the lake. Dragon notes the lake may be sensitive to disturbance of lakebed sediments or falls in pH which may release precipitated metals from mine runoff.

#### ***9.4.4 Air Quality, Noise, and Vibration***

As noted above, Dragon ceased mining at Orivesi in 2019. There was a non-conformance with regard to noise from 2015. Dragon reports no outstanding claims or regulatory actions related to air quality, noise, or vibration from past mining operations.

#### ***9.4.5 Industrial Waste***

Dragon reports that the mining regulator took enforcement action on industrial waste materials found illegally dumped in an old stope at Orivesi in 2018. Dragon advises that the waste has since been removed to licensed disposal facilities, and the regulator has found that the previous operator of the mine was primarily accountable for the illegal dumping. Dragon does not expect to be subject to further material regulatory action in this matter. SLR has not assessed whether other contaminated sites liabilities resulting from industrial waste may be present.

#### ***9.4.6 General Compliance***

Dragon advises that the site can successfully operate within the terms of its environmental permit. SLR has not reviewed the conditions of the permit or records to verify compliance.

Dragon have advised that the site environmental permit only allows for rehabilitation works. It does not allow for continued mine production activities. In 2019 an application for normal extension of the environmental permit that would have allowed mining was denied due to regulator concerns with sulphate discharge in mine water and acidic mine water discharge risk.

#### ***9.4.7 Rehabilitation and Closure***

Dragon advises that a closure plan and proposed security based on recent cost estimates of €4M for Orivesi remains to be approved by the regulator. SLR has not received details of the current bond.

***9.4.8 Prospects for Re-opening***

There are high grade remnant Mineral Resources remaining in the Orivesi mine. SLR opinion is that these Mineral Resources could only be brought into production if near mine exploration discovers a significant new deposit or extension to the existing deposit. A new environmental permit that allows mine production (not only rehabilitation work) would be required. It is uncertain how long it would take to receive such a permit, if ever, given the 2019 refusal by the regulator. Hence the remnant Mineral Resource has a very low probability of being extracted within the time frame of the Dragon Life of Mine plan. None the less the high-grade tenor of the Mineral Resource means there is some hope for eventual economic extraction and it remains on the Company's inventory.

**9.5 Kaapelinkulma Mine*****9.5.1 Background***

The Kaapelinkulma deposit sits in Valkeakoski Commune, Pirkanmaa Province, about 3.5 km from the southeastern limits of the city of Valkeoski. Several residences or other premises lie within about 1 km of the mine. The mine sits in a largely forested area with some land clearing for agriculture and residential use. The Kaapelinkulma mining concession abuts the Pitkäkorpi Natura 2000 area, listed for its diverse ecosystems including forests, wetlands, and peat bogs, and flora and fauna of conservation concern. Habitat for a butterfly protected under EU directives and Finnish conservation legislation has been identified locally and limits development of the mine to the south (**Figure 3-4**).

***9.5.2 Waste Rock***

As noted in preceding sections, Dragon ceased mining at Kaapelinkulma in April 2021. Dragon had proposed that all waste rock from the Kaapelinkulma open pit would be placed in a surface waste rock dump, with till (superficial glacial material) stockpiled separately for use as rehabilitation cover. Dragon proposed to encapsulate PAF waste rock within the dump “where possible”. SLR has not reviewed information related to geochemical characterisation or monitoring for ARD.

***9.5.3 Water***

As noted above, Dragon ceased mining and mine dewatering at Kaapelinkulma in April 2021. Mine water was previously discharged to Haavanoja ditch, which ultimately reports to Lake Kärjenniemenselkä via the Vallonjärvi wetland northeast from the area. Dragon reports that water from the waste rock dump continues to be diverted to the drainage ditch via settling ponds. Dragon indicates that concentrations of concern for nutrients, sulphate, and metals had been detected in the discharge ditch, but more recently have decreased. Dragon reports that it will continue to monitor water quality in accordance with the monitoring program approved by Pirkanmaa ELY Centre.

***9.5.4 Air Quality, Noise, and Vibration***

As noted above, mining ceased in April 2021, with operations now limited to care and maintenance. Dragon reports no outstanding claims or regulatory actions related to air quality, noise, or vibration from past mining operations.

***9.5.5 General Compliance***

Dragon advises the site can be maintained within the terms of its environmental permit. SLR has not reviewed the conditions of the permit or records to verify compliance.

Dragon advises that the environmental permit is valid for rehabilitation purposes not for mining ore. If a new mining project (Kaapelinkulma north) was shown to be economic then application to revise the permit to allow mining would be required. There are no significant environmental issue that would prevent a new permit, but timing for approval and ultimate approval are uncertain.

***9.5.6 Rehabilitation and Closure***

A conceptual closure plan for the site was developed in 2015 incorporating progressive rehabilitation, with runoff from waste rock dumps directed to the open pit to leave a final pit lake, and the dumps shaped and covered with topsoil to support forest habitat.

Dragon reports that Pirkanmaa ELY Centre has accepted the current closure plan as conformant to permit requirements, with no further updates needed. Dragon also reports that the centre has accepted a plan for remediating contaminated soil at the site, to be incorporated into closure works. SLR has not received details of the current security or closure cost estimate for the site.

Dragon reports that it is investigating (with agreement from the relevant regulators) options to give or sell waste rock from Kaapelinkulma to third parties for use as aggregate in local construction thereby reducing the rehabilitation liability, but if unsuccessful will begin rehabilitation works on the waste rock dump from 2025.

***9.5.7 Butterfly Exclusion Zone***

The site environmental permit specifies are area where no surface disturbance is permitted due to the possible impact on a threatened butterfly species. This area contains a Mineral Resource.

Dragon has investigated the possibility of underground mining the restricted Mineral Resource to avoid surface disturbance. Technically, the resource could be mined from underground, but the economics of the project have not been established. The time to receive a permit to mine would be one to three years after feasibility studies are completed to demonstrate economic viability.

## **9.6 Svartliden Plant and Mine**

### ***9.6.1 Background***

The Svartliden processing plant sits in northern Sweden on the border of the Storuman and Lycksele communes, Västerbotten County, about 8 km southeast of the village of Pauträsk, and 6 km north of the village of Norrbäck. The site falls within the recognised reindeer grazing area for the Vapsten Sami Village, in an area largely covered by woodlands, with some clearing for forestry or agriculture (**Figure 3-6**).

The operations sit about 0.8 km south of the Paubäcken Natura 2000 area, which lies along the Paubäcken stream that runs through the district from Pauträsket Lake to Pausele Lake. The area is listed for its biodiversity (including the freshwater pearl mussel), sensitivity to water quality, and variety of habitats, including streams, forests, and wetlands. The operations also sit about 2.5 km north of the headwaters of the Öreälven Natura 2000 area, extending along the Öre River and its tributaries through the region. The area is listed for its pristine water quality, diversity of habitats, and terrestrial and aquatic species, several of which are protected.

### ***9.6.2 Tailings and Water Dams***

Dragon adopts European mining industry guidelines for dam safety (RIDAS), including establishment of a dam safety committee, and designated dam engineering expert and dam operator, and that a detailed management plan and operations manual for dam safety was in place, covering operations, inspections, and maintenance. Dragon reports that the tailings dam is inspected at least every three years by a competent third party and dams are subject to risk assessment for a range of scenarios.

Dragon reported ongoing problems with cyanide detoxification and elevated cyanide levels in tailings in late 2024 and early 2025. Dragon reported as of February 2025 that it has been investigating the problem and possible solutions. SLR has not reviewed information related to geochemical characterisation or monitoring for ARD, other than addressed in the following section.

**9.6.3 Water**

To protect downstream environments, local watercourses including the Svartliden Creek that runs into Paubäcken stream have been diverted to prevent their contamination by runoff from the operations, and that capture ditches have been dug around areas of operation and the tailings dam, to direct flows to a containment pond for treatment.

Water from a final settling pond discharges to the Middagsmålsmyran wetland, which drains through creek systems to the Öreälven tributaries, with regular sampling intended to verify that contaminants are adequately diluted before overflowing to the environment. ERM reported that cyanide concentrations had been 1 to 2 mg/L in the tailings pond and below limits of detection in discharge water (period unspecified).

Dragon advised that some exceedances of water quality limits reported in 2009 were due to impracticable conditions and were resolved through changes to the licence; no impact was identified and no regulatory action was taken.

**9.6.4 Air Quality, Noise, and Vibration**

As noted in preceding sections, mining ceased at Svartliden in 2013; consequently, there are no ongoing emissions related to mining. ERM noted that cyanide and hydrogen cyanide emissions at the plant are not to exceed 5 mg/m<sup>3</sup> and that in 2014 concentrations remained below this limit at reported sampling points.

**9.6.5 Hazardous Materials and Dangerous Goods**

The Svartliden site is regulated under the Swedish Environmental Code as a “Seveso” installation (facility that stores or uses dangerous substances in bulk, with potential for major incidents) due to the storage and use of cyanide and hydrogen peroxide for ore processing; the operations also use a variety of other bulk hazardous materials or dangerous goods including oxygen and LPG. Dragon advise they routinely carried out risk assessments for operations where dangerous substances are present, identified hazards and proposed relevant preventative and protective measures, and that an action program had been developed for the prevention of serious chemical accidents.

**9.6.6 General Compliance**

Dragon advises that Svartliden has in general successfully operated within the terms and conditions of its environmental permit and expects that it will continue to do so, although successful negotiation of mine closure conditions remains a challenge (addressed below). Dragon noted that the local CAB conducts several different annual inspections at the operations each year, each looking at different aspects such as dam safety, Seveso facilities, and cyanide management, among other things. Dragon advises that minor spills occur from time to time and are notified to the local CAB. SLR has not reviewed the conditions of the permit or records to verify compliance.

### ***9.6.7 Rehabilitation and Closure***

As noted in preceding sections, mining ceased at Svartliden in 2013 and the underground mine has since flooded.

Dragon advises that relatively little progressive rehabilitation has been completed to date: the underground mine portal has been plugged, a partial cover has been placed on 30-40% of the waste rock dump, and some cover has been placed on the tailings surface to support machinery access for eventual capping works.

Dragon advises that since tailings deposition has been diverted to the open pit, water quality around the tailings dam has improved, and is now relatively good. Dragon advises that it expects that the proposed waste landform covers will limit any need for ongoing water recovery and treatment post-closure, with geochemical surveys to date matching modelling well, and no serious long-term problem indicated. While potentially-acid forming material is present, Dragon advises that mine waste at Svartliden tends to be lower in sulfur than many other gold mines in Sweden.

Dragon reports that it has been negotiating with regulators on the details of the mine closure plan and associated security required under the environmental permit since 2017. Dragon advises that it has recently been negotiating the cover designs for the mine waste landforms and intends to submit an updated closure plan soon; in the interim the security for the site will increase to SEK65M from 18 May 2025, a substantial increase from the previous security of SEK32.6M. Dragon advises that there may be opportunity to apply to reduce this amount depending on the cover designs agreed under the closure plan, once approved.

## **9.7 Fäboliden Deposit**

The Fäboliden deposit sits about 25 km southeast of the Svartliden plant in Lycksele Commune, Västerbotten County. The nearest residences are in the village of Fäboliden, about 2 km south of the site. The site sits in an area largely covered by woodlands, with some clearing for forestry, agriculture, or residential uses. The site is surrounded by tributaries of the Öreälven Natura 2000 area (**Figure 3-7**).

As noted in preceding sections, activities at the site have to date been restricted to exploration drilling and a limited test mining campaign, leaving only a small disturbance footprint, and minor void and waste rock landforms. An application to develop a 1.16 Mt, 500 ktpa open pit at Fäboliden has been rejected on environmental and social grounds, however Dragon intends to prepare a revised application for development of the deposit. The application or environmental permit (if and when issued) may incur a variety of environmental and social management obligations, some of which may be material for costs or production, including restrictions on mining and haulage, and compensation or mitigation for local communities.



***9.7.1 Fäboliden Deposit Mining Permit***

The Land and Environment Court rejection of the application for a mining permit has delayed the project for several years. The Company intends to submit a revised application for a mining permit to the court. SLR has been provided with legal counsel advice by the Company that a prior rejection of an application does not prevent a new application being considered by the court. The reasons for rejection will be addressed in the new application.

A four-year period for preparation, submission of a mining permit application and then a determination by the Land and Environment court is considered realistic by SLR. SLR notes that the time for approval and the ultimate outcome of the application are uncertain.

**10. COMMUNITY MANAGEMENT****10.1 Environment, Community, NGO, and Regulatory**

SLR observed that Dragon's operations are headed by a Chief Operating Officer based in Finland. Project managers for Finland and Sweden, with a local management team assigned to each asset to supervise environment, health, and safety (EHS) aspects. SLR noted that community relations are overseen by the project manager, with dedicated resources for environmental management, while workplace health and safety (addressed below) is generally overseen by each asset's production manager.

SLR observed that Dragon is aware of the detailed environmental requirements applicable to their operations. They are generally aware of the time and technical information required to for obtaining the applicable permits from relevant authorities, conducting regular monitoring of environmental performance, and holding mandated stakeholder consultations or presentations.

SLR noted that Dragon has an established health and safety management system under the supervision of the COO and the project managers, and maintain emergency response plans appropriate for the size of the asset. SLR noted that the workforce was encouraged to participate in risk assessments and required to report hazards and incidents, with a weekly management review. SLR assessed that Dragon was reasonably prepared for different kinds of emergency response.

SLR was informed that despite having close neighbours (particularly at Vammala and Jokisivu), few community grievances had been reported for the Finland operations, and that community engagement, including an open day at Jokisivu, is repeated annually. SLR noted that ongoing community engagement was generally informal, through Dragon employees that live locally, with some formal communications managed by the country manager.

Objections to applications to extend or modify environmental permits for Vammala and Orivesi were received from local stakeholders, including neighbouring residents, local towns, and holders of fishing rights; NGOs Friends of the Earth and the Finnish Association for Nature Conservation also raised objections to the renewal of the Orivesi environmental permit that may have been material in its eventual rejection, although as noted above SLR understands that Dragon was still able to continue operations until the completion of mining.

As noted above, Dragon appears to have managed community and regulatory concerns to the extent that it has maintained its licence to operate Vamalla and Jokisivu, albeit with stringent conditions and substantial performance securities for rehabilitation and remediation.

The Svartliden operations are relatively well removed from residential areas but lie within the recognised reindeer lands of the Sami indigenous people. Dragon advises that the environmental permit for Svartliden includes conditions for one-off payments to the relevant Sami group for loss of land and grazing, and annual consultation.

SLR noted that, consistent with the previous ERM review, Sami groups had objected to Svartliden environmental permit applications (and raised grievances with the operations, largely related to loss of land access and impacts from mining. Dragon advises that interaction with Sami groups for Svartliden is limited and has little impact on the operation; Dragon has attempted to formalise an agreement with the Sami but to date has been successful. Dragon advises that engagement with Sami on Fäboliden has been constructive; while local Sami are generally not supportive of mining at Fäboliden, they have proposed conditions that Dragon considers workable should they be incorporated into permit conditions.

Dragon advises that the local municipalities in Finland have been very supportive of Dragon's operations and proposals – with rural inland areas in economic decline, the municipalities are keen to attract investment and jobs. Dragon advises that it has attracted some NGO interest, including submissions from the Swedish Society for Nature Conservation on the Fäboliden permit application, although Dragon advises that it considered the conditions proposed by the society workable. Dragon noted some objections from holiday homeowners in the district that it considers readily addressed.

Dragon advises that its stakeholder engagement for the Sweden assets, other than with the Sami under the terms of its environmental permits, is relatively ad-hoc and informal but intends to conduct more formal and regular engagement. Dragon recognises that it will need to demonstrate extensive stakeholder engagement in support of its new application for mining at Fäboliden, in addition to the work done for the previous permit application.

## **10.2 Workplace Health and Safety**

SLR observed that Dragon’s implementation of occupational health and safety management systems at the time of the site visits to the respective assets generally appeared to meet industry standards for the respective countries and corporate commitments. The health and safety management system in 2025 meet the generally accepted standards for the mining industry.

SLR noted that Dragon’s ability to prevent incidents and manage occupational safety risks was demonstrated by well documented incident reporting, emergency response planning, and regular communication with employees and contractors. Routine spot checks and emergency drills were being undertaken and documented; SLR reported that issues identified appeared to be addressed in a timely manner. These observations are similar to that by ERM in 2019.

SLR notes that in both Finland and Sweden, safety authorities conduct annual inspections of operations and certify their compliance with applicable safety and firefighting requirements. Medical check-ups and Occupational Health monitoring (e.g. indoor air quality, noise, etc.) are undertaken on a regular basis, and their outcomes are validated by the relevant authorities.

SLR received management assurance that Dragon conducts risk assessments for major incidents, and risk assessment is incorporated into its procedures for management of change; action plans are developed for identified risks and assigned to relevant managers.

SLR assessed working conditions at the Dragon operations to be suitable, with general and specific training given to personnel, proper guards in place, suitable use of PPE, appropriate management of health risk exposures including noise and air quality, and annual health surveillance.

SLR observed that Dragon management appeared to be generally aware of the health and safety requirements applicable to their operations by seeking applicable permits, conducting regular monitoring, and hosting inspections from relevant occupational health and safety authorities. The Company management represented that health and safety is a standing agenda item at production, worksite, department, and management meetings.

Dragon noted a lack of incident and hazard reporting at Svartliden as of February 2025, as well as a lack of corrective action due to urgent repairs at the site taking precedence over remedial safety works, with the areas of concern isolated in the interim. Dragon reports a 12-month rolling average lost time injury frequency rate (LTIFR) of 26.9 at December 2022, 26.7 at December 2023 and 10.7 at February 2025.

**11. CAPITAL AND OPERATING COSTS****11.1 Capital Costs****11.1.1 Vammala Production Centre Capital**

The capital expenditure schedule for Vammala is modest. Capital expenditure is complete by 2029, assuming exhaustion of the Ore Reserve in 2028. Any extension of the mine life following exploration success would require a continued capital expenditure on mine development and on sustaining capital.

SLR is aware the Company, depending on its treatment of development costs, may choose to expense or capitalise underground development costs in a different way to the below figures and those utilised in the cashflow analysis completed by SLR.

Construction of a new TSF at the Vammala processing plant is a major capital expenditure item that would be required for a significant life extension that might follow significant exploration success. This capital is not scheduled since it is contingent on exploration success and project permitting.

**Table 11-1 Vammala Capital Expenditure Schedule (\$M)**

	Capital Item	2025	2026	2027	2028	2029	2030
Vammala Plant	Ball and Rod mill	0.55	0.27	0.27			
	Mill general	0.55	0.55	0.55	0.55		
Jokisivu Mine	Arpola mine development	0.80	0.86	0.48			
	Kujankallo mine development	2.44	1.62	0.07			
	Mine Admin, UG infrastructure	0.14	0.14	0.14	0.14		
	Heating station	0.60					
General and Environmental	Mine Closure					2.87	
	Sustaining capital	0.281	0.2	0.103	0.061	0.144	
	Other	0.55	0.55	0.55	0.55		
<b>Project Total</b>		<b>5.9</b>	<b>4.2</b>	<b>2.2</b>	<b>1.3</b>	<b>3.0</b>	<b>0</b>

**11.1.2 Svartliden Production Centre Capital**

The Svartliden capital expenditure schedule is heavily weighted to that required for the development of the Fäboliden open pit. The capital schedule is dividing into before and after the start of Fäboliden open pit in 2029 (assumed).

Prior to Fäboliden open pit the capital expenditure is estimated to be USD2.3M per year. SLR has based estimates of sustaining capital, rehabilitation, and Fäboliden pre-production expenses on short term (2025, 2026) budget documentation supplied by the Company. We assume similar expenses for the capital expense items will continue until 2029. For the purposes of this report SLR has allocated the Fäboliden open pit pre-production expenses and the Svartliden rehabilitation work as capital items to ensure they are visible in the schedules. Accounting treatment in valuation models may be different.

At the start of Fäboliden open pit development the capital expenditure increases rapidly as shown in the following table. The capital cost estimates at pre-feasibility study level were completed for earlier project studies. SLR has used the same base capital and escalated the costs to a 2025 base. The escalation factor varies with the capital item from 1.35 to 2. The higher escalation is applied to permitting, land acquisition and compensation payments. Escalation factors are based on Swedish mining contractor inflation indices from 2020 to end 2024.

**Table 11-2 Svartliden Capital Schedule 2025 to 2028 (\$M)**

	<b>Capital Item</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Svartliden CIL Plant	Sustaining capital	0.82	0.82	0.82	0.82
	TSF management	0.05	0.05	0.05	0.05
General and Environmental	Fäboliden pre-production expenses	0.30	0.40	0.40	0.40
	Rehabilitation work	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Project Total</b>		<b><u>2.2</u></b>	<b><u>2.3</u></b>	<b><u>2.3</u></b>	<b><u>2.3</u></b>

**11.1.3 Environmental Bonds**

SLR has noted that for Vammala in 2025 the Company's budget includes a net cost USD20.2M charge for an increase and refinancing of the Finland environmental bonds. We have been advised that this is an accounting entry due to rearranging the bond financing. Hence it is ignored by SLR.

SLR has noted that for Svartliden in 2025 the Company's budget includes a net cost USD2.9M charged for an expected increase in Sweden environmental bonds. We have been advised that this is an accounting entry due to rearranging the bond financing. Hence it is ignored by SLR.

The Fäboliden open pit project is a new development and so it will require progressive payment of funds to the environmental bond facility over time. This payment, or financing, into the new environmental bond has been ignored by SLR.

The cost of Fäboliden open pit rehabilitation work is assumed to be equal to the new environmental bond. The estimate of bond is the best estimate of actual rehabilitation cost. Rehabilitation work is delayed to the second half of mine life when rehabilitation domains are likely to be available for work to commence.

**Table 11-3 Svartliden Capital Schedule 2029 to 2041 (\$M)**

Capital Item	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Rehabilitation Works								1.7	1.7	3.0	3.0	3.0	6.0
Ore and Waste Rock Dump Base	0.5	0.5	0.2										
Water Treatment – Ditches, Dosing, Ponds	1.2	0.8											
New Road Access	0.5												
Electricity Connection	0.2												
Mine dewatering system	0.3	0.0	0.0	0.0									
Infrastructure – Offices	0.3												
Infrastructure – Fuel Station, Parking	0.1												
Replanting	0.1												
Perimeter Fence	0.8												
Light Vehicles	0.0	0.0											
IT/Software	0.0												
Permitting	0.7	0.3	0.3										
Compensation affected stakeholders	0.2	0.2											
Land acquisition – forest corridor	0.3												
SVA Plant – bring back to good condition	0.8	0.8											
Additional Site Infrastructure – contingency 15%		0.6	0.6	0.3									
Sustaining Capital	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4		
<b>Total Capex Costs</b>	<b>7.4</b>	<b>4.8</b>	<b>2.7</b>	<b>1.9</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>3.2</b>	<b>3.2</b>	<b>3.8</b>	<b>3.0</b>	<b>3.0</b>	<b>6.0</b>

## 11.2 Corporate Costs

SLR does not consider corporate costs for the Company that are incurred at accounting codes above the project level. Any corporate costs for Company overheads, finance and other activities are additional to the SLR forecast of cost.

## 11.3 Vammala Production Centre Operating Cost

The Vammala Production Centre operating costs based on 2024 and 2025 year to date average costs are listed in the following table (provided by the Company).

These unit rates are assumed to hold for the Life of Mine production period. There are no expected changes in the operating conditions that would warrant a change in the operating cost away from historical performance.

**Table 11-4 Vammala Operating Cost Average 2024 and 2025YTD**

<b>Mining</b>	<b>Unit</b>	<b>2024 and 2025YTD</b>
Capex Development	\$/m	\$2,232
Opex Development	\$/m	\$2,207
Ore Development	\$/t ore	\$22.19
U/G Stopping Costs and backfill	\$/t ore	\$13.96
U/G Opex Fixed Cost	\$/t ore	\$11.41
Mining Total Opex cost	\$/t ore	\$47.55
<b>Processing &amp; Admin</b>		
Milling Costs	\$/t ore	\$34.16
ROM to mill transport	\$/t ore	\$5.88
Labour	\$/t ore	\$5.77
External labour	\$/t ore	\$9.78
Power	\$/t ore	\$3.00
Maintenance materials	\$/t ore	\$1.69
Reagents and consumables	\$/t ore	\$3.96
Miscellaneous (less rehandle)	\$/t ore	\$1.16
Admin (G&A)	\$/t ore	\$2.92
<b>Selling Costs</b>		
Transport Vammala to Svartliden	\$/dmt conc	\$76.90
As and U Treatment Charge	\$/dmt conc	\$130.00
Total Cost Svartliden	\$/dmt conc	\$250.00
Refining Conc. Cost	\$/dmt conc	\$456.90

#### **11.4 Svartliden Production Centre Operating Cost**

The Svartliden production centre operates at a loss when only treating the Vammala gold concentrate. When treating third-party ore and concentrate it makes a modest profit. The supply of third-party ore and concentrate is uncertain and SLR has no visibility of the toll treatment opportunities available to the Company outside of the budget period to end 2026. Operating at a loss is a strategic decision of the Company to manage the risk of a difficult re-start following any period of care and maintenance.

The Svartliden production centre is currently earning revenue from the toll treatment of third-party mine ore. The recent monthly reports indicate that the toll treatment is a profitable venture for Dragon helping to cover the fixed costs for the production centre. The supply of toll treatment ore from a nearby mine is reasonably assured during the budget period to end of 2026. The nearby mine is an underground operation that has only just commenced stope production. Dragon management advice is the third party mine management has given strong guidance that they expect the supply of ore for toll treatment to continue until at least the end of 2026. The Company has an agreement for toll treatment of ore but there is no contractual guarantee of ore supply, which is appropriate for the small scale of mining and processing.

SLR opinion is that the short-term economics for Svartliden to the end of 2026 are underpinned by treatment of Vammala concentrate and the toll treatment of third-party ore. The Dragon budget estimates for Svartliden are reasonable.

SLR has assumed the operating cost for Svartliden is neutral or a small loss in the period 2027 to 2029, when Fäboliden ore production will start. If additional toll treatment ore from third-party mines can be sourced the operation will make a small profit.

## **12. NON DCF ASSETS TECHNICAL VALUATION**

Dragon Mining has engaged GT to act as Financial Advisor, which includes preparing an Independent Valuation Report (Valuation).

The independent valuation of Dragon Mining will be determined using a mix of DCF and non-DCF techniques. GT will complete the DCF valuation estimates. SLR has been engaged to estimate the value of assets unable to be assessed using a DCF approach.

This section presents a summary of the approach, key assumptions and outcomes for the non-DCF valuation.

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. Marcelo del Giudice, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of SLR.

Mr del Giudice has more than 20 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 Giudice has completed numerous mineral property valuations globally and qualifies as a mineral property valuator under the VALMIN Code.



The non-DCF assets Mineral Resources estimate totals 8,850 kt @ 3.3 g/t Au, or 920 koz. This includes the Fäboliden Outside RF 120% shell estimate and Fäboliden below Ore Reserve pit and above the RF 120% shell estimate.

SLR has selected three market approaches for the non-DCF assets valuation:

- Precedent transactions to estimate the assets' value with Mineral Resources estimate, but out of the cash-flow models.
- Value per hectare for the exploration targets with no Mineral Resources estimate.
- Precedent transactions to estimate the silver content estimated within the Fäboliden pit.

SLR is of the opinion that the value of non DCF assets would range between 14 and 21 MUSD, with a preferred value, based on the median, of 17 MUSD.

Details of the valuation are found in **Appendix D**

### **13. RISKS AND OPPORTUNITY ASSESSMENT**

#### **13.1 Opportunity**

SLR considers there to be a number of opportunities with potential to enhance the Company beyond the life of mine production schedule based on Ore Reserves. SLR is aware the primary goal of the Company's management is to ensure the continuity of production while optimising the short-term performance. SLR considers this approach suitable.

- Jokisivu mine life extension may result from successful in-mine exploration. This opportunity has a high likelihood.
- Kaapelinkulma south Mineral Resources may be increased by exploration and sufficient resource may be identified to add the existing remnant resources in the north that a combined open pit and underground operation could be economic and would receive an environmental permit to mine.
- Restart of open pit mining at Svartliden to extract a portion of the remnant Mineral Resource is highly likely. Stripping of surface waste for use in waste rock dump rehabilitation is budgeted and provides free waste removal above the ore. Economic studies have not been started on this opportunity, but maybe 100 kt of resource could be mined and processed.

- The Fäboliden open pit mine design a production schedule is not optimised. Optimisation of the waste mining schedule while still supplying ore to fill the CIL plant capacity would improve the project economics.
- The Fäboliden mine project, an underground mine extension after the open pit mining, is an economic project at the conceptual study level. This mine project would extend mine life after the completion of open pit mining.
- The Fäboliden Mineral Resource contains approximately 250 k ounces of silver. During the project evaluation, no value was assigned to the silver, and thus, no revenue was estimated. A portion of the silver will be recovered in the CIL process, and simple plant improvements could increase the recovery. Accounting for the silver revenue will improve the project economics.
- The Fäboliden mine project may be granted a mining permit in less than the four years assumed by SLR (see comments in Key Risks). SLR notes that a previous owner of the Fäboliden mine project was granted a mining permit for a large open-pit mining operation and on-site process facility. The concept submitted by the Company is for a lower-impact, small, higher-grade open-pit, only with ore processing at the fully permitted Svartliden operation.
- Jokisivu and Svartliden process plants are located in regions with gold mineralised endowed geology. The plants are strategic assets with potential value from exploration success by the Company or others finding new deposits within truck haulage distance of the plants.
- Jokisivu and Svartliden process plants can be used to toll treat ore from third parties. This is currently happening at Svartliden for a small nearby mine.

### **13.2 Risk**

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. SLR's review of the Projects indicates risk profiles typical of small-scale mines at similar levels of resource, mine planning and development in the Nordic Region. Until further studies provide greater certainty, SLR notes that it has identified risks and opportunities with the Projects as outlined below in **Table 13-2**.

SLR has attempted to classify risks associated with Dragon 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'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's cash flow and performance.

Likelihood of risk occurring within a 7-year timeframe:

- **Likely:** will probably occur
- **Possible:** may occur
- **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 13-1** to determine the overall risk rank.

**Table 13-1 Risk Assessment Ranking Guidelines**

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

SLR notes that in most instances, it is likely that through enacting controls identified through detailed review of the operations, existing documentation and additional technical studies, many of the normally encountered risks may be mitigated.

Table 13-2 Risk Analysis Outcomes

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
High	The Fäboliden mining project permit approval date is uncertain. The Swedish Land and Environmental Court rejected the Company's application for a Fäboliden mining permit in 2024. The Company made an application for an appeal of the rejection to the Land and Environment Court of Appeal. The appeal was denied. Hence, a new application to the Land and Environment Court for a Fäboliden mining permit is necessary. It is uncertain regards if a mining permit can be obtained within a reasonable time frame.	Commence preparation of a revised mining application as soon as technical studies, community, and regulator consultations are sufficiently advanced.	Life of Project
M	<ul style="list-style-type: none"> <li>The Fäboliden mining project capital cost to construct may be significantly higher than plan.</li> <li>New mining permit conditions for road haulage, water management, community compensation, and other issues may require significantly higher capital than the existing plan.</li> <li>Regulator expectations and restrictions always rise over time and result in higher costs for the proponent.</li> </ul>	The engineering studies required for the feasibility study should start as early as reasonably possible, with designs that anticipate tighter conditions, hence giving time to find low-cost design solutions.	Project Economics

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
M	<ul style="list-style-type: none"> <li>• Metal Prices &amp; Operating Costs:</li> <li>• The Fäboliden open pit mine is sensitive to metal prices and operating costs. For new projects any unexpected increases in operating costs can significantly impact on the project economics. Equally, any decrease in the metal prices will also negatively impact the operation, however this also reverts in the alternative direction with significant upside for increases in price. SLR notes that contractors will be utilised in the mining, as such presents minimal risk.</li> </ul>	<p>Review and confirm all operating costs and parameters. During operation all costs and performance factors need to be monitored closely. Where possible, metal can be sold forward to minimise downside.</p>	Project Economics
M	<ul style="list-style-type: none"> <li>• Long delay to Fäboliden open pit mine results in the Svartliden ore processing plant being moved to care and maintenance.</li> <li>• Restart of an idle plant will require a renewal of operating permits and recruitment of staff.</li> <li>• Once suspended, the community support for the operation may reduce over time, making a restart more difficult.</li> </ul>	<p>All efforts to keep the plant running on Vammala or third-party feed, and strong community and regulator engagement to sustain the reputation.</p>	Reputation and business continuity.

**APPENDIX A IMPORTANT INFORMATION ABOUT THIS DOCUMENT****IMPORTANT INFORMATION ABOUT THIS DOCUMENT****Our Client**

This report has been produced by or on behalf of RPM Advisory Services Pty Ltd (SLR) solely for Grant Thornton Australia Limited (GA) and Dragon Mining Limited (together, the Client).

**1. Client Use**

The Client's use and disclosure of this report is subject to the terms and conditions of the engaging Agreement under which SLR prepared the report.

**2. Notice to Third Parties**

SLR prepared this report for the Client only. If you are not the Client:

- SLR has prepared this report having regard to the particular needs and interests of the Client, and in accordance with the Client's instructions and in accordance with the terms and conditions of its engagement. It did not draft this report having regard to any other person's particular needs or interests. Your needs and interests may be distinctly different to the Client's needs and interests, and the report may not be sufficient, fit or appropriate for your purposes.
- Other than as expressly agreed by SLR in writing, SLR does not authorise, nor does it accept any liability to any party other than the Client who chooses to rely on this Report. Any such reliance is at the user's sole and exclusive risk.
- SLR does not make and expressly disclaims from making any representation or warranty to you – express or implied – regarding this report or the conclusions or opinions set out in this report (including without limitation any representation or warranty regarding the standard of care used in preparing this report, or that any forward-looking statements, forecasts, opinions or projections contained in the report will be achieved, will prove to be correct or are based on reasonable assumptions).
- SLR expressly disclaims any liability to you and any duty of care to you.
- SLR does not authorise you to rely on this report. If you choose to use or rely on all or part of this report, then any loss or damage you may suffer in so doing is at your sole and exclusive risk.

### **3. Independence**

SLR provides advisory services to the mining and finance sectors. Within its core expertise, it provides independent technical reviews, resource evaluation, mining engineering, environmental assessments and mine valuation services to the resources and financial services industries.

SLR has independently assessed the subject of the report (the Project) by reviewing pertinent data, which may include Resources, Reserves, existing approvals, licences and permits, 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 SLR and specialist advisors.

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 this report.

SLR has been paid and has agreed to be paid, professional fees for the preparation of this report. The remuneration for this report is not dependent upon the findings of this report. SLR does not have any economic or beneficial interest (present or contingent), in the Project, in securities of the companies associated with the Project or the Client.

### **4. Inputs, subsequent changes and no duty to update**

SLR has created this report using data and information provided by or on behalf of the Client. Unless specifically stated otherwise, SLR has not independently verified that data and information. SLR accepts no liability for the accuracy or completeness of that data and information, even if that data and information have been incorporated into or relied upon in creating this report (or parts of it).

The conclusions and opinions contained in this report apply as at the date of the report. Events (including changes to any of the data and information that SLR used in preparing the report) may have occurred since that date which may impact on those conclusions and opinions and make them unreliable. SLR is under no duty to update the report upon the occurrence of any such event, though it reserves the right to do so.

### **5. 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.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond SLR's control and that SLR 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.

## **6. Limitations and Exclusions**

SLR's report is based on data, information reports, plans and tabulations, as applicable, provided by the Client or on behalf of the Client. The Client has not advised SLR of any material change, or event likely to cause material change, to the operations or forecasts since the date of assets inspections.

The work undertaken for this report is required for a technical review of the information, coupled with such inspections as SLR considered appropriate to prepare this report.

Unless otherwise stated specifically in writing, the report 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 guidelines.

SLR has specifically excluded making any comments on the competitive position of the relevant assets compared with other similar and competing producers around the world. SLR strongly advises that any potential investors make their own comprehensive assessment of the competitive position of the relevant assets in the market.



**APPENDIX B QUALIFICATION AND EXPERIENCE****Ian Sheppard | Executive Consultant | Mining | Brisbane**

Ian is a highly experienced mining engineer with 39 years in the industry with extensive expertise in managing and developing mining operations. Ian has held several significant positions throughout his career including COO and management roles, focusing on mining technology, health and safety management, feasibility studies, operational sustainability, and project reviews.

Ian has expertise in both underground and open-pit mining engineering, operations management, and a thorough understanding of the mining business at the corporate level. He served as the Chief Operating Officer (COO) of Aeris Resources for eleven years and has held senior positions in Australia, Papua New Guinea, and Laos. His leadership experience includes health and safety management as well as conducting due diligence for mergers and acquisitions and overseeing mining operations from exploration to closure.

He has managed operations, project development, and exploration activities for multiple underground mines, including the Tritton Copper Operations, Cracow Gold Mine, and Mt Colin copper mine and was responsible for conducting technical due diligence in mergers and acquisitions.

Ian has notably contributed to extending mine lifespans, executing successful due diligence for acquisitions, and providing executive support for exploration programs that led to significant discoveries. His professional background includes pivotal roles at PanAust Limited and Norton Gold Fields Limited, focusing on technical services, operational improvements, and business development.

He holds a Bachelor of Engineering with Honours Class 1 and a Master's in Mineral Economics, along with a First Class Mine Manager's Certificate in Western Australia, recognized in Queensland, and credentials as a Mine Engineering Manager in New South Wales. Ian is also affiliated with the Australasian Institute of Mining and Metallurgy (FAusIMM).

Ian's career demonstrated a strong track record of leadership, technical proficiency, and strategic planning in the mining industry. His capabilities made him a valuable asset in any mining operation, particularly in underground mining and project development.

**Meg Byass | Principal Consultant/Practice Lead | Resource Geology | Perth**

Meg is a geologist with over 20 years of professional experience in surface and underground mining applications. She has worked with various mining and exploration clients in commodities such as gold, diamonds, copper, nickel, zinc, and iron ore.

Her expertise includes data and geostatistical analysis, data interrogation, management, and presentation. Meg has also been involved in geological and orebody modelling, structural element modelling, and drill target generation. Additionally, she has taken on responsibilities in project and client management as well as resource estimation.

Throughout her career, Meg has worked on several gold projects in Australia, ranging from large-scale open-pit and underground operations to small-scale mining projects. She is experienced in all aspects of the geological workflow, including exploration, open-pit and underground production, geological modelling, and resource estimation. Meg is proficient in using Vulcan software and has contributed to the development of Leapfrog software.

**Jafet Carpio Vera – Principal Processing Engineer – Perth**

Jafet Carpio Vera is a Metallurgical Engineer, a member of Engineers Peru (CIP 112770), and recognized by Engineers Australia. He holds two Master's degrees in Metallurgy and Mineral Economics and brings over 20 years of experience to the field. Jafet is driven by a passion for success and a commitment to achieving results and delivering sound operational outcomes for long-term commercial benefit. During his time at Albemarle Corporation, he led the geometallurgical team through reviews and provided recommendations for the geometallurgical model for Wodgina Mine. He also managed ore and spodumene concentrate characterization studies and developed an understanding of the potential impact on downstream processes, which speaks to his expertise around lithium.

He has a proven ability to manage integrated operational excellence strategies through the development and implementation of cost-effective resource planning, business development, processing, and improvement. He excels at engaging with, building, and maintaining key stakeholder relationships and developing strong, skilled, and productive teams.

Jafet's extensive experience spans projects, mining, and metallurgical processes at both management and technical levels. His career has afforded him the opportunity to work in various metallurgical plants around the world, including in Peru, Brazil, and Australia. He has worked in smelters, concentrators (flotation, milling, ancillary plants, gravity circuits, tailings), leaching, electrometallurgy, and refineries. Additionally, Jafet has been involved in mining operations (both underground and open pit), energy, mineralogy, projects, finance, environment, budget and forecasting, process improvement, management, commissioning, and plant startups. His expertise covers a broad range of commodities, including lithium, copper, gold, tin, iron ore, coal, zinc, lead, antimony, and others.

Jafet is a native Spanish speaker and is fluent in English and Portuguese, further enhancing his ability to work in diverse international environments.

**David O'Brien – Executive Consultant – Australia**

David specialises in assisting resources companies with Environmental, Social, and Governance (ESG) strategy and disclosures for financing, marketing, and operations. With over 18 years of experience in environmental consulting, David has provided a wide range of services to constructors, operators, investors, and lenders in resource and related infrastructure projects. This includes conducting due diligence, risk assessment, approvals, compliance management, system implementation, reporting, liability estimation, and closure planning. He has also spent a significant amount of time on-site, working alongside resource and infrastructure projects.

David provides compliance and ESG advice to technical due diligence and feasibility studies for various resource projects in different Australian and international jurisdictions with reference to global frameworks such as the Equator Principles (EP4), the International Finance Corporation Performance Standards (IFC-PS), and World Bank, and European Bank for Reconstruction and Development standards, as well as the Securities and Exchanges Commission's S-K 1300, the Canadian NI43-101 and Australian JORC and VALMIN codes to provide input on ESG matters.

**Mr del Giudice – Vice President – Advisory & Consulting (LATAM)**

Mr del Giudice has more than 20 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 Giudice has completed numerous mineral property valuations globally and qualifies as a mineral property valuator under the VALMIN Code.

## APPENDIX C GLOSSARY OF TERMS

The key terms used in this report include:

- **bornite** refers to a brown metallic mineral containing Cu Sulphide
- **chalcopyrite** refers to a brassy sulphide mineral containing copper and iron.
- **chalcocite** refers to a gray to black brittle copper sulphide mineral
- **covellite** refers to a purple mineral consisting of thin sheets of Cu sulphide
- **Client** refers to Dragon Mining Limited
- **concentrate** refers to the Au Product produced and trucked to the Svartliden Production Centre
- **Client** means Dragon Mining Limited.
- **Resource cog:** is the lowest grade of mineralised material that qualifies as having reasonable economic potential for eventual extraction and supports a geologically justifiable and continuous mineralisation domain.
- **Economic/Reserve cog:** is the lowest grade of mineralised material that qualifies as economically mineable and available in a given deposit after application of modifying factors and economic assessment at given commodity prices. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.
- **deposits** refer to the cluster of mineralised bodies which are contained within the Projects.
- **Fault** refers to a slip-surface between two portions of the earth's surface that have moved relative to each other. A fault is a failure surface and is evidence of severe earth stresses.
- **freight, smelting, and refining,** the costs for transporting and processing of concentrates to produce metal for sale
- **high-density polyethylene** is a type of plastic film
- **heavy haul road** is the newly constructed road connecting the Projects to Espinar.

- **JORC Code** refers to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
- the **Projects** refers to the Multiple Projects, Sweden and Finland
- **mine production** is the total raw production from any particular mine
- **Mining rights** means the rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed
- **Net Smelter Return**, the net value of concentrate after deducting freight, smelting, and refining costs
- **P80** refers to 80 weight % passing, used in association with particle size
- **Projects** refers to the Multiple Projects Sweden and Finland contained within the Exploration and Mining Licences
- **pyrite** refers to a hard, heavy, shiny, yellow mineral, FeS<sub>2</sub> or iron disulfide, generally in cubic crystals.
- **Relevant Asset** means the mines, projects, processing facilities, associated mining and administration infrastructure and mining and exploration licences.
- **run-of-mine**, being material as mined before beneficiation

*Note:* Where the terms Competent Person, Inferred Resources and Measured and Indicated Resources are used in this report, they have the same meaning as in the JORC Code.

*A ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

An ‘Ore Reserve’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

**A ‘Measured Mineral Resource’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.**

Mineralisation may be classified as a Measured Mineral Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the Competent Person determining the Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability.

**An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.**

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource but has a higher level of confidence than that applying to an Inferred Mineral Resource. Mineralisation may be classified as an Indicated Mineral Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation. Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

**An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.**

*An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource. The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves.*

**APPENDIX D TECHNICAL VALUATION OF NON-DCF ASSETS**

23 June 2025

Reference: ADV-AU-00809

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Dear Clients,

**Re: Independent Technical Valuation of Dragon's Finnish and Swedish Non-DCF Assets**

RPM Advisory Services Pty Ltd (SLR) was commissioned by Dragon Mining Limited and Grant Thornton Australia Limited (together, the Clients) to complete an Independent Technical Valuation of Dragon Mining's Finnish and Swedish Non-DCF Assets.

RPM's Global Mining Advisory business was acquired by SLR Consulting Australia Pty Ltd, effective 2 April 2025.

SLR's approach to the Independent Technical Valuation (ITV) utilised market multiples to estimate value ranges for assets with existing Mineral Resource estimates but which are not contained within Ore Reserves and Discounted Cash Flow (DCF) models. These assets include Orivesi, Kaapelinkulma, Svartliden, and Fäboliden outside the 120% pit shell.

SLR has also valued the exploration areas that do not have an estimate of Mineral Resource.

The non-DCF valuation considered two multiples: precedent transactions for the assets with Mineral Resources estimate, and a USD/hectare multiple for the exploration areas.

SLR has also adopted a precedent transactions approach to estimate the value of the silver content in Fäboliden.



Based on the selected multiples, SLR has estimated the value of the non-DCF assets to be between **USD 14 million and USD 21 million**. The median value of these results is **USD 17 million**.

SLR observes that this value range is indicative and should be used as a reference, as it is solely based on market multiples.

All values in this memorandum are in US Dollars.

## **1. INTRODUCTION**

### **1.1 Purpose of the Report**

Dragon Mining Limited (Dragon or the Company) has engaged Grant Thornton Australia Limited (GT) to act as a Financial Advisor (the FA), and SLR understands that this engagement includes preparing a Valuation Report (Valuation). Dragon and GT have engaged RPM Advisory Pty Limited (SLR) to support GT in the Valuation by estimating the value of all assets using techniques other than discounted cash flow (DCF). SLR was also engaged to estimate the value of assets unable to be assessed using a DCF approach and complete a memo report (Report) for GT with the results of its independent technical valuation (ITV).

SLR's approach to supporting the valuation are with reference to the recommended guidelines of the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code).

### **1.2 Scope of Work**

The SLR scope of work involved:

- A technical review of the currently producing assets and recommendations to Grant Thornton on modifications to technical inputs and capital and operating costs to the cash flow model.
- Estimate a value of the Mineral Resources outside the life of mine (LOM) cash flows and JORC Ore Reserves.
- Estimate a value for the exploration assets.

The deliverable is a brief memo-style report outlining the valuation's approach, assumptions, and outcomes. GT will also undertake an overall cross-check based on the resource multiples and support SLR's valuation process.

### **1.3 Relevant Assets**

The assets agreed upon with Dragon Mining for valuation are those without a Discounted Cash Flow (DCF) model, namely:

- Orisevi Kutema and Oriseva Sarvisuo;
- Kaapelinkulma;
- Svartliden;
- Fäboliden Outside RF 120% shell plus the material below the Ore Reserve pit and above the RF 120% shell

### **1.4 Site Inspections**

A site visit has been undertaken by Mr Ian Sheppard, the SLR Independent Reviewer for the ITER, from 7th to 9th April, 2025. The purpose of the site visit was to support the completion of the ITER and the technical valuation.

During the site visits, SLR had open discussions with the Company's personnel on technical aspects of the projects. The Company's personnel were cooperative and open in facilitating SLR's work.

### **1.5 Information Sources**

The ITV outcomes have been derived using data and information provided by Dragon, or from discussions with Dragon personnel, as well as published announcements made to the HKEx by Dragon Mining. The key documents used were:

- Jokisivu Gold Mine Mineral Resource Estimate, Ashmore Advisory Pty Limited, February 2025
- Jokisivu JORC Ore Reserve 2024, MoJoe Mining Pty Limited, March 2025
- Jokisivu Financial Model, MoJoe Mining Pty Limited, file name: *Dragon Jokisivu UG 2024 Reserves V03.xlsm*
- Fäboliden Gold Mine Mineral Resource Estimate, Ashmore Advisory Pty Limited, May 2025
- Fäboliden JORC Ore Reserve 2025, SLR, March 2025
- Fäboliden OP 2025 Fin Model and Reserves.xlsm, SLR

- Dragon Mining Monthly reports, December 2022, December 2023 and December 2024
- SLR Independent Technical Expert Report on Dragon Assets, 2025

In SLR's opinion, the information provided was of good quality but did not cover all aspects of all tenements. Where necessary, SLR supplied opinions based on its experience and reasonable mining industry norms to address the requirements of the study.

Information generated by third parties, consultants or contractors to Dragon has not been independently validated by SLR.

SLR accepts no liability for the accuracy or completeness of data and information provided to it by Dragon, or any third parties, even if that data and information has been incorporated into or relied upon in creating this ITV.

Whilst SLR has taken all due care and responsibility in completing its scope of work, SLR notes that documentation from Dragon for this ITV was delayed, resulting in the ITV having to be completed in a compressed time frame.

This ITV contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to SLR is inaccurate or is materially changed. SLR is under no obligation to update the information contained in the report.

#### **1.6 Information about this Document**

This ITV has been prepared by or on behalf of SLR solely for GT and Dragon. All copyright and other intellectual property rights in this ITV are owned by and the property of SLR.

To the fullest extent permitted under law, use of or reliance on this ITV by any third parties who have not entered into a reliance agreement with SLR, is at their sole risk and SLR 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.

SLR makes no warranty, express or implied in respect of this ITV, particularly with regard to any commercial investment decision made on the basis of this ITV. This ITV has been prepared without taking into account the objectives, financial situation or needs of any individual, entity or organization.

### **1.7 Limitations and Exclusions**

SLR's review was based on various reports, plans and tabulations provided by Dragon either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the Dragon. Dragon has not advised SLR 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 ITV is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this ITV.

The ITV has followed the procedure and practice of the VALMIN Code guidelines, but it is not a VALMIN report. It was agreed with the GT that this report would use a single valuation methodology. The methodology applied is consistent with that used in a previous SLR technical valuation completed in 2021.

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.

SLR has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. SLR 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.

This ITV has been prepared by SLR for the purposes of providing support to GT in their Valuation, by estimating the value of specific Dragon assets using techniques other than discounted cash flow for Dragon. SLR 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 SLR has consented to such reliance or use.

### **1.8 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 SLR and cannot be fully anticipated by SLR. 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.

### **1.9 Capability and Independence**

SLR 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.

SLR has independently assessed the Relevant Assets 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 ITV are those of SLR and its specialist advisors.

Drafts of this ITV were provided to GT and Dragon, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this ITV. SLR has been paid, and/or has agreed to be paid, professional fees for its preparation of this ITV. Its remuneration is not dependent upon the findings of this ITV or on the outcome of the transaction.

None of SLR or its directors, staff or specialists who contributed to this ITV have any economic or beneficial interest (present or contingent), in:

- the Projects, securities of the companies associated with the Projects or that of Dragon; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This ITV was compiled on behalf of SLR by the signatories to this Report, details of whose qualifications and experience are set out in Appendix B of this Report.

**1.10 Study Team**

The Study Team comprised professionals from SLR’s Australian and Brazil offices. The key members of the team are:

- Mr. Marcelo del Giudice was responsible for the valuation included in the ITV.
- Mr. Igor Bojanic supported Marcelo in the compilation of information and approach to complete the ITV.
- Mr. Philippe Baudry was responsible for the review of the report as a member of SLR’s Independent Public Reporting committee.
- The ITER technical team included:
  - Mr Ian Sheppard completed the site visit, and mining technical review including Ore Reserves.
  - Dr Jafet Carpio were responsible for the review of the mineral processing, infrastructure and tailings management and estimation of the salvage value.
  - Mr. David O’Brien was responsible for the review of the Permitting, Approvals, Environmental aspects such as Social and Community.
  - Mr Richard Ellis was responsible for reviewing and forming an opinion on the quality of the Mineral Resource Estimates quoted in this report and the supporting drill hole database, assay information, geology and the wireframes completed by the Company or its consultants. He has also reviewed the exploration assets, providing an opinion to support valuation.
  - Ms Meg Byass was responsible for the internal SLR governance review of the geology aspects of the report, in support of Mr Richard Ellis.

.....

**Marcelo del Giudice BE Metallurgy, FAusIMM**

## **2. TECHNICAL VALUATION**

This ITV 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.
- ASX Listing Rules (Chapter 5) and Relevant Guidance Notes.
- The Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code).
- 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 .

In conjunction with this valuation memorandum, SLR completed a ITER that provides the technical review and assurance on which the valuation is based.

### **2.1 Background**

Dragon Mining has engaged GT to act as Financial Advisor, which includes preparing an Independent Valuation Report (Valuation).

The independent valuation of Dragon Mining will be determined using a mix of DCF and non-DCF techniques. GT will complete the DCF valuation estimates. SLR has been engaged to estimate the value of assets unable to be assessed using a DCF approach.

This chapter presents the approach, key assumptions and outcomes for the non-DCF valuation. It is based on the ITER and technical work presented in the preceding chapter.

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. Marcelo del Giudice, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of SLR.

Mr del Giudice has more than 20 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 Giudice has completed numerous mineral property valuations globally and qualifies as a mineral property valuator under the VALMIN Code.

Mr del Giudice has no interest whatsoever in the assets reviewed and will gain no reward for the provision of this Independent Valuation. SLR will receive a professional fee for the preparation of this statement.

The non-DCF assets Mineral Resources estimate totals 8850 kt @ 3.3 g/t Au, or 930 koz, as displayed in **Table 2-1**. This includes the Fäboliden Mineral Resource outside the Ore Reserve pit design.

**Table 2-1 Non-DCF Assets Mineral Resources Estimate**

Non-DCF Asset	Quantity (kt)	Au (g/t)	Au (koz)
Orivesi Kutema	133	4.8	20
Orivesi Sarvisuo	139	5.8	26
Kaapelinkulma North	78	3.0	7
Kaapelinkulma South above 0mRL	39	4.6	6
Kaapelinkulma South below 0mRL	35	5.4	6
Kaapelinkulma Butterfly Exclusion Zone	30	3.0	3
Svartliden Open Pit	240	3.0	24
Svartliden Underground	250	4.4	35
Fäboliden below Ore Reserve pit and above RF120% shell	2,120	2.8	190
Fäboliden Outside RF 120% shell (350 to – 60)	5,790	3.3	600
<b>Total</b>	<b>8,850</b>	<b>3.3</b>	<b>920</b>

*Notes:*

- 1) Mineral Resource Estimates reported in the table are as of 1 May 2025.
- 2) Mineral Resource Estimates are 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).

In addition to these assets, with Mineral Resources estimates, the tenements for mineral exploration were also evaluated considering a price per hectare approach. These areas totals 724 hectares.

Both exploration areas and the assets with Mineral Resources estimates were valued using non-DCF methodologies, as outlined in the following discussion.



Finally, SLR has developed a high-level approach to evaluating the silver content in the Fäboliden pit, estimated at approximately 250,000 ounces of silver (250 koz Ag), based on precedent transactions.

## 2.2 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 analysis) and a Market approach (Comparable Transactions), with support from a Geoscientific approach (modified Kilburn method).

SLR has selected three market approaches for the non-DCF assets valuation:

- Precedent transactions to estimate the assets' value with Mineral Resources estimate, but out of the cash-flow models.
- Value per hectare for the exploration targets with no Mineral Resources estimate.
- Precedent transactions to estimate the silver content estimated within the Fäboliden pit.

The **Table 2-2** shows the valuation method used for each of the non-DCF assets.

**Table 2-2 Valuation Methods and Assets**

Asset/ Tenement ID	Tenement Name	Type	Held % <sup>1</sup>	Area (ha)	Granted	Expires	Non DCF Vaue	Method Used
<b>Orivesi</b>								
2676	Orivesi	MC	100	39.82	1-Jul-82	NA	Include	Resources Transactions
ML2013:0006	Sarvisuo 1-2	EP	100	38.93	16-Aug-24	15-Aug-25	Include	\$/Ha
<b>Jokisivu</b>								
7244	Jokisivu	MC	100	48.32	8-Dec-04	NA	Nil	
KL2015:0005	Jokisivu 2	MC	100	21.3	18-Aug-15	NA	Include	\$/Ha
KL2018:0010	Jokisivu 3	MC	100	8.97	29-Apr-19	NA	Include	\$/Ha
KL2024:0005	Jokisivu 4	MC	100	13.7	25-Mar-25	NA	Include	\$/Ha
ML2012:0112	Jokisivu 4-5	EP	100	80.33	16-Aug-24	15-Aug-25 <sup>2</sup>	Include	\$/Ha
ML2017:0131	Jokisivu 7-8	EP	100	10.22	21-Mar-24	18-Feb-27	Include	\$/Ha
ML2018:0082	Jokisivu 10	EP	100	461.37	21-Mar-24	27-Mar-28	Include	\$/Ha
<b>Kaapelinkulma</b>								
K7094	Kaapelinkulma	MC	100	65.1	24-Oct-12	NA	Include	Resources Transactions
<b>Uunimäki</b>								
ML2020:0020	Uunimäki 1	EP	100	89.22	28-Jul-23	27-Jul-27	Include	\$/Ha
<b>Vammala</b>								
1895	Stormi	MC	100	157.53	13-Oct-72	NA	Nil	
KL2021:0001	Stormi 2	MCA	0	3.08	Nil		Nil	

For the precedent transactions, SLR has selected 19 deals closed over the last three years and reviewed the total consideration per ounces of gold contained in the target assets Mineral Resources estimate. The transaction values have been adjusted to reflect present-day prices, taking into account the current gold price and the average price for the month in which the transaction was announced.

Selection criteria for the 19 deals are:

- the deals are publicly reported with available data suitable for use in this valuation,
- the deals were completed within the last two to three years (i.e. in 2023 and 2024),
- the deals include exploration and Mineral Resource assets that are considered to be at the advanced stage, and
- the deals include assets that are satellite to existing ore processing plants, to consider the impact of reduced capital cost required for potential ore processing.

Due to the complexity of the deals that involve assets that are satellite to an existing processing plant, only the 25th to 75th percentile range is considered to remove any extreme values.

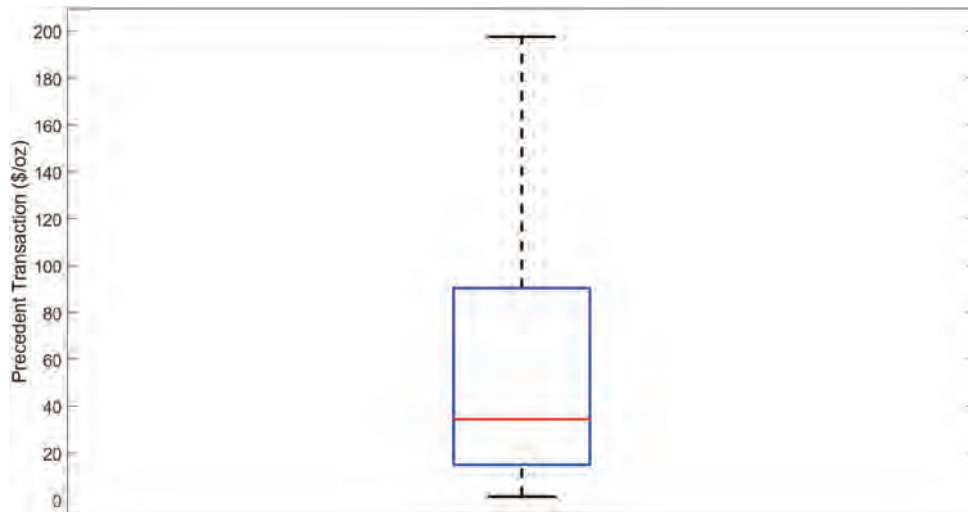
**Table 2-3 Precedent Transactions**

<b>Deal Name</b>	<b>Transaction Announcement Date</b>
Asanko Mine	Thursday, 21 December 2023
Bougou and Wahgnion Mines	Friday, 30 June 2023
Cerro Bayo Project	Friday, 1 December 2023
Cerro Prieto Mine	Tuesday, 17 October 2023
Cripple Creek & Victor Mine	Friday, 6 December 2024
Gold and Silver Rights in the Quartz Hill Joint Venture	Tuesday, 19 November 2024
Gramalote project	Monday, 18 September 2023
Gualcamayo Property	Friday, 8 September 2023
Halls Creek Project	Thursday, 31 October 2024
Kapan Mine	Wednesday, 16 August 2023
Manica Gold Project	Wednesday, 24 January 2024
Monte Do Carmo project	Tuesday, 5 March 2024
Mt. Hamilton Gold Project	Tuesday, 2 April 2024
Nullagine Gold Project	Wednesday, 20 December 2023

Deal Name	Transaction Announcement Date
Rights of Eastern Montague Project	Thursday, 1 August 2024
Rouyn Property	Wednesday, 2 October 2024
San Luis Project	Thursday, 30 November 2023
Soto Norte Gold project	Thursday, 23 May 2024
Velardeña & Chicago mines and related Assets	Friday, 3 May 2024

The Results are than plotted in a boxplot graphic, as shown in **Figure 2-1**.

**Figure 2-1 Precedent Transactions**



The results of this statistics are shown in **Table 2-4**

**Table 2-4 Precedent Transactions Multiples**

Statistic	\$/oz
25th percentile	15
Median	34
75th percentile	90

The other methodology, used to estimate the value for the exploration assets with no Mineral Resources estimate, was based on the previous study prepared by RPMGlobal in 2021. In this study, the price per hectare was categorized depending on the size of the areas, as shown in **Table 2-5**.

**Table 2-5 Areas Multiple Subset – 2021**

Size	Very Large (>50k Ha)	Moderate (~1k Ha)	Small (00's Ha)
Low	23	110	916
High	52	112	916
Mean	35	111	916

SLR has adopted the mean values as the preferred multiples for valuation and adjusted them to reflect present-day prices, considering the gold price variation between the 2021 report and this study. The selected values are shown in **Table 2-6**.

**Table 2-6 Areas Multiple Subset – 2025**

Size	Very Large (>50k Ha)	Moderate (~1k Ha)	Small (00's Ha)
Mean	64	204	1,684

To estimate the silver content value in the Fäboliden pit, which is projected at 250 koz, SLR has utilized the mean average from three recent precedent transactions involving silver targets. **Table 2-7** displays the high, median, and low multiples on a USD/oz basis for these transactions. The median multiple was selected for the silver content valuation.

**Table 2-7 Silver Precedent Transactions Multiples**

	High	Median	Low
Multiple (USD/oz)	0.61	0.37	0.13

### 2.3 Valuation Results

For the assets with Mineral Resources estimate, SLR has applied the 25th and 75th percentile of the precedent transactions multiples (**Table 2-4**). Some of the assets are considered to be of lower probability to being converted to Mineral Reserves, due to technical or permitting constraints, as outlined in the ITER. For these areas, SLR has adopted a 0.5x discount over the value range, as outlined in the **Table 2-8**.

**Table 2-8 Value Ranges per Non-DCF Asset with Mineral Resources**

Value Ranges (000 USD)	Risk Factor	Value Range (000 USD)	
		25th Percentile	75th Percentile
Non-DCF Asset			
Orivesi Kutema	0.5	150	900
Orivesi Sarvisuo	0.5	195	1,170
Kaapelinkulma North	1	105	630
Kaapelinkulma South above 0mRL	0.5	45	270
Kaapelinkulma South below 0mRL	0.5	45	270
Kaapelinkulma Butterfly Exclusion Zone	0.5	22.5	135
Svartliden Open Pit	1	360	2,160
Svartliden Underground	1	525	3,150
Fäboliden Outside Pit design	–		11,850
Total		13,300	20,500

For the Fäboliden total below the pit plus Outside the RF 120% shell, SLR opted not to apply the 25th to 75th percentile range. Instead, it considered only the low range (15 USD/oz), due to the complex interaction with the Fäboliden open pit project. The Mineral Resource cannot be separated from the pit project, and this delays possible production start by fifteen years. This reduces the present value and increases risk and the eventual conversion of these resources to reserves is uncertain.

The **Table 2-9** outlines the areas for mineral exploration, but with no Mineral Resources estimate. For these areas, SLR has applied the \$/ha multiple from the 2021 RPMGlobal report, adjusting it to reflect present-day values, considering the gold price variation. (**Table 2-6**).

Table 2-9 Exploration Areas and Estimated Value

Asset/Tenement ID	Tenement Name	Area (ha)	Estimated Value (M\$)
ML2013:0006	Sarvisuo 1-2	38.93	0.07
KL2015:0005	Jokisivu 2	21.3	0.04
KL2018:0010	Jokisivu 3	8.97	0.02
KL2024:0005	Jokisivu 4	13.7	0.02
ML2012:0112	Jokisivu 4-5	80.33	0.14
ML2017:0131	Jokisivu 7-8	10.22	0.02
ML2018:0082	Jokisivu 10	461.37	0.78
ML2020:0020	Uunimäki 1	89.22	0.15
<b>Total</b>		<b>724.04</b>	<b>1.22</b>

SLR has estimated the value range of assets with a Mineral Resources estimate to be between 13 MUSD and 20 MUSD, with a median value of 16 MUSD.

For exploration areas without a Mineral Resources estimate, SLR has calculated a value of 1.2 MUSD, based on the USD/ha multiple estimated by RPMGlobal in 2021, adjusted to reflect present-day values, considering the gold price variation.

For the silver content within the Fäboliden pitshell, estimated at approximately 250 koz, SLR has valued it at 0.09 MUSD, based on the median of selected precedent transactions, which indicate a rate of 0.37 USD/oz of Ag.

Considering the subsets of non-DCF assets, SLR is of the opinion that their value would range between 14 and 21 MUSD, with a preferred value, based on the median, of 17 MUSD.

SLR observes that the value attributed to non-DCF assets carries a significant degree of uncertainty, especially for exploration areas without a Mineral Resources estimate. Further studies and analyses are required to confirm the value of non-DCF assets, particularly in the context of their integration into Dragon's existing processing plants.

**IMPORTANT INFORMATION ABOUT THIS DOCUMENT**

The recommendations contained in this memorandum may change in the event that information supplied to and reviewed by SLR is inaccurate or is materially changed or if any information material to the result was not provided to SLR for review. In SLR's opinion, the information provided by or on behalf of Dragon Mining Limited and Grant Thornton Australia Limited was reasonable and during the preparation of this memorandum there was nothing discovered to suggest that there was information withheld or misrepresented. Dragon Mining Limited and Grant Thornton Australia Limited has not advised SLR of any material change in the information provided, is not aware of any information that may be relevant to the review that was not provided to SLR and is not aware of any event likely to cause material change to the recommendations made by SLR as at the date of this memorandum. Unforeseen changes in legislation, new industry developments and other factors specific to mining that cannot be fully anticipated by SLR may impact the information and recommendations contained in this memorandum. The Client acknowledges and accepts that any alteration, modification, or amendment to this memorandum by it or any third party, beyond SLR's delivery, is outside SLR's control and responsibility

**1. FINANCIAL SUMMARY**

Set out below is a summary of the financial information of the DML Group for the three financial years ended 31 December 2022, 2023 and 2024, which are extracted from the annual reports of DML for the two financial years ended 31 December 2023 and 2024 respectively.

	<b>For the year ended 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AUS'000</i>
	(Audited)	(Audited)	(Audited)
<b>Revenue</b>	72,804	60,495	52,514
Cost of sales	<u>(51,608)</u>	<u>(54,550)</u>	<u>(45,173)</u>
<b>Gross profit</b>	21,196	5,945	7,341
Other revenue	736	602	104
Other income	2,589	9,089	752
Mineral exploration expenditure	(206)	(274)	(262)
Management and administration expenses	(5,799)	(5,087)	(4,648)
Exploration and evaluation costs written off	–	(300)	(34)
Other operating (expense)/benefit	(1,548)	658	879
Finance costs	(1,187)	(992)	(21)
Fair value gain/(loss) on financial assets	338	(411)	–
Foreign exchange gain/(loss)	<u>924</u>	<u>(1,703)</u>	<u>628</u>
<b>Profit before tax</b>	17,043	7,527	4,739
Income tax expense	<u>(4,167)</u>	<u>(2,338)</u>	<u>(2,250)</u>
<b>Profit after income tax</b>	<u>12,876</u>	<u>5,189</u>	<u>2,489</u>
<b>Basic and diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)</b>			
Basic and diluted earnings per share	<u>8.14</u>	<u>3.28</u>	<u>1.57</u>

Save as disclosed above, there are no other items of income or expenses which are material for the three years ended 31 December 2022, 2023 and 2024.

For each of the years ended 31 December 2022, 2023 and 2024, no dividend was declared or paid.

The auditors of DML, Ernst & Young, Perth, did not issue any modified opinion, emphasis of matter or material uncertainty related to going concern on the respective financial statements of the DML Group for the three years ended 31 December 2022, 2023 and 2024.



**2. FINANCIAL STATEMENTS OF THE DML GROUP**

DML is required to set out or refer to in this Response Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the DML Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”); (ii) the audited consolidated financial statements of the DML Group for the year ended 31 December 2023 (the “**2023 Financial Statements**”); and (iii) the audited consolidated financial statements of the DML Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”), together with the notes to the relevant published financial statements and significant accounting policies which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out on pages 149 to 238 of the annual report of DML for the year ended 31 December 2022, which was published on 13 April 2023. The annual report of DML for the year ended 31 December 2022 is posted on the websites of the Stock Exchange and DML. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0413/2023041300864.pdf>

The 2023 Financial Statements are set out on pages 161 to 258 of the annual report of DML for the year ended 31 December 2023, which was published on 11 April 2024. The annual report of DML for the year ended 31 December 2024 is posted on the websites of the Stock Exchange and DML. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0411/2024041100282.pdf>

The 2024 Financial Statements are set out on pages 163 to 262 of the annual report of DML for the year ended 31 December 2024, which was published on 10 April 2025. The annual report of DML for the year ended 31 December 2024 is posted on the websites of the Stock Exchange and DML. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0410/2025041000537.pdf>

**3. MATERIAL CHANGE**

The DML Directors confirm that there had been no material change in the financial or trading position or outlook of the DML Group subsequent to 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the DML Group were made up) up to and including the Latest Practicable Date.

**4. INDEBTEDNESS**

At the close of business on 30 April 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Response Document, the indebtedness of the DML Group was as set out below.

At the close of business on 30 April 2025, the DML Group had the following borrowings or indebtedness in the nature of borrowings:

**Lease Liabilities**

The DML Group recognised right-of-use assets and corresponding lease liabilities in respect of all leases unless they qualify for low value or short-term leases. The lease liabilities represent obligation to make lease payments for right of using underlying assets. As at 30 April 2025, the DML Group had the following unsecured and unguaranteed lease liabilities:

	<b>As at 30 April 2025 AU\$</b>
Current portion:	
Lease liabilities	935,638
Non-current portion:	
Lease liabilities	<u>1,234,246</u>
<b>Total</b>	<b><u><u>2,169,884</u></u></b>

**Debt and borrowings**

As at 30 April 2025, DML has an unsecured revolving loan facility of up to AU\$27.0 million (equivalent to approximately HK\$134.4 million) provided by AP Finance Limited, a subsidiary of Allied Properties (H.K.) Limited (“**APL**”). The loan facility was obtained on 15 February 2017 with original amount of AU\$6.0 million (approximately HK\$28.9 million). The key provisions of this loan facility include (i) an interest rate calculated using the Hong Kong Interbank Offered Rate (HIBOR) plus 3% per annum; (ii) DML may select the interest period of one (1), two (2), or three (3) months commencing on the Funding Date; and (iii) a loan period up to 31 December 2026.

DML only intends to draw down the loan under this loan facility in the event that DML incurs additional unexpected expenditure, for example unexpected capital resources required to fund the development and pre-production associated with the Fäboliden Project.

The loan facility with AP Finance Limited is the only banking facility of DML as at 30 April 2025. The total unutilised banking facilities amounted to AU\$27.0 million as at 30 April 2025. DML has not made any drawdowns as at the date of this indebtedness statement. The Loan Facility is available for immediate draw down if required.

Save as aforesaid, DML did not, at the close of business on 30 April 2025, have any other material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by DML or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgages or charges; or (iv) contingent liabilities or guarantees.

As at the close of business on 30 April 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Response Document, save as the above liabilities and apart from normal trade payables in the ordinary course of business, the DML Group did not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or other material contingent liabilities of the DML Group.

## 1. RESPONSIBILITY STATEMENT

The DML Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Response Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Response Document have been arrived at after due and careful consideration and there are no other facts not contained in this Response Document, the omission of which would make any statement in this Response Document misleading.

The DML Directors are listed in the Letter from the DML Board in this Response Statement Document.

## 2. DISCLOSURE OF INTERESTS

### (i) DML Directors and Chief Executive

As at the Latest Practicable Date, the following DML Directors had the following interests in the DML Shares, underlying DML Shares or debentures of DML and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept pursuant to section 352 of the SFO.

Name of DML Directors	Capacity/Nature of interest	Approximate % of the total Number of Shares issued interested shares in Company	
		Number of Shares interested	issued shares in Company
Mr. Dew	Beneficial owner/ Personal interest	220,000	0.14%
Mr. Carlisle Caldow Procter	Beneficial owner/ Personal interest	102,602	0.06%

*Note:* All interests stated above represent long positions.

Save as disclosed above, as at the Latest Practicable Date, none of the DML Directors or Chief Executive of DML had any interests or short positions in any shares, underlying shares or debentures of DML or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to DML and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules.

There have been no acquisitions or disposals of securities in DML by any DML Director in the Relevant Period.

**(ii) Substantial Shareholders**

Given below are the names of all parties who/which were, directly or indirectly, interested in 5% or more of any class of voting shares of DML as at the Latest Practicable Date, the respective relevant numbers of DML Shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by DML under section 336 of the SFO, or, who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the DML Group or in options in respect of such capital as at the Latest Practicable Date:

Name of Shareholders	Capacity/Nature of interest	Number of Shares interested	Approximate % of the total number of issued shares in Company	Notes
APAC	Interest of controlled corporations	46,877,727	29.65%	1
AGL	Interest of controlled corporations	46,877,727	29.65%	2
Lee and Lee Trust	Interest of controlled corporations	46,877,727	29.65%	3
Sincere View International Limited	Beneficial owner	26,519,899	16.77%	–
Mr. Hon Kwok Lung	Interest of a controlled corporation	26,519,899	16.77%	4
Ms. Lam Suk Ying	Interest of spouse	26,519,899	16.77%	5

*Notes:*

1. The interest in 46,877,727 DML Shares are held by Allied Properties, a wholly-owned subsidiary of Genuine Legend Limited, which in turn is a wholly-owned subsidiary of APAC. APAC is therefore deemed to have an interest in the DML Shares in which the Offeror holds an interest.
2. APAC is owned approximately 45.32% by Allied Properties Investments (1) Company Limited (“API(I)”), a wholly-owned subsidiary of Allied Properties Overseas Limited (“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), owned in aggregate 100% of the total number of issued shares of APL. AGL is therefore deemed to have an interest in the DML Shares in which APAC holds an interest.

3. Mr. Lee, 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 controlled approximately 74.99% of the total number of issued shares of AGL (inclusive of Mr. Lee's personal interests) and is therefore deemed to have an interest in the DML Shares in which AGL holds an interest.
4. Mr. Hon Kwok Lung controlled 80% of the total number of issued shares of Sincere View International Limited. Mr. Hon Kwok Lung is therefore deemed to have an interest in the Shares in which Sincere View International Limited holds an interest.
5. Ms. Lam Suk Ying is the spouse of Mr. Hon Kwok Lung and is therefore deemed to have an interest in the DML Shares in which Mr. Hon Kwok Lung deemed to holds an interest.
6. All interests stated above represent long positions.

Save as disclosed above, as at the Latest Practicable Date, the DML Directors were not aware of any other persons who had interests or short positions in the shares or underlying shares of DML as recorded in the register required to be kept by DML under section 336 of the SFO.

**(iii) Interests in the Offeror**

As at the Latest Practicable Date, none of DML nor any of its DML Directors had any interest in the shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror or its Related Bodies Corporate or associates.

No DML Director has any interest in any contract entered into by or with the Offeror or its Related Bodies Corporate or associates.

**(iv) Other Interests**

As at the Latest Practicable Date, save as disclosed in sections 2(i) to (ii) above:

- (a) the DML Directors did not have any interest in the DML Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the DML Shares;
- (b) none of a subsidiary of DML, a pension fund of the DML Group, or a person who is presumed to be acting in concert with DML by virtue of class (5) of the definition of acting in concert or who is an associate of DML by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, owned or controlled any DML Shares or any other convertible securities, warrants, options or derivatives in respect of DML Shares;

- (c) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and DML or with any person who is presumed to be acting in concert with DML by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of DML by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code;
- (d) no DML Shares or any convertible securities, warrants, options or derivatives in respect of DML Shares were managed on a discretionary basis by fund managers connected with DML;
- (e) as at the Latest Practicable Date, Mr. Dew is interested in 220,000 DML Shares and presently intends to reject the Offer for all of his beneficial interests, subject to no material change in his personal or external circumstances occurring before the expiry of the Offer Period;
- (f) as at the Latest Practicable Date, Mr. Carlisle Caldow Procter is interested in 102,602 DML Shares and presently intends to reject the Offer for all of his beneficial interests, subject to no material change in his personal or external circumstances occurring before the expiry of the Offer Period; and
- (g) none of DML or any DML Directors had borrowed or lent any DML Shares or any other convertible securities, warrants, options or derivatives in respect of the DML Shares.

### **3. DEALINGS DISCLOSURE**

During the Relevant Period, (i) none of the DML Directors have dealt for value in any DML Shares or any convertible securities, warrants, options or derivatives in respect of the DML Shares; and (ii) none of the DML Directors and DML have dealt for value in any shares of the Offeror or its Related Bodies Corporate or associates, or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror or its Related Bodies Corporate or associates.

During the Offer Period and ending on the Latest Practicable Date:

- (i) none of a subsidiary of DML, a pension fund of the DML Group, or a person who is presumed to be acting in concert with DML by virtue of class (5) of the definition of acting in concert or who is an associate of DML by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, had dealt for value in any DML Shares or any convertible securities, warrants, options or derivatives in respect of the DML Shares;

- (ii) no person who had an arrangement referred to in Note 8 to Rule 22 of the Takeovers Code with DML or with any person who is presumed to be acting in concert with DML by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of DML by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, had dealt for value in any DML Shares or any convertible securities, warrants, options or derivatives in respect of the DML Shares; and
- (iii) no fund manager connected with DML, who manages funds on a discretionary basis, had dealt for value in any DML Shares or any convertible securities, warrants, options or derivatives in respect of the DML Shares.

#### **4. SHARE CAPITAL OF DML**

All of the issued DML Shares in DML comprise fully paid ordinary shares. Under the Corporations Act, Australian registered companies do not have an authorised capital, and there is no concept of “par value” in respect of issued shares. As at the Latest Practicable Date, the number of DML Shares in issue was as follows:

Number of DML Shares in issue:	158,096,613
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All the DML Shares presently in issue are fully paid or credited as fully paid and rank *pari passu* in all respects with each other and, in particular, qualify in full for all dividends or other distributions declared, made or paid on the DML Shares.

Since 31 December 2024 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date, no DML Shares have been issued by DML. As at the Latest Practicable Date, DML had no outstanding options, warrants, derivatives or convertible securities in respect of the DML Shares which were issued by DML.

#### **5. DML DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, there was no service contract in force for DML Directors with DML or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into or amended within six months before the date of commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) had been amended during the Relevant Period.

#### **6. OVERVIEW OF OPERATIONS AND ASSETS**

DML’s operations are described in the section headed “5. Information of the DML Group” of the Letter from the DML Board in this Response Document.

The DML Group operates gold mines and processing facilities in Finland and Sweden.



A detailed summary of the operations and assets is included in the Independent Technical Expert Report in Schedule 2 of this Response Document.

## **7. KEY RISKS ASSOCIATED WITH OPERATIONS**

Key risks associated with operations are described in the section headed “3.3 Risk factors” in Schedule 1 – Additional Disclosures required under Corporations Act of this Response Document.

## **8. LITIGATION**

As at the Latest Practicable Date, no member of the DML Group was engaged in any litigation, arbitration or claims of material importance and, so far as the DML Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the DML Group.

## **9. MATERIAL CONTRACTS**

Save for the agreement entered into between DML, Aurion Resources Ltd. (“**Aurion**”) and Dragon Mining Oy (“**DMO**”) dated 31 May 2023, pursuant to which, in consideration of the issuance of 37,500 common shares of Aurion to DMO, DMO shall grant the option to Aurion to purchase all of DMO’s right, title and interest attached to the mining rights in the Kutuvuoma Project and the Silasselkä Project located in Finland owned by Aurion from DMO at the consideration of Euro 5,000,000 (equivalent to approximately A\$8,200,000), there was no material contract entered into by DML or any of its subsidiaries after the date which was two years before commencement of the Offer Period up to and including the Latest Practicable Date, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by DML or any of its subsidiaries.

## **10. QUALIFICATION AND CONSENT OF EXPERT**

The following are the qualifications of the experts who have been engaged by DML and who have been named in this Response Document or who have given their opinion or advice, which is contained in this Response Document:

<b>Name</b>	<b>Qualification</b>
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the DML Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code to advise the DML Independent Board Committee in respect of the Offer

<b>Name</b>	<b>Qualification</b>
Grant Thornton Corporate Finance Pty Ltd	holding an Australian Financial Services Licence that authorises it to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients
RPM Advisory Services Pty Ltd	an independent technical consultant providing resource evaluation, mining engineering and mine valuation services to the resources and financial services industries
Ernst & Young	Chartered Accountants (Australia)

Each of Altus Capital Limited, Grant Thornton Corporate Finance Pty Ltd, RPM Advisory Services Pty Ltd and Ernst & Young has given and has not withdrawn its written consent to the issue of this Response Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

As at the Latest Practicable Date, each of Altus Capital Limited, Grant Thornton Corporate Finance Pty Ltd, RPM Advisory Services Pty Ltd and Ernst & Young does not have any shareholding in any member of the DML Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the DML Group.

## **11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for display on (i) the website of the SFC (<http://www.sfc.hk>); and (ii) the website of DML (<http://www.dragonmining.com/>) from the date of this Response Document for so long as the Offer remains open for acceptance:

- (i) the constitution of DML;
- (ii) the annual report of DML for the three years ended 31 December 2022, 2023 and 2024;
- (iii) the letter from the DML Board, the text of which is set out on pages 11 to 25 of this Response Document;
- (iv) the letter from the DML Independent Board Committee, the text of which is set out on pages 26 to 27 of this Response Document;
- (v) the letter from the DML Independent Financial Adviser, the text of which is set out on pages 28 to 73 of this Response Document;

- (vi) the DML Independent Expert Report, the text of which is set out on pages 104 to 441 of this Response Document, which includes the Independent Technical Expert report set out at pages 230 to 441 of this Response Document;
- (vii) the written consent as referred to in the section headed “Qualification and Consent of Expert” in this Appendix II;
- (viii) the letter from EY AU on the profit forecast, the text of which is set out on pages III-1 to III-3 in Appendix III to this Response Document;
- (ix) the letter from the DML Independent Financial Adviser on the profit forecast, the text of which is set out on pages IV-1 to IV-2 in this Appendix IV to this Response Document; and
- (x) the material contract referred to in paragraph 9 of this Appendix II.

## **12. MISCELLANEOUS**

- (i) As at the Latest Practicable Date, none of the existing DML Directors had been or would be given any benefit as compensation for loss of office or otherwise in connection with the Offer.
- (ii) As at the Latest Practicable Date, there was no agreement or arrangement between any DML Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (iii) As at the Latest Practicable, there was no material contract entered into by the Offeror in which any DML Director has a material personal interest.
- (iv) The registered office of DML is situated at Unit 202, Level 2, 39 Mends Street, South Perth, Western Australia 6151, Australia. The principal place of business in Hong Kong of DML is situated at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (v) The share registrar and transfer office of DML in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East Hong Kong.
- (vi) The company secretary of DML is Mr. Hai-Young Lu.

- (vii) The registered office of the DML Independent Financial Adviser is 21 Wing Wo Street, Central, Hong Kong.
- (viii) The registered office of the DML Independent Expert is Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000.
- (ix) The registered office of the Independent Technical Expert is Level 18/108 St Georges Terrace, Perth WA 6000.
- (x) The registered office of EY AU is 9 The Esplanade Perth WA 6000 Australia GPO Box M939 Perth WA 6843.
- (xi) The English language text of this Response Document (including of all of its included letters and reports) shall prevail over the Chinese language text.
- (xii) As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this Response Document contains statements that are made, or based on statements made, in documents lodged with ASIC, including the Offer Document. Pursuant to that instrument, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in the Offer Document for the purposes of compliance with the Corporations Act. Any DML Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Corporations (Takeover Bids) Instrument 2023/683 may obtain a copy free by writing to DML at [info@dragonmining.com](mailto:info@dragonmining.com).
- (xiii) As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Response Document may, without consent, include or be accompanied by certain trading data references and certain statements which fairly represent a statement by an official person or which come from a public official document or published book, journal or complete publication for the purposes of compliance with the Corporations Act.
- (xiv) As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Response Document contains share price trading data sourced from the Stock Exchange who has not consented to the use of such information in this Response Document.

(xv) To the extent that any statement in this Response Document is not contained in the Offer Document, pursuant to the Corporations Act, the Offeror and AGL have given, and have not, before the lodgment of this Response Document with ASIC, withdrawn their consent to the inclusion of:

- reference to its name;
- each statement it has made; and
- each statement which is based on a statement it has made,

in this Response Document in the form and context in which those statements appear and to the maximum extent permitted by law expressly disclaims and takes no responsibility for any such part of this Response Document other than any statement which has been included in this Response Document with the consent of that party.



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23 June 2025

The Board of Directors Dragon Mining Limited

Dear Sirs,

**REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW  
FORECASTS IN CONNECTION WITH THE VALUATION OF 100% EQUITY INTEREST  
IN DRAGON MINING LIMITED**

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecasts (the “Forecasts”) on which the valuation dated 23 June 2025, prepared by Grant Thornton Corporate Finance Pty Ltd (Independent Expert) in respect of 100% equity interests in Dragon Mining Limited (the “Target”) as at 23 June 2025 is based. The valuation is set out in the section *9. Valuation Assessment of DML before the Offer* of the Independent Expert Report as set out in Schedule 2 of the Response Document dated 23 June 2025 (the “Response Document”) in relation to the proposed acquisition of the Target by Wah Cheong Development (B.V.I) Limited. The valuation based on the Forecasts is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Rule 10 of the Hong Kong Code of Takeovers and Mergers (the “Takeovers Code”).

**Directors’ responsibilities**

The directors of the Target (the “Directors”) are solely responsible for the preparation of the Forecasts in accordance with the bases and assumptions determined by the Directors and as set out in section 8. *Economic Assumptions* of the Independent Expert Report as set out in Schedule 2 of the Response Document. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecasts and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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**Our independence and quality management**

We have complied with the independence and other ethical requirements of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including *International Independence Standard*), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecasts based on our work. The Forecasts do not involve the adoption of accounting policies.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecasts, in all material respects, in accordance with the assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecasts prepared based on the assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the assumptions on which the Forecasts are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The assumptions used in the preparation of the Forecasts include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecasts and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A of the Listing Rules and Rule 10 of the Takeovers Code and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

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## **APPENDIX III      LETTER FROM EY AU ON THE PROFIT FORECAST**

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### **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecasts are concerned, the Forecasts have been properly compiled in all material respects in accordance with the assumptions adopted by the Directors.

Yours faithfully,

**Ernst & Young**  
Perth, Australia

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## APPENDIX IV LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER ON THE PROFIT FORECAST

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23 June 2025

*To the DML Board*

**Dragon Mining Limited**

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

Dear Sir or Madam,

We refer to the response document dated 23 June 2025 (the “**Response Document**”) issued by Dragon Mining Limited (“**DML**”) in respect of the voluntary conditional cash offer made by Morton Securities for and on behalf of Wah Cheong Development (B.V.I.) Limited (the “**Offer**”) to acquire all of the shares of DML. We also refer to the valuation of DML (the “**Valuation**”) contained in the section headed “9. Valuation assessment of DML before the Offer” in the independent expert report dated 23 June 2025 (“**DML Independent Expert Report**”) set out in Schedule 2 of the Response Document and prepared by Grant Thornton Corporate Finance Pty Ltd, the independent expert (“**DML Independent Expert**”) commissioned by the DML Independent Board Committee to opine as to whether the Offer is fair and reasonable for the DML Independent Shareholders for the purposes of satisfying the requirements under the Corporations Act 2001 (Cth) of Australia. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

We note that the Valuation has been prepared by the DML Independent Expert based on, amongst other information, (i) the discounted cash flow analysis with reference to the cash flow forecasts (the “**Forecasts**”) in respect of the producing mine properties of the DML Group and the assessed discount rates taking into account of the cost of equity and cost of debt of DML (after considering relevant risk-free rate and risk premium), and (ii) the technical valuation in respect of DML’s non-operating mine properties prepared by RPM Advisory Services Pty Ltd, an independent technical consultant (“**Independent Technical Expert**”) commissioned by DML and the DML Independent Expert to prepare the independent technical expert report dated 23 June 2025 (“**Independent Technical Expert Report**”) incorporated in the DML Independent Expert Report.

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## **APPENDIX IV      LETTER FROM THE DML INDEPENDENT FINANCIAL ADVISER ON THE PROFIT FORECAST**

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The Forecasts have been prepared by the DML Independent Expert based on the DML Group's unaudited consolidated management accounts provided by the DML Directors (which have not been reviewed or audited by DML's auditor or the audit committee of the Company and are subject to adjustments), the Independent Technical Expert Report, and other relevant information currently available to the DML Board. The Valuation is regarded as a profit forecast under the Takeovers Code and therefore is required to be reported on pursuant to Rule 10 of the Takeovers Code. Further, pursuant to Rule 11.1(b) of the Takeovers Code, the qualifications and experience of the DML Independent Expert and the Independent Technical Expert in preparing the Valuation are also to be reported on.

We have reviewed the Valuation prepared by the DML Independent Expert and other relevant information and documents (which the DML Directors are solely responsible for) and have had discussions with the DML Independent Expert, the DML Independent Technical Expert, the DML Directors and the senior management of DML on the key bases and assumptions upon which the Valuation has been made. In addition, we have considered, and relied upon, the letter issued on the Forecasts by Ernst and Young, Perth and addressed to the DML Board dated 23 June 2025, which stated that the Forecasts do not involve the adoption of accounting policies, and so far as the arithmetical accuracy of the calculations of the Forecasts is concerned, the Forecasts have been properly compiled in all material respects in accordance with the assumptions adopted by the DML Directors.

With regard to the qualifications and experience of the DML Independent Expert and the Independent Technical Expert, based on our review which includes reasonableness checks on the relevant experience, expertise and track record of each of the DML Independent Expert and the Independent Technical Expert, we are satisfied that they are suitably qualified and have the professional experience to compile the Valuation.

Based on the above, we are of the opinion that the Valuation, for which the DML Independent Expert and the DML Directors are jointly responsible for, has been made with due care and consideration.

Yours faithfully,  
For and behalf of  
**Altus Capital Limited**

**Chang Sean Pey**  
*Responsible Officer*

**Chan Ying Wai Freddy**  
*Responsible Officer*