



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)

(於西澳洲註冊成立的有限公司，澳洲公司註冊號碼009 450 051)

Stock Code 股份代號 : 1712

2019

ANNUAL REPORT

年報

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BOARD OF DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Poon Yan Wai *Chairman*
Carlisle Caldwell Procter
Pak Wai Keung Martin

REMUNERATION COMMITTEE

Carlisle Caldwell Procter *Chairman*
Pak Wai Keung Martin
Poon Yan Wai

NOMINATION COMMITTEE

Arthur George Dew *Chairman*
Carlisle Caldwell Procter
Pak Wai Keung Martin

BANKERS

National Australia Bank
Nordea Australia Bank

AUDITOR

Ernst & Young, Perth

LEGAL ADVISERS

Kwok Yih & Chan (as to Hong Kong law)
Addisons (as to Australian law)
Tomi Rinne (as to Finnish law)

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN AUSTRALIA

Unit 202, 39 Mends Street,
South Perth, WA 6151
Australia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 1st Floor,
Neich Tower,
128 Gloucester Road,
Wanchai, Hong Kong

AUSTRALIAN PRINCIPAL SHARE REGISTRAR

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, VIC 3067
Australia

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712 – 1716
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JOINT COMPANY SECRETARIES

Pauline Anne Collinson
(for Australian regulations)
Lo Tai On
(for Hong Kong regulations)

COMPLIANCE ADVISER

Altus Capital Limited

STOCK CODE

1712

WEBSITES

<http://www.dragonmining.com>
<http://www.irasia.com/listco/hk/dragonmining/index.htm>

Chairman's Statement

I am pleased to present to shareholders Dragon Mining Limited's Annual Report for the year ended 31 December 2019. The year constituted our first full year of listing on the Stock Exchange of Hong Kong. It is also pleasing that the Company has been able to achieve a profit in our maiden year.

2019 also saw the commencement of test mining at Fäboliden and the processing of our first Fäboliden ore at the Company's Svartliden plant. The test mining at Fäboliden has progressed well with 60,393 tonnes of ore processed to date. Operational issues regarding treatment of the ore were resolved satisfactorily. We are hopeful of obtaining the environmental permit with reasonable conditions for the commencement of full-scale mining before the end of the year and, if so, this will enable the final planning of the commencement of full-scale mining.

In Finland, the Jokisivu mine continued to perform well. Mining of the known ore reserves at Orivesi has been completed and we have submitted a closure plan. The Company still retains exploration areas nearby Orivesi and is actively exploring these areas. The mining at our new Kaapelinkulma mine has commenced and is progressing satisfactorily.

Unfortunately, since year end the World has experienced the developing Coronavirus pandemic. At this stage we are able to continue operations and have completed detailed contingency plans for continuing our operations, and safeguarding the health of our employees. However, there are so many variables it is not possible to forecast possible future scenarios.

I again wish to express my sincere thanks to our Directors and loyal staff for their support and efforts during this difficult year. I also thank our shareholders for their ongoing support.

Arthur G. Dew

Chairman

Hong Kong, 17 April 2020

Mineral Resources and Ore Reserves Annual Statement

The estimates for Mineral Resources and Ore Reserves as at 31 December 2019 were disclosed to the Stock Exchange of Hong Kong ("Stock Exchange") in compliance with the reporting guidelines as set out in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") on:

- ❖ **16 March 2020 – Update of Fäboliden Ore Reserves Increases Open Pit Life**
- ❖ **27 March 2020 – Resources and Reserves Updated for Dragon Mining's Nordic Production Centres**

The statement of Mineral Resources for Dragon Mining Limited (the "Company" or "Dragon Mining") totals 14,000 kt grading 3.2 g/t gold for 1,500 kozs as at 31 December 2019, inclusive of Ore Reserves. This represents a 3% increase in tonnes and a 3% increase in ounces when compared to the total Mineral Resource as at 31 December 2018.

The Group's total Proved and Probable Ore Reserves as at 31 December 2019 are 3,400 kt grading 2.9 g/t gold for 310 kozs. This represents a 30% increase in tonnes and 33% increase in ounces, when compared to the total Ore Reserve as at 31 December 2018.

The lift in Ore Reserves was primarily achieved from a significant increase in the Ore Reserve estimate for the Fäboliden Gold Mine ("Fäboliden"), which has resulted in the duration of the planned full-scale open-pit mining operation at Fäboliden increasing to approximately eight years, including the final period of test mining in 2020. The Company continues to work towards obtaining environmental approval for full-scale mining at Fäboliden.

Estimation Governance Statement

Dragon Mining Limited ("Dragon Mining" or the "Company") have ensured that the Mineral Resources and Ore Reserve estimates are subject to good governance arrangements and internal controls. The Mineral Resources and Ore Reserves have been undertaken by independent mining consultants, RPM Advisory Services Pty Ltd. ("RPM") in Western Australia, an organisation whose personnel have exposure to best practices in modelling and estimation methods. RPM have also undertaken reviews of the quality and suitability of the underlying information, which included a site visit of the Group's mining projects in 2015, 2016, 2017 and 2019. In addition, Dragon Mining's management regularly carries out reviews and audits of internal processes and of external contractors that are utilised by the Company.

Dragon Mining reports Mineral Resources and Ore Reserves at least annually in compliance with the reporting guidelines as set out in the JORC Code. If there are any material changes to its Mineral Resources or Ore Reserves during the course of the year the Company is required to, and promptly reports these changes.

MINERAL RESOURCES

Mineral Resource estimates for the Vammala Production Centre in southern Finland and the Svartliden Production Centre in northern Sweden as at 31 December 2019. Mineral Resources are reported inclusive of Ore Reserves.

	Measured			Indicated			Inferred			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)
Vammala Production Centre – Southern Finland												
Jokisivu Gold Mine												
Kujankallio	390	4.1	51	980	3.1	98	130	3.2	13	1,500	3.4	160
Arpola	100	3.9	13	390	5.2	65	200	4.7	30	690	4.9	110
Stockpiles	–	–	–	49	1.9	3	–	–	–	49	1.9	3
Total	490	4.0	64	1,400	3.6	170	320	4.1	43	2,200	3.8	270
Orivesi Gold Mine												
Kutema	59	4.5	9	61	5.1	10	13	4.4	2	130	4.8	20
Sarvisuo	34	5.7	6	47	7.0	11	58	4.9	9	140	5.8	26
Stockpiles	–	–	–	1	3.8	<1	–	–	–	1	3.8	<1
Total	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	47
Kaapelinkulma Gold Mine												
North	–	–	–	–	–	–	21	2.2	2	21	2.1	2
South	55	4.0	7	55	4.1	7	12	4.4	2	120	4.1	16
Stockpiles	–	–	–	7	3.4	1	–	–	–	7	3.4	1
Total	55	4.0	7	62	4.0	8	33	3.0	3	150	3.8	18
VPC Total	640	4.2	86	1,600	3.8	190	430	4.1	57	2,700	3.9	340
Svartliden Production Centre – Northern Sweden												
Fäboliden Gold Project												
Inside RF 120% Shell	150	3.3	16	3,000	2.9	280	620	2.4	48	3,700	2.8	340
Outside RF 120% Shell	–	–	–	1,500	2.9	140	5,700	3.2	590	7,200	3.2	730
Stockpiles	–	–	–	33	1.6	2	–	–	–	33	1.6	2
Total	150	3.3	16	4,500	2.9	410	6,300	3.1	640	11,000	3.0	1,100
Svartliden Gold Mine												
Open-Pit	83	3.1	8	160	3.0	16	<1	2.0	<1	240	3.0	24
Underground	36	4.3	5	150	4.6	22	60	4.0	8	250	4.4	35
Total	120	3.4	13	310	3.8	38	60	4.0	8	490	3.7	59
SPC Total	270	3.4	29	4,800	2.9	450	6,400	3.2	650	11,000	3.1	1,100
Company Total	910	3.9	110	6,400	3.2	650	6,800	3.2	710	14,000	3.2	1,500

MINERAL RESOURCES (CONT'D)

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.

Mineral Resources reported on a dry in-situ basis.

RF – Revenue Factor**Reporting Cut-off Grades***Jokisivu Gold Mine – 1.5 g/t gold*

Based on operating costs, mining and processing recoveries from Jokisivu actuals and a gold price of US\$1,770 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 US\$1,475 per troy ounce as at 13 November 2019.

Orivesi Gold Mine – 2.6 g/t gold

Based on operating costs, mining and processing recoveries from Orivesi actuals and a gold price of US\$1,770 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 US\$1,475 per ounce as at 13 November 2019.

Kaapelinkulma Gold Mine – 1.0 g/t gold

Based on operating costs, mining and processing recoveries from Kaapelinkulma actuals and a gold price of US\$1,770 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 US\$1,475 per ounce as at 13 November 2019.

Fäboliden Gold Mine – 1.1 g/t gold for material inside the RF 120% Pit Shell and 1.9 g/t gold for material outside the RF 120% Pit Shell

Based on costs and recoveries from the updated Fäboliden Life-of-Mine study and a gold price of US\$1,584 per troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of the long-term forecast gold price of US\$1,320 per troy ounce as at 20 January 2020.

Svartliden Gold Mine – 1.0 g/t gold for open-pit material and 1.70 g/t gold for underground material

Based on updated estimates for mining costs and a gold price of US\$1,500 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 US\$1,260 per ounce as at 1 July 2016. The Svartliden Mineral Resources remain unchanged since 31 December 2016. Details of this Mineral Resource were released to the ASX on the 28 February 2017 – Mineral Resources Updated for the Nordic Production Centres.

ORE RESERVES**Ore Reserves for the Vammala Production Centre in southern Finland and the Svartliden Production Centre in northern Sweden as at 31 December 2019.**

	Proved			Probable			Total		
	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)	Tonnes (kt)	Gold (g/t)	Ounces (kozs)
Vammala Production Centre									
Jokisivu (UG)	230	2.8	21	830	2.8	75	1,100	2.8	97
Kaapelinkulma (OP)	37	4.3	5	23	4.2	3	61	4.3	8
Svartliden Production Centre									
Fäboliden (OP)	170	2.9	16	2,100	2.8	190	2,300	2.8	210
Company Total	440	3.0	42	3,000	2.8	270	3,400	2.9	310

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

All the estimates are on a dry tonne basis.

Jokisivu Gold Mine: The following economic in-situ stope ore cut-off grade of 1.9 g/t gold were based on a short-term consensus forecast gold price of US\$1,475 per troy ounce gold price as at 13 November 2020, a EUR:USD exchange rate of 1.12, process recovery of 89%, historical costs and mining factors.

Kaapelinkulma Gold Mine: The in-situ ROM cut-off grade of 1.05 g/t gold is based on a short-term consensus forecast gold price of US\$1,475 per troy ounce as at 13 November 2019, a EUR:USD exchange rate of 1.12, process recovery of 88%, mining factors and costs.

Fäboliden Gold Mine: The in-situ ore cut-off grade is 1.3 g/t gold is based on a long-term consensus forecast gold price of US\$1,320 per troy ounce as at 20 January 2020, a USD:SEK exchange rate of 9.6, process recovery of 82%, mining factors and costs.

RESOURCES AND RESERVES STATEMENT

Competent Persons Statements

The information in this report that relates to Mineral Resources for the Jokisivu Gold Mine, Kaapelinkulma Gold Mine and Orivesi Gold Mine was previously released to the Stock Exchange on 27 March 2020 – Resources and Reserves Updated for Dragon Mining's Nordic Production Centres. It fairly represents information and supporting documentation compiled or supervised by Mr David Allmark who is a full-time employee of RPM Advisory Services Pty Ltd. and a Registered Member of the Australian Institute of Geoscientists. Mr Allmark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Mr Allmark has previously provided written consent for 27 March 2020 release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on the 27 March 2020, and the assumptions and technical parameters underpinning the estimates in the 27 March 2020 release continue to apply and have not materially changed.

Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Mineral Resources dated 31 December 2019 presented in this report have not been materially modified and are consistent with the 27 March 2020 release. Mr Neale Edwards has provided written consent approving the use of previously reported Mineral Resources in this report in the form and context in which they appear.

The information in this report that relates to Mineral Resources dated 31 December 2019 for the Fäboliden Gold Project was previously released to the Stock Exchange on the 16 March 2020 – Update of Fäboliden Ore Reserves Increases Open Pit Life. It fairly represents information and supporting documentation that was compiled or supervised by Mr David Allmark who is a full-time employee of RPM Advisory Services Pty Ltd. and a Registered Member of the Australasian Institute of Geoscientists. Allmark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Mr Allmark has previously provided written consent for the 16 March 2020 release.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on 16 March 2020, and the assumptions and technical parameters underpinning the estimates in the 16 March 2020 release continue to apply and have not materially changed.

RESOURCES AND RESERVES STATEMENT (CONT'D)**Competent Persons Statements (Cont'd)**

Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Mineral Resources dated 31 December 2019 presented in this report have not been materially modified and are consistent with the 16 March 2020 release. Mr Neale Edwards has provided written consent approving the use of previously reported Mineral Resources in this report in the form and context in which they appear.

The information in this report that relates to Mineral Resources dated 31 December 2016 for the Svartliden Gold Mine were previously released to the ASX on the 28 February 2017 – Mineral Resources Updated for Dragon Mining's Nordic Projects and the Stock Exchange on the 18 October 2018 – Public Offer. These documents can be found at www.asx.com.au (Code: DRA) and www.hkex.com.hk (Stock Code: 1712), respectively. They fairly represent information and supporting documentation that was compiled or supervised by Mr Jeremy Clark who is a full-time employee of RPM Global Asia Limited and a Registered Member of the Australasian Institute of Mining and Metallurgy. Mr Jeremy Clark has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Written consent was previously provided by Mr Jeremy Clark for the 28 February 2017 and 18 October 2018 releases.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on 28 February 2017 and 18 October 2018, and the assumptions and technical parameters underpinning the estimates in the 28 February 2017 and 18 October 2018 releases continue to apply and have not materially changed.

Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of Dragon Mining and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves confirms that the form and context in which the Mineral Resources dated 31 December 2016 presented in this report have not been materially modified and are consistent with the 28 February 2017 and 18 October 2018 releases. Mr Neale Edwards has provided written consent approving the use of previously reported Mineral Resources in this report in the form and context in which they appear.

RESOURCES AND RESERVES STATEMENT (CONT'D)**Competent Persons Statements (Cont'd)**

The information in this report that relates to Ore Reserves for the Jokisivu Gold Mine, Kaapelinkulma Gold Mine and the Fäboliden Gold Mine is based on information compiled by Mr Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and is an employee of RPM Advisory Services Pty Ltd.. Mr Joe McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Joe McDiarmid has provided written consent for the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results fairly represents information and supporting documentation that was compiled by Mr Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Neale Edwards has provided written consent approving the inclusion of the Exploration Results in the report in the form and context in which they appear.

BUSINESS REVIEW

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Group comprises Dragon Mining Limited (“Dragon Mining” or the “Company”), the parent entity and its subsidiaries. Of these subsidiaries, the operating entities are Dragon Mining (Sweden) AB in Sweden and Dragon Mining Oy in Finland.

The Group operates gold mining and processing facilities in Finland and Sweden. In Finland, the Vammala Production Centre (“Vammala”) consists of a conventional 300,000 tpa crushing, milling and flotation plant (“Vammala Plant”), the Jokisivu Gold Mine (“Jokisivu”) and the Kaapelinkulma Gold Mine (“Kaapelinkulma”). The Orivesi Gold Mine (“Orivesi”) ceased production in June 2019 and the Company is working towards closing the mine. Annual production from Finland is in the range of 23,000 to 30,000 ounces of gold in concentrate depending on the grade of ore and gold concentrate feed.

In Sweden, the operation is known as the Svartliden Production Centre (“Svartliden”), consisting of a 300,000 tonne per annum carbon-in-leach processing plant (“Svartliden Plant”), the closed Svartliden Gold Mine (mining completed 2013) and the Fäboliden Gold Mine (“Fäboliden”). A program of test-mining recommenced at Fäboliden in May 2019, with processing of first ore from test-mining in September 2019.

The principal activities of the Group during the year continued to be:

- gold mining, and processing ore in Finland;
- gold mining, processing ore and gold concentrate in Sweden; and
- exploration, evaluation and development of gold projects in the Nordic region.

There have been no significant changes in the nature of those activities during the year.

OPERATIONS OVERVIEW

Safety Performance

The Group continues to focus on driving an improved safety culture across all its operations and finished the year with a 12-month rolling lost time injury (“LTI”) frequency rate per million work hours of 4.02 (2018: 4.32). One LTI occurred at the Group’s Finnish operations during 2019. Prior to the cessation of mining, Orivesi has achieved over 1,855 days LTI free, Vammala, Jokisivu and Kaapelinkulma recorded 309, 1,472 and 1,096 days, respectively. In Sweden, Svartliden and Fäboliden have recorded 1,370 days and 508 days LTI free respectively.

OPERATIONS OVERVIEW (CONT'D)**Finland Operations***Vammala Plant*

Since recommissioning of the Vammala Plant in June 2017, the conventional crushing, milling and flotation facility has produced in total 362,157 ounces of gold in concentrate for the year to 31 December 2019 (2018: 336,219 ounces of gold). During 2019, the Vammala Plant treated 303,713 tonnes of ore (2018: 308,070 tonnes of ore) with an average grade of 3.1 g/t gold (2018: 2.9 g/t gold) to produce 25,938 ounces of gold (2018: 24,883 ounces of gold) at a recovery level of 86.8% (2018: 87.1%). Gold production increased by 4.2% compared to 2018. Mill feed for Vammala was sourced from Jokisivu, Kaapelinkulma and Orivesi, comprising:

- 243,961 tonnes of ore from Jokisivu at an average grade of 2.7 g/t gold;
- 20,862 tonnes of ore from Kaapelinkulma at an average grade of 2.9 g/t gold; and
- 38,890 tonnes of ore from Orivesi at an average grade of 5.6 g/t gold.

Vammala Production Centre

	2019	2018
Ore mined (tonnes)	314,752	301,430
Mined grade (g/t gold)	3.0	3.8
Ore milled (tonnes)	303,713	308,070
Head grade (g/t gold)	3.1	2.9
Process recovery (%)	86.8%	87.1%
Gold production (oz)	25,938	24,883

Jokisivu Gold Mine

Production at Jokisivu came from the Kujankallio and Arpola deposits, with ore coming from both stope and development works. Total ore mined from Jokisivu was 256,706 tonnes at 2.9 g/t gold (2018: 264,679 tonnes at 2.8 g/t gold); 157,283 tonnes of ore came from ore stopes (2018: 113,391 tonnes) and the remaining 99,423 tonnes (2018: 151,288 tonnes) came from ore development.

Jokisivu Gold Mine

	2019	2018
Ore mined (tonnes)	256,706	264,679
Mined grade (g/t gold)	2.9	2.8

Development of the Jokisivu decline progressed 587 metres during the year from the 415m level to the 500m level.

OPERATIONS OVERVIEW (CONT'D)**Finland Operations (Cont'd)***Kaapelinkulma Gold Mine*

In April 2019, first ore production commenced from the Kaapelinkulma open-pit gold mine. During the year, a total of 28,499 tonnes of ore grading 3.0 g/t gold was mined. Overburden and pre-stripping costs incurred during the development phase of the mine have been capitalised as part of the depreciable cost of building, developing and constructing the mine. These capitalised costs will be depreciated over the life of the mine based on units of production.

	Kaapelinkulma Gold Mine	
	2019	2018
Ore mined (tonnes)	28,499	–
Waste rock (tonnes)	371,312	–
Strip ratio	13:1	–
Mined grade (g/t gold)	3.0	–

Orivesi Gold Mine

Total ore mined from Orivesi was 29,547 tonnes at 4.6g/t gold (2018: 37,140 tonnes at 3.9 g/t gold). With the end of mining in June 2019, Orivesi commenced working towards closing the mine.

	Orivesi Gold Mine	
	2019	2018
Ore mined (tonnes)	29,547	37,140
Mined grade (g/t gold)	4.6	3.9

The Supreme Administrative Court of Finland (“Court”) decision to uphold the Western and Inland Finland Regional State Administrative Office decision to not grant the Group a new Environmental Permit (refer Environmental Review from page 31) did not impact the Group’s production activities during the year. The Company was given six months to submit a mine closure plan to the Regional State Administrative Agency of Western and Inland Finland for approval. Underground rehabilitation works commenced upon cessation of mining. In December 2019, the Company submitted its updated Orivesi Closure Plan to the Regional State Administrative Agency of Western and Inland Finland (“AVI”) for approval. The Group has considered its future rehabilitation obligations in light of all available information and is satisfied the provision amount is reasonable.

All capitalised costs for Orivesi have been fully written off. The Group maintains valid exploration tenure at Orivesi with exploration and evaluation activities in the area continuing.

OPERATIONS OVERVIEW (CONT'D)

Sweden Operations

Svartliden Production Centre

The Svartliden Production Centre ("Svartliden") is located in northern Sweden, approximately 700 kilometres north of Stockholm. It was established as part of an integrated operation comprising the Svartliden Plant and the Svartliden open-pit and underground gold mining operation ("Svartliden Gold Mine"). Brought into production in March 2005, Svartliden produced a total of 391,610 ounces of gold from Svartliden Gold Mine ore and external concentrates up to the end of 2016.

During the year ended 31 December 2019, the Svartliden Plant continued to operate at below breakeven to ensure the retention of staff and operational facilities in readiness for the processing of ore from full-scale mining at Fäboliden. Svartliden continued to process gold in concentrate from the Vammala Production Centre to produce gold doré bars, except for six weeks in September and October, when it processed only ore from the Fäboliden test mine.

	Svartliden Production Centre	
	2019	2018
Ore milled (tonnes)	60,393	–
Head grade (g/t gold)	2.6	–
Ore process recovery (%)	77.3%	–
Vammala flotation concentrate milled (tonnes)	3,433	4,482
Concentrate process recovery (%)	93.9%	94.0%
Head grade (g/t gold)	163.5	137.5
Total gold production (oz)	20,997	18,625

During the year, the majority of Vammala flotation concentrate was processed at the Svartliden Plant, except for six weeks during September and October when concentrate was delivered to Boliden, while the Svartliden Plant processed only ore from the Fäboliden test-mining. After that period, the Vammala flotation concentrate was blended with ore from Fäboliden and fed into the plant. A small amount of gravity gold was also delivered to the Argor-Heraeus refinery in Switzerland.

Fäboliden Gold Mine

The Fäboliden Gold Mine is located in northern Sweden, approximately 30 kilometres southeast of the Svartliden Plant. On 23 November 2017, the Company was granted an Environmental Permit for test-mining by the County Administration Board. Following the rejection of an appeal by the Swedish Land and Environment Court on 18 April 2018, the permit gained legal force on 11 May 2018.

In accordance with the Environmental Permit, test-mining activities at Fäboliden recommenced on 1 May 2019, with the first parcel of ore mined and transported to Svartliden in June 2019. The processing of Fäboliden ore at the Svartliden Plant commenced in September 2019.

OPERATIONS OVERVIEW (CONT'D)**Sweden Operations (Cont'd)***Fäboliden Gold Mine (Cont'd)*

During the year, a total of 68,530 tonnes of ore grading 2.9 g/t gold was mined. Overburden and pre-stripping costs incurred during the development phase of the mine have been capitalised as part of the depreciable cost of building, developing and constructing the mine. These capitalised costs will be depreciated over the life of the mine based on units of production.

	Fäboliden Gold Mine	
	2019	2018
Ore mined (tonnes)	68,530	–
Waste rock (tonnes)	184,043	–
Strip ratio	2.47:1	–
Mined grade (g/t gold)	2.9	–

As anticipated, conditions at Fäboliden at recommencement were challenging due to the spring snow melt. This was further compounded by significantly higher-than-average rainfall during May 2019; however, the weather and ground conditions improved during the summer months. The national holiday period over the summer resulted in reduced contractor personnel and lower production during July and part of August 2019. Acceptable mining rates were achieved in the later part of August and September 2019. Mining activities were halted as per the Environmental Permit conditions on 30 September 2019, resulting in a small ore stockpile remaining at Fäboliden.

Combined ore and waste blasting were performed with a bench height of 5 metres followed by selective loading of 2.5 metre flitches using GPS set-out of grade control ore zones. Mining reconciliation data indicates ore dilution levels have varied between 10% and 26%. Higher dilution levels were experienced in the upper levels at the bedrock surface although, once mining had progressed beyond 5 – 10 metres from the bedrock surface, rock conditions improved allowing for more even benches, better drilling conditions and improved mining accuracy. In summary, the dilution levels and resulting run of mine grade are within expectations for test-mining. The average metallurgical recovery achieved during ore processing was 77.3% and falls within the range of recoveries achieved during the various stages of metallurgical test work previously conducted by the Company and the project's previous owner. Data from the test-mining reconciliation has been incorporated into the ongoing Mineral Resource and Ore Reserves update.

The Fäboliden deposit is an orogenic gold deposit, with mineralisation hosted by Paleoproterozoic meta-sediments and meta-volcanic rocks, which are surrounded by granitoids. This host sequence is cross-cut by a set of northwest-southeast striking, flat-lying, undeformed dolerites that are not mineralised. Mineralisation is commonly hosted by the arsenopyrite and graphite bearing, variably boudinaged quartz and sulphide veins within the host rocks.

Mining confirmed the information derived from grade control drilling, with the higher grade main mineralised zone within the meta-sediments displaying good continuity for the length of the test mine open-pit. In the hanging wall overlying the main zone, a series of narrower, lower grade mineralised zones occur close to or on the meta-sediment and meta-volcanic contact zone. This pattern of mineralisation repeats for the 1.3 kilometre strike length of the deposit, which has been shown by drilling to date to extend over a vertical extent of 665 metres.

OPERATIONS OVERVIEW (CONT'D)

Sweden Operations (Cont'd)

Fäboliden Gold Mine (Cont'd)

While mining activities were suspended at 30 September 2019, water treatment continued until November 2019 in order to gain additional data prior to full-scale operations.

Test mining will be completed during 2020, within the Environmental Permits operation window of May – September. With a reduced tonnage remaining, mining is planned to be conducted after the national holiday period to allow efficient operation. Tasks such as pit dewatering, road maintenance and other minor preparation activities will be conducted during May – July 2020.

Employees

As at 31 December 2019, the number of people employed by the Group was 85 (2018: 82). Total staff costs including Directors' emoluments amounted to AU\$10.3 million (2018: AU\$9.7 million). The Group reviews remuneration packages from time to time. The stipends of Directors was reviewed and approved by the Remuneration Committee on 21 November 2019. The remuneration packages for our employees generally include a basic salary component and a productive incentive payment. We determine employee remuneration based on factors such as qualifications and years of experience, and appropriate industry benchmarks, whilst the amount of annual incentive payment will be assessed and determined by the remuneration committee and the Board against the key performance indicators achieved and alignment with the creation of wealth for shareholders. We also provide our employees with welfare benefits, including pension and healthcare benefits, as well as other miscellaneous items. We provide training to our employees to improve the skills and professional knowledge they need for our operations and their personal development, including an initial training induction on work safety and environmental protection, upon entering the Company and prior to each exploration or operational activity.

Environment, Social and Governance

The Company is committed to operating in a socially responsible manner.

The Company operates in four national regulatory environments and the supra-national regime of the European Union. While compliance with these regulatory environments and specific operational licence conditions are the basis of the Company's environmental management procedures, the Company is committed to the principle of developing and implementing best applicable practices in environmental design and management and will actively work to:

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

OPERATIONS OVERVIEW (CONT'D)

Environment, Social and Governance (Cont'd)

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

The Board has overall responsibility for the Company's strategy and reporting in respect of Environmental, Social and Governance ("ESG") issues. The Board reviews the effectiveness of the Group's risk management and internal control systems, which are put in place to identify, evaluate and manage the Company's operating risks, environmental risks, social governance and financial risks. Based upon the assessments made by the Company's appropriately qualified senior management, the Board considers that such systems are effective and adequate. As part of the Hong Kong listing rules the Company expects to release its annual ESG Report within three months of it releasing the Company's Annual Report.

Operational Risks

The Company faces operational risks on a continual basis. The Company has adopted policies and procedures designed to manage and mitigate those risks wherever possible. However, it is not possible to avoid or even manage all possible risks. Some of the operational risks are outlined below but the total risk profile both known and unknown is much more extensive.

Safety

Lost time injuries, serious workplace accidents or significant equipment failures may lead to harm to the Company's employees or other persons, temporary operation stoppage or closure of an operating mine, which could delay production schedules and disrupt operations, and impose a material and adverse impact on the business.

The Company continues to work closely with all stakeholders to promote continuous safety improvements and Occupational Health and Safety ("OH&S") taking into account evolving scientific knowledge and technology, management practices and community expectations.

The Company ensures that it maintains compliance with the applicable laws, regulations and the standards of the countries it operates in by:

- improving and monitoring OH&S performance;
- training and ensuring its employees and contractors understand their obligations and are held accountable for their responsibilities;
- communicating and openly consulting with employees, contractors, government and community on OH&S issues; and
- developing risk management systems to appropriately identify, assess, monitor and control hazards in the workplace.

OPERATIONS OVERVIEW (CONT'D)

Operational Risks (Cont'd)

Safety (Cont'd)

- *Production*

Any delay or failure to maintain production in accordance with the current mine plans and timetable may adversely affect the Company's future results.

The recovery rate and production costs are dependent on many technical assumptions and factors, namely geological, physical and metallurgical characteristics of ores. Any change in these assumptions and factors may have an adverse effect on the Group's production volume or profitability. Actual production may vary from expectation for a variety of reasons, including grade, tonnage, mining dilution and process recovery.

Plant breakdown or availability affect the operation.

- *Permitting*

The Company may encounter difficulties in obtaining all permits necessary for its exploration, evaluation and production activities at its existing operations. It may also be subject to ongoing obligations to comply with permit requirements which can incur additional time and costs.

On 22 February 2019, the Swedish Land and Environment Court ("Court") issued the Company with requests for supplementary information to the Company's full-scale mining permit. The request contained questions from the Court, The Geological Survey of Sweden, and the County Administration Board. The Company supplied the supplementary information on 28 June 2019.

On 16 October 2019, the Court issued a second request for supplementary information about the scope of the permit, project economics, baseline measurements, best possible techniques, Natura 2000, recipient mixing zone, test-mining results, water treatment, unforeseen events and risks, water management, reindeer herding, cumulative effects, site rehabilitation, ore transport and other general interests. The Court has also included their view of the scope of the Svartliden Permit, which according to the Court does not specifically cover the treatment and processing of Fäboliden ore (refer to the Environmental Review from page 31). As a result, the Company has commenced work on a change permit for Svartliden to formalise the permit scope to specifically include Fäboliden ore processing and tailings storage, a separate process that will be conducted parallel with the ongoing permit application process for Fäboliden. The response to the Court's request for supplementary information to the Fäboliden Permit application was submitted to the Court in late February 2020. The Fäboliden test-mining has a separate permit which allows for the processing of ore and depositing of tailings in the Svartliden open-pit.

If the Company faces significant delay in obtaining the full-scale mining permit for Fäboliden, it could materially and adversely affect the Company's future profitability. Such delays would likely require the Company to re-evaluate the continuance of the Svartliden operations. The Environmental Review from page 31 provides updates on rehabilitation and status of permitting at the Company's Swedish and Finnish operations.

OPERATIONS OVERVIEW (CONT'D)

Operational Risks (Cont'd)

Safety (Cont'd)

- *Social and Political*

The Company 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 or other adverse effects influencing the political climate.

In addition to the above micro-level risks, the Company is exposed to other risks which include, but are not limited to, cyber-attack, environmental activism, political and economic instability, and natural disaster, all of which can have varying degrees of impact on the Company and its operating activities. Where available and appropriate to do so, the Board will seek to minimise exposure through the use of insurance and/or actively monitoring the Company's ongoing exposure on a whole.

FINANCIAL REVIEW

The Consolidated Entity generated a net profit of AU\$6.3 million for the year ended 31 December 2019 (2018: net loss AU\$9.5 million).

Such improvement in net profit reflects both higher-than-average gold prices and an increase in gold production. The main underlying factors during the year were:

- the processing of a quantity of high-grade Orivesi ore with an average grade of 9.4 g/t of gold that was originally scheduled for processing during the last two weeks of 2018 but was delayed due to operational problems;
- the commencement of processing the initial batch of ore from Fäboliden test-mining at Svartliden in September 2019; and
- stronger USD gold spot prices were realised during the year, ranging from a low of US\$1,270/oz to a high of US\$1,614/oz and averaging US\$1,403/oz (2018: US\$1,267/oz).

Revenue From Customers

The Group sold 25,958 ounces of gold during 2019 (2018: 22,498 ounces of gold) to deliver revenue from operations of AU\$53.1 million (2018: AU\$37.9 million), an increase of 40.2%.

Cost of Sales

Cost of sales for the year increased slightly to AU\$42.2 million (2018: AU\$41.2 million) and includes an additional AU\$1.8 million rehabilitation expense recognised as part of the Orivesi mine closure plan submitted to the Regional State Administrative Agency of Western and Inland Finland in December 2019. The commencement of working towards mine closure at Orivesi resulted in the depreciation of Orivesi asset carrying values to align with the depletion of all known Ore Reserves.

FINANCIAL REVIEW (CONT'D)**Cost of Sales (Cont'd)**

Cost of sales includes mining, processing, other production activities and depreciation as follows:

Cost of sales	2019 <i>AU\$'000</i>	2018 <i>AU\$'000</i>	% change favourable/ (unfavourable) change
Mining costs	21,746	24,017	9.5%
Processing costs	10,637	12,279	13.4%
Other production costs	1,272	1,370	7.2%
Depreciation	6,766	3,488	(94.0%)
Rehabilitation expense	1,787	–	–
Total	42,208	41,154	(2.6%)

- mining unit costs in Finland decreased by 10.2% to €44 per tonne of ore mined (2018: €49 per tonne); the unit cost decrease is a combination of increased mining with 314,752 ore tonnes mined in 2019 (2018: 301,430 ore tonnes mined), and the replacement of mining higher cost underground ore tonnes at Orivesi with lower cost open-pit ore tonnes at Kaapelinkulma;
- Fäboliden test-mining produced 68,530 ore tonnes and the removal of 184,043 tonnes of waste. The remaining 31,470 ore tonnes will be mined during mid-2020;
- processing unit costs at the Vammala Plant were €14 per ore tonne milled which represents an increase of 7.7% (2018: €13 per ore tonne). Despite this, processing costs overall were 13.4% lower in 2019 because of a significant end-of-year build-up in concentrate stockpiles and gold-in-circuit. Fluctuations in inventory levels and value are a normal part of the business operations which result from the timing of gold pours, shipments, grade and ore source impacting leaching residence times, and inventory revaluations;
- depreciation increased 94.0% to AU\$6.8 million (2018: AU\$3.5 million) due to the limited remaining mine life at Orivesi resulting in reserve-related assets being fully depreciated by mid-2019; and
- in December 2019, the Group submitted its updated mine closure plan for Orivesi resulting in an additional AU\$1.8 million rehabilitation costs for the year.

Gross Profit

A significant AU\$15.2 million increase in revenue from gold sales compared to 2018 resulted in the Group delivering a gross profit of AU\$10.9 million and gross profit ratio of 20.5% (2018: gross loss AU\$3.3 million).

FINANCIAL REVIEW (CONT'D)

Working Capital, Liquidity and Gearing Ratio

At 31 December 2019, the Company had net assets of AU\$43.4 million (2018: AU\$37.4 million), a working capital surplus of AU\$21.4 million (2018: surplus AU\$16.7 million) and a market capitalisation of approximately AU\$44.3 million or HK\$241.6 million (2018: AU\$31.6 million or HK\$174.9 million).

At 31 December 2019, the Company's remaining net proceeds from its listing on the Stock Exchange on 5 November 2018 had been fully utilised. The unrestricted cash and cash equivalents at balance date were AU\$8.2 million (2018: AU\$10.9 million of which AU\$2.7 million was unrestricted). The Company has an AU\$12.0 million unsecured Loan Facility with AP Finance Limited of which it had AU\$6.0 million in undrawn funds remaining available at 31 December 2019 (2018: AU\$8.0 million).

During the year, the Company funded its activities through cash inflows from operating activities, debt and the remaining net proceeds from the Company's initial public offering. As at 31 December 2019, the Company's gearing ratio was 15% (2018: 11%), calculated by dividing total borrowing by total equity.

Interest-Bearing Liabilities – AU\$12 million unsecured loan facility with AP Finance Limited

During the year, the Company made two drawdowns of AU\$1.0 million each (2018: net drawdowns of AU\$5.0 million) from its AU\$12.0 million unsecured Loan Facility with AP Finance Limited ("Loan Facility"), a wholly owned subsidiary of Allied Properties (H.K.) Limited which is a substantial shareholder of the Company.

On 22 November 2019, the Company extended the Loan Facility availability period from 30 June 2019 to 30 June 2021; all terms and conditions remain unchanged.

At 31 December 2019, the Company had AU\$6.0 million in remaining funds available (2018: AU\$8.0 million). Refer to Significant Events after Balance Date for details of movements in the Loan Facility after year end.

Other Key Movements on the Consolidated Statement of Financial Position

- total current assets increased by 22.1% to AU\$31.0 million (2018: AU\$25.4 million). The main movement was a 65.9% increase in the value of inventory, specifically from the build-up of gold-in-circuit at the Svartliden Plant and the reintroduction of Vammala concentrate to the plant's processing circuit. The gold in concentrate has a significantly longer leaching residence time than ore due to its significantly higher grade;
- right-of-use assets is a new class of non-current asset recognised in accordance with International Financial Reporting Standards, IFRS 16 – Leases. The balance represents carrying values for right-of-use assets subject to lease;
- total non-current assets increased by 27.5% to AU\$47.7 million (2018: AU\$37.4 million). Property, plant and equipment includes mine properties which represents the accumulation of all acquired exploration, evaluation and development expenditure, in relation to the development of Fäboliden and Kaapelinkulma during 2019;

FINANCIAL REVIEW (CONT'D)

Other Key Movements on the Consolidated Statement of Financial Position (Cont'd)

- non-current provisions increased by 51.5% as a result of AU\$6.8 million increase in the rehabilitation provisions at Orivesi, Jokisivu and Kaapelinkulma in Finland and Fäboliden in Sweden; and
- as a result of the additional rehabilitation provisions and an AU\$2.0 million drawdown from the Company's Loan Facility, total liabilities have increased by 39.4% to AU\$35.3 million (2018: AU\$25.3 million).

Financial Risks

The following is a summary of the Company's financial risk management policies, the full details of which are provided in note 24 of the Consolidated Financial Report.

- *Foreign Exchange*

The Company sells its bullion and gold concentrate in USD, the majority of its costs are denominated in SEK and EUR, an interest-bearing liability denominated in HKD, while the Company's presentation currency is AUD.

The Company may use foreign exchange forwards from time to time to reduce exposure to unpredictable fluctuations in the foreign exchange rates if considered suitable by the Directors.

- *Commodity Price*

The Company is exposed to movements in the gold price. The Company may use a variety of financial instruments (such as gold forwards and gold call options) from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams if considered suitable by the Directors. At this stage, the Company does not plan to hedge commodity price risk.

- *Liquidity*

The Company is exposed to liquidity risk through its financial liabilities and its ability to meet obligations to repay its financial liabilities as and when they fall due. The Company intends to maintain a balance between continuity of funding and flexibility using bank loans and equity raisings.

- *Credit*

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposures to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

Credit risk is managed on a group basis and predominantly arises from cash and cash equivalents deposited with banks and financial institutions, trade and other receivables, and environmental and other bonds. While the Company has policies in place to ensure that sales are made to customers with an appropriate credit history, the Company is exposed to a concentration of credit risk in relation to its gold concentrate sales to a nearby smelter in Finland.

FINANCIAL REVIEW (CONT'D)

Financial Risks (Cont'd)

- *Interest Rate*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flow from a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to manage its exposure to interest rate risk by holding cash in short-term, fixed and variable rate deposits with reputable high credit quality financial institutions. The Company constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and/or the mix of fixed and variable interest rates.

- *Costs*

Fuel, power, labour and all other costs can vary from existing rates and assumptions.

Charges on Company Assets

Other than the right-of-use assets which are subject to lease, there were no charges on the Company's assets as at 31 December 2019 and 31 December 2018.

Contingent Liabilities

As at 31 December 2019, the Group has disclosed two contingent liabilities at note 22 of the Consolidated Financial Statements.

Company Strategy

The Company is engaged in gold exploration, mining and processing in the Nordic region. The Company's objective is to focus on the development of existing and new mining assets in reasonable proximity to our production plants in Vammala, Finland and Svartliden, Sweden. The Company operates with a long-term business strategy to responsibly take into account the interests of all stakeholders including its staff, contractors, the public including civic groups, the environment and the general amenity of its areas of operation.

The Company seeks to produce positive financial outcomes through (i) the economic operations of its operating mines and production plants; (ii) development of new projects consistent with the Company's objective, such as the Fäboliden and Kaapelinkulma Gold Mines; and (iii) attention to the Company's corporate and social responsibilities, including a focus on ongoing safety and environmental compliance, and ongoing positive interaction with the communities within which it operates.

FINANCIAL REVIEW (CONT'D)

Closure of Register of Members

For determining the entitlement to attend and vote at the Annual General Meeting ("AGM") to be held on 21 May 2020, the registers of members of the Company in Hong Kong and Australia will be closed from Monday, 18 May 2020 to Thursday, 21 May 2020, both days inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with (i) the Company's principal share registrar, Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067, Australia for registration no later than 4:30 p.m. on Friday, 15 May 2020 (Australian time); (ii) the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 15 May 2020 (Hong Kong time).

Significant Investments Held, Material Acquisitions and Disposal of Subsidiaries, and Future Plans for Material Investments or Capital Assets

Save for those disclosed in this Annual Report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the year. Apart from those disclosed in this Annual Report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this Annual Report.

Use of Net Proceeds From the Company's Initial Public Offer ("IPO")

The net proceeds from the Company's listing on the Main Board of the Stock Exchange, after deducting underwriting commission and listing expenses, amounted to AU\$9.5 million (HK\$53.9 million).

The Company has previously advised in the Prospectus that 90.0% of the net proceeds, representing approximately HK\$48.5 million, would be used to fund mine development, capital expenditure and operating expenditure activities associated with Fäboliden during 2018 and 2019. The Prospectus allocated the net proceeds as follows:

- approximately 13.5% of the net proceeds would be used to fund mine development and capital expenditure activities at Fäboliden for the three months ending 31 December 2018;
- approximately 76.5% of the net proceeds will be used for funding mine development, capital expenditure and operating expenditure activities at Fäboliden for the year ending 31 December 2019; and
- the balance of approximately 10.0% of the net proceeds, representing approximately HK\$5.4 million, would be used for working capital and general corporate purposes.

FINANCIAL REVIEW (CONT'D)

Use of Net Proceeds From the Company's Initial Public Offer ("IPO") (Cont'd)

As at 31 December 2019, all of the net proceeds have been used by the Company. The Independent Non-Executive Directors, having reviewed the transaction records of the account holding the IPO proceeds, confirm that the net proceeds available for the Fäboliden development have been used only for Fäboliden as follows; note the table is presented in the Company's presentation currency:

Purpose	Proposed use of proceeds AU\$'000	Purpose of proceeds expressed as % of net proceeds %	Actual amount utilised from 5 Nov 2018 to 31 Dec 2018 AU\$'000	% utilised from 5 Nov 2018 to 31 Dec 2018 %	Actual amount utilised from 1 Jan 2019 to 31 Dec 2019 AU\$'000	% utilised from 1 Jan 2019 to 31 Dec 2019 %	Total utilised from 5 Nov 2018 to 31 Dec 2019 AU\$'000	% utilised from 5 Nov 2018 to 31 Dec 2019 %
Net proceeds dollar value proposed to be used (incl % of total) versus actual use (incl % of actual total) for 2018. Use restricted to mine development and capital expenditure activities at Fäboliden.	1,282	13.5%	382	29.8%	900	70.2%	1,282	100%
Net proceeds dollar value proposed to be used (incl % of total) versus actual use (incl % of actual total) for 2019. Use restricted to mine development, capital expenditure and operating expenditure at Fäboliden including Fäboliden processing costs at Svartliden.	7,268	76.5%	–	0.0%	7,268	100.0%	7,268	100%
Working capital and corporate purposes.	950	10.0%	409	43.1%	541	56.9%	950	100%
Totals	9,500	100.0%	791	8.3%	8,709	91.7%	9,500	100%

ADVANCED PROJECTS AND EXPLORATION REVIEW

Dragon Mining continued to undertake drilling activities at the Company's key projects in southern Finland and northern Sweden during 2019. Drilling was primarily undertaken to better define the extent and geometry of known mineralised zones and provide information to support mine planning and development.

In Finland, 90 diamond core drill holes were completed during the year from underground positions at the Jokisivu Gold Mine ("Jokisivu"), totalling 11,034.90 metres (2018: 112 diamond core holes for 17,059.55 metres). In Sweden, a grade control drilling program comprising of 59 reverse circulation drill holes and 51 diamond core drill holes collectively totalling 3,210.90 metres was drilled at the Fäboliden Gold Mine ("Fäboliden") as part of the test-mining program (2018: 15 diamond core holes for 707.50 metres).



Full details of the Jokisivu drilling campaigns have been previously released to the Stock Exchange on:

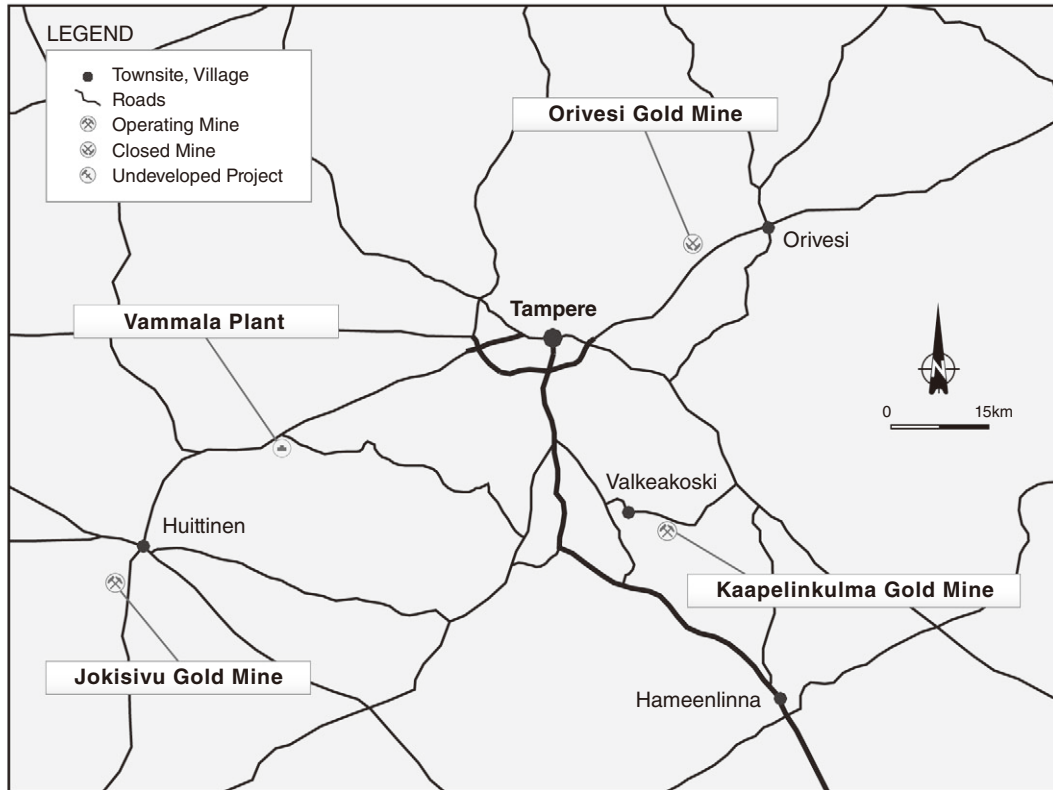
2 September 2019 – Promising Results From Drilling at the Jokisivu Gold Mine; and 27 February 2020 – Update on Exploration Activities Undertaken in Southern Finland.

These releases can be found at www.hkexnews.hk (Stock Code: 1712).

In addition to drilling, the Company also commenced full-scale mining at the Kaapelinkulma Gold Mine ("Kaapelinkulma") and test mining at Fäboliden. Preparation for exploration activities at Orivesi and its nearby surroundings commenced as the Company works towards closing the Orivesi mine.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Finland

*Jokisivu Gold Mine*

At Jokisivu, 90 underground diamond core holes were drilled in five campaigns for an advance of 11,034.90 metres. These campaigns included:

- a 24 hole, 2,111.5 metre campaign completed from drill stations at the 120m and 170m levels targeting the footwall zones at Arpola between the 120m and 210m levels;
- a 35 hole, 5,128.70 metre campaign drilled from the 450m level directed at the Kujankallio Main Zone and Kujankallio Hinge Zone between the 420m and 500m levels;
- a 17 hole, 1,906.30 metre campaign from the 470m level targeting the Kujankallio Hinge Zone between the 500m and 530m levels;
- a 9 hole, 1,203.60 metre campaign drilled from the 170m and 190m levels directed at the Arpola Hanging Wall Zone; and
- a 5 hole, 684.80 metre campaign drilled from the 120m level directed at the Arpola Hanging Wall Zone.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Finland (Cont'd)

By the end of the year, results had been received for 67 holes of the 90 holes drilled, returning a series of significant intercepts. These intercepts support current geological models, further delineating the principal mineralised zones in the Kujankallio Main Zone and Kujankallio Hinge Zone area, whilst providing confidence that the mineralised zones associated with the Arpola deposit display good continuity, though the area is structurally complex and remains challenging.

Updating of the Jokisivu Mineral Resource commenced in November 2019 and included the results from 54 holes of the 90 holes drilled during 2019 that were available at the date of commencement of the update. An application for a new Mining Concession, contiguous with Dragon Mining's current Jokisivu Mining Concession holding, was approved during the year. The new Mining Concession secures further extensions of the Kujankallio and Arpola deposits in readiness for future mine development.

Drilling programs will continue at Jokisivu from underground positions in 2020 with the objective of further evaluating the extensions of the Kujankallio and Arpola deposits and associated satellite zones.

Orivesi Gold Mine

Following the cessation of mining activities at Orivesi in June 2019, the Company commenced preparation to undertake a campaign of early-stage exploration to evaluate the merit of the Company's Orivesi project holding in areas away from the known mineralisation, which in the past were subject to limited exploration.

The proposed activities will include a high-level review of available airborne and ground geophysical data. This is the first integrated review of geophysical data to be undertaken across the Orivesi area, with the objective of identifying new targets that could warrant follow-up activities in the future. The second proposed campaign is a base of till/top of bedrock geochemical survey in the western part of the Orivesi project area to confirm and expand on areas of gold, arsenic and bismuth anomalism that were identified from a base-of-till survey undertaken in this area during the early 1990s.

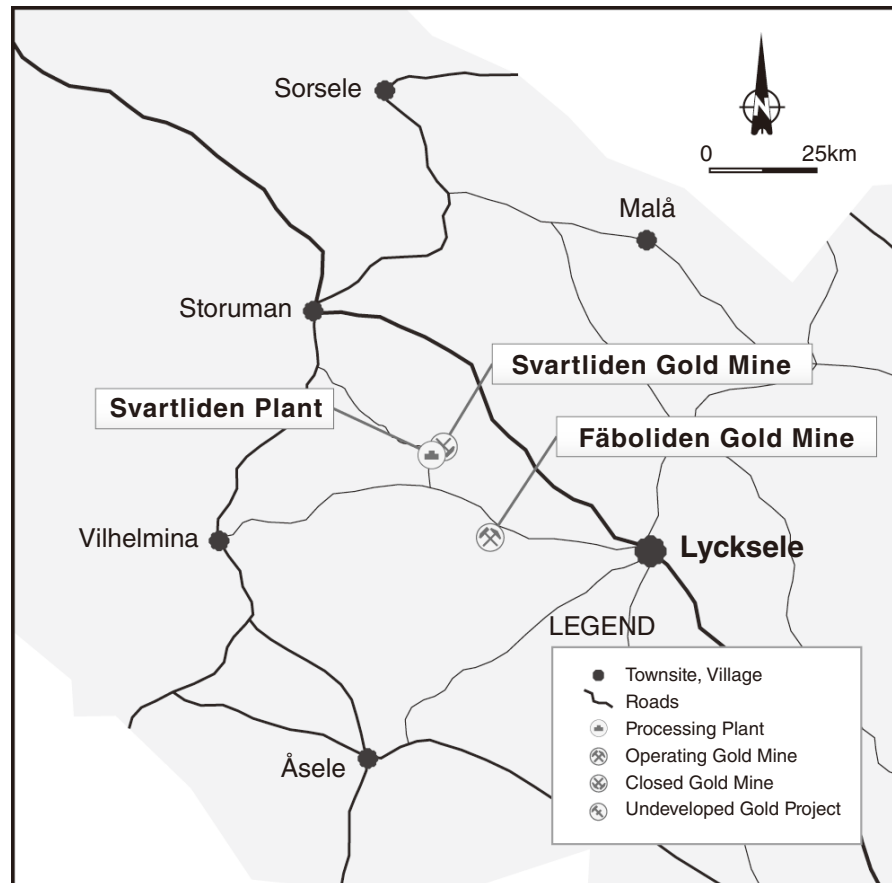
Kaapelinkulma Gold Project

Dragon Mining continued to advance Kaapelinkulma towards mine start-up during early 2019 with the mining of first ore commencing in April 2019. Mine start-up incurred minimal capital investment as the Company continued to draw on its extensive experience of establishing mining operations in the Nordic Region.

Ore is being extracted by open-pit methods and transported by road to the Vammala Plant to produce a high-grade gold flotation concentrate and gravity concentrate.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Sweden

*Fäboliden Gold Project*

The test mining campaign at the Fäboliden Gold Mine (“Fäboliden”) recommenced in May 2019, with the first parcel of ore mined and transported to the Company’s CIL circuit at Svartliden in June 2019.

The County Administration Board (“CAB”) in Västerbotten had previously granted the Company an Environmental Permit for test mining operations at Fäboliden (“Test Mining Permit”) in November 2017. The Test Mining Permit gained legal force on the 11 May 2018 and the Company commenced pre-stripping activities in August 2018. Following cessation of test-mining activities for the year at the end of September 2019, test-mining activities will recommence in May 2020 in accordance with the conditions of the Test Mining Permit.

The test mining campaign has incurred minimal capital investment and is providing the Company with important information to further optimise both mining and processing activities, once full-scale operations commence.

As part of the test-mining program, a detailed grade control drilling program comprising of 59 reverse circulation drill holes and 51 diamond core drill holes, collectively totalling 3,210.9 metres. Drilling yielded a series of significant intercepts, with results commensurate with the existing geological model. Results from all grade control drill holes have been included in the update of the Fäboliden Mineral Resource.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Sweden (Cont'd)

Fäboliden Gold Project (Cont'd)

The Company submitted an application to the Swedish Land and Environment Court ("Court") to secure an Environmental Permit for full-scale mining operations at Fäboliden in July 2018 and having received an initial request for supplementary information in February 2019, provided the information accordingly. In October 2019, the Court issued a second request for supplementary information to the Company.

ENVIRONMENTAL REVIEW

The Company is very clear on the need to earn the respect and support of the community by operating in a socially responsible manner, and by demonstrating a tangible commitment to environmental sustainability.

The Company's operations are subject to environmental regulations under statutory legislation in relation to its exploration and mining activities. The Company believes that it has adequate systems in place for the management of the requirements under those regulations and is not aware of any breach of such requirements as they apply to the Company.

Finland

Vammala Production Centre

The Environmental Permit for production of 300,000 tonnes per annum and the processing of ore from Kaapelinkulma was returned to the permitting authority, the Western and Inland Finland Regional State Administrative Office ("AVI") by the Supreme Court. In April 2019, AVI asked requested supplementary information from the Company for its application based on the requirements set out in Vaasa Administrative Court Decision No. 16/0096/2 May 2016.

The new Environmental Permit Application was made public on 23 May 2019. Supplementary information and the Company's reply to statements received from interested parties was sent to AVI in September 2019. AVI is expected to issue a decision on the new permit application during 2020. Until such time, the Company can continue to operate under its existing permit conditions.

Orivesi Gold Mine

The Company has previously announced that its 2010 application for an extension to its 2006 Environmental Permit had been rejected by AVI. Furthermore, the Vaasa Administrative Court rejected both the Company's and the Pirkanmaa Centre for Economic Development, Transport and the Environment ("PIR ELY") appeals against the rejection decision. In July 2018, the Company and PIR ELY each submitted a Leave to Appeal, and an Appeal, to the Supreme Administrative Court ("Court") and on 6 June 2019, the Court upheld AVI's rejection decision.

ENVIRONMENTAL REVIEW (CONT'D)**Finland (Cont'd)***Orivesi Gold Mine (Cont'd)*

During 2018 the Company received notice regarding the presence of waste material in the upper levels of the Orivesi Mine. The Company believes that the bulk of the waste material stored between the 66m and 85m levels had been deposited before the Company purchased the asset in 2003 and recommenced mining of ore in 2007. The Company submitted its explanation and a work procedure prior to the commencement of waste material removal. During the year, the Company safely removed 28,000 kg of mixed waste and rock from the 66m level.

The Company is committed to the safe removal or containment of any remaining hazardous material and continues discussions with relevant parties to ensure this outcome. During the year, the Company drilled four holes into the waste material and installed a water monitoring tube to better understand potential safety issues. Samples were taken to waste acceptance criteria testing. Final results are still pending; a risk assessment will be performed by the external consultant when the results become available. Future waste removal activities are suspended waiting upon the completion of the risk assessment. The Company continues to coordinate the removal of the waste in conjunction with investigations.

Jokisivu Gold Mine

Work to update the Jokisivu Waste Management Plan was conducted by Envineer Oy, an external consultant. The work formed the basis for the Company's application to update the Jokisivu Environmental Permit, which was submitted to AVI in December 2019. The update to the permit was required due to the new Mining Concessions, Jokisivu 2 and Jokisivu 3, and the need to extend the waste rock area. The permit update will recognise the change in environmental quality and characteristics of the waste rock.

Kaapelinkulma Gold Mine

During the year, the Company met bond obligations and was given permission from The Finnish Safety and Chemicals Agency ("Tukes"), irrespective of any appeal, to commence mining activities, which it did so on 7 February 2019. Mining initially operated from mid-April to the end of May 2019. The Company monitors its noise and dust emissions so not to disrupt wildlife and adjacent Natura area; mining ceased from the end of May to ensure minimal disruption to the nesting of local Osprey.

The Hämeenlinna Administrative Court received two appeals from local residents in Kaapelinkulma. The appeals were against the amount of bond requested by Tukes and paid by the Company. The Company was required by this Court to provide additional information, which it did in July 2019. The Court rejected the appeals.

An appeal originally received by AVI in June 2017, which they rejected in November 2017, was then appealed to the Vaasa Administrative Court and dismissed by this Court on 10 June 2019. The Vaasa Administrative Court ruled some appellants failed to demonstrate they had suffered any harm as stated in the Administrative Judicial Procedure Act, and therefore the Vaasa Administrative Court determined they had no legal justification to appeal.

ENVIRONMENTAL REVIEW (CONT'D)

Finland (Cont'd)

Kaapelinkulma Gold Mine (Cont'd)

On 10 January 2019, opponents submitted an application for an administrative compulsion to AVI. The residents demanded the Company apply for a permit according to the Water Act. Prior to the commencement of mining at Kaapelinkulma, AVI rejected the demands on the basis that the permit had already been determined during the environmental permitting process. The residents have lodged their appeal with the Vaasa Administrative Court; the matter is still pending.

In April 2019, a local nature conservationist group applied for a compulsion order to the Centre for Economic Development, Transport and the Environment ("ELY") to cease operations. In July 2019, ELY rejected the matter which was subsequently appealed to the Hämeenlinna Administrative Court. In November 2019, the Company responded to statements; the matter is still pending.

Pursuant to the Environmental Permit, the trees that stand in the southern part of Kaapelinkulma must be conserved as a protected zone for the woodland brown butterfly (*Iopha achine*). As previously announced, a section of trees, explicitly classified as a potential habitat for the woodland brown butterfly, were accidentally logged during tree felling activities in Autumn 2016. Following the incident, the ELY Centre issued a statement on 21 April 2017 approving the Company's follow-up activities and future mitigation plans to prevent a recurrence. The Tampere District Court dismissed all charges in early 2019; no criminal charges were brought against the Company or its employees and no appeal was lodged by the Prosecutor. Monitoring of the butterfly habitat continued throughout 2019.

Sweden

On 3 September 2019, the Swedish Land and Environment Court provided its rulings on the Company's Svartliden Rehabilitation Plan (U3), continued disposal of tailings in the Svartliden open-pit (U1) and Svartliden Permit Conditions (U2).

- *Svartliden Rehabilitation Plan (U3)*

Work to update the Svartliden Rehabilitation Plan ("Closure Plan") was completed in April 2017; supplementary information was submitted in May 2018 and included comments from both the Environmental Protection Agency ("EPA") and the County Administrative Board ("CAB"). The EPA and CAB both viewed the proposed actions in the Closure Plan, and the proposed closure bond, as being insufficient.

In its ruling, the Court:

- (a) approved the Company's investigation reports supporting the Closure Plan; and
- (b) required the Company to increase its existing rehabilitation collateral security to SEK74.0 million by 3 December 2019, subject to the Company's appeal below. The increase can take the form of a bank guarantee and is intended to provide additional security for an engineered cover over the entire waste rock area, in the event the entire waste rock area becomes potentially acid forming.

ENVIRONMENTAL REVIEW (CONT'D)

Sweden (Cont'd)

- *Svartliden Conditions of Tailings Depositions (U1)*

The Company has two permits (one with conditions and one without), allowing for the deposit of tailings into the Svartliden open-pit. The permit with conditions allows for the deposition of tailings to a height of <415 metres above sea level. The permit without conditions has an application to allow deposition of tailings up to a height of <441 metres above sea level. In its ruling, the Court:

- (a) approved the Company's permit application to deposit tailings in the Svartliden open-pit to <441 metres above sea level, subject to its other Permit conditions, which exclude the deposition of tailings from full-scale mining at Fäboliden.

As a result, the Company will apply to update its permit conditions to allow for the deposition of tailings from full-scale mining at Fäboliden to the Svartliden open-pit. This process is well understood and is considered unlikely to delay the commencement of full-scale mining or processing of ore from Fäboliden. The Company has a separate permit allowing tailings from the Fäboliden test mining to be deposited into the Svartliden open-pit.

- *Svartliden Permit Conditions (U2)*

In April 2018, the Company submitted an additional investigation report into the final permit conditions for discharge from the clarification pond to the Court. In July 2018, the CAB provided its comments to the Company disagreeing with the Company's proposed permit conditions. In October 2018, the Company provided additional comments outlining that its proposed permit conditions were based on thorough investigations and calculations which showed no risk for the environment.

In its ruling, the Court:

- (a) provided additional rulings on clarification pond discharge limits, which are consistent with previous temporary permit conditions.

As a result of the above rulings, the Company has taken the following actions:

On 16 December 2019, the Environmental Court of Appeal ("Court of Appeal") granted the Company leave to appeal. The Company has submitted its appeal to challenge:

- (a) the amount of additional collateral security being requested by the Court (U3). The Company is not required to pay the additional collateral security while the appeal is pending;
- (b) the permit conditions during the closure phase (U3);
- (c) the restrictions preventing the CAB from incrementally returning the Company's security bonds as rehabilitation work is progressed (U3); and

ENVIRONMENTAL REVIEW (CONT'D)

Sweden (Cont'd)

- *Svartliden Permit Conditions (U2) (Cont'd)*
 - (d) the (U2) discharge limits and a request that the conditions proposed by the Company derived from its investigations be ruled as the final conditions.

Further information on the appeal process from the Court of Appeal is pending.

Fäboliden Environmental Permit

As previously advised, the Environmental Permit for test mining was granted on 1 December 2017 and is valid until 30 September 2027.

The Company is actively pursuing the full-scale mining permit which was submitted to the Land and Environment Court ("Court") in July 2018. In February 2019, the Court issued a request for supplementary information; the Company's response was submitted June 2019. In October 2019, the Court issued a second request for supplementary information which the Company finalised and submitted in February 2020.

Non-Executive Director and Chairman – Mr Arthur G Dew, B.A., L.L.B. (appointed 7 February 2014)

Mr Arthur G Dew, aged 78, was appointed Chairman and Non-Executive Director of the Company on 7 February 2014. Mr Dew graduated from the Law School of the University of Sydney, Australia, and was admitted as a Solicitor and later as a Barrister of the Supreme Court of New South Wales, Australia. Mr Dew is a non-practising Barrister with a broad range of corporate and business experience and has served as a Director, and in some instances Chairman of the Board of Directors, of a number of publicly listed companies in Australia, Hong Kong and elsewhere. He is Chairman and Non-Executive Director of Hong Kong listed companies Allied Group Limited (Stock Code: 373), Allied Properties (H.K.) Limited (Stock Code: 56) and APAC Resources Limited (Stock Code: 1104), and is a Non-Executive Director of Hong Kong listed company SHK Hong Kong Industries Limited (Stock Code: 666). He is also Non-Executive Chairman of ASX listed company Tanami Gold NL (ASX: TAM) and Non-Executive Director (after retiring as Chairman) of ASX listed company Tian An Australia (previously known as PBD Developments Limited) (ASX: TIA).

Mr Dew is Chairman of the Nomination Committee.

Executive Director – Mr Brett R Smith, B.Eng., MBA and M.A (appointed 7 February 2014)

Mr Brett R Smith, aged 58, was appointed Executive Director of the Company on 7 February 2014. Mr Smith graduated from Melbourne University, Australia with a Bachelor's Degree in Chemical Engineering with Honours. He has also obtained a Master's Degree in Business Administration from Henley Management College, the United Kingdom and a Master's Degree in Research Methodology from Macquarie University, Australia. Mr Smith has participated in the development of a number of mining and mineral processing projects including coal, iron ore, base and precious metals. He has also managed engineering and construction companies in Australia and internationally. Mr Smith has served on the board of private mining and exploration companies and has over 32 years' international experience in the engineering, construction and mineral processing businesses. Mr Smith is Executive Director and Deputy Chairman of Hong Kong listed company APAC Resources Limited (Stock Code: 1104) and a Non-Executive Director of ASX listed companies Prodigy Gold NL (formerly known as ABM Resources NL) (ASX: PRX), Tanami Gold NL (ASX: TAM) and Metals X Limited (ASX: MLX).

Alternate Director to Mr Arthur G Dew – Mr Wong Tai Chun Mark (appointed 19 May 2015)

Mr Wong Tai Chun Mark, aged 55, was appointed alternate Director to Mr Arthur Dew on 19 May 2015. Mr Wong has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and The Hong Kong Institute of Chartered Secretaries. Mr Wong was the Financial Controller of other listed companies in Hong Kong. He is an Executive Director of Hong Kong listed companies Allied Properties (H.K.) Limited (Stock Code: 56) and SHK Hong Kong Industries Limited (Stock Code: 666), the Director of Investment of Allied Group Limited (Stock Code: 373) and an alternate Director to Mr Arthur Dew in Hong Kong listed company APAC Resources Limited (Stock Code: 1104) and ASX listed companies, Tanami Gold NL (ASX: TAM) and Tian An Australia Limited (previously known as PBD Developments Limited) (ASX: TIA).

Non-Executive Director – Ms Lam Lai, B.Bus (appointed 18 July 2019)

Ms Lam Lai, aged 40, was appointed Non-Executive Director of the Company on 18 July 2019. Ms Lam graduated from the University of Western Sydney in 2001 with a Bachelor Degree of Business majoring in marketing. She is currently an Executive Director and authorised representative of Hong Kong listed Company Ernest Borel Holdings Limited (“EBH”) (Stock Code: 1856). EBH is a subsidiary of Hong Kong listed Company Citychamp Watch & Jewellery Group Limited (“Citychamp”) (Stock Code: 256). Ms Lam joined Citychamp in 2008 as an investment manager and has been redesignated as CEO assistant, mainly responsible for merger and acquisition as well as business development. Ms Lam leads overseas investments and the merger and acquisition projects of Citychamp. She is also a Director of various subsidiaries of Citychamp, including Bendura Bank AG.

Independent Non-Executive Director – Mr Carlisle C Procter, B.Ec, M.Ec, FFin (appointed 19 May 2015)

Mr Carlisle C Procter, aged 79, was appointed Independent Non-Executive Director of the Company on 19 May 2015. Mr Procter graduated from the University of Sydney with a Bachelor’s Degree and a Master’s Degree in Economics. He is a fellow of the Financial Services Institute of Australasia (FFin.). Based in Australia, Mr Procter worked in the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Reserve Bank, he has worked as a consultant to the International Monetary Fund and the Asian Development Bank and has also undertaken private consulting work in South East Asia and the Pacific. Mr Procter has been a Non-Executive Director of a number of public companies. He is currently a Non-Executive Director of ASX listed company Tanami Gold NL (ASX: TAM).

Mr Procter is Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

Independent Non-Executive Director – Mr Pak Wai Keung Martin, MCG, FCPA (appointed 5 November 2018)

Mr Pak Wai Keung Martin, aged 56, was appointed Independent Non-Executive Director of the Company on 24 May 2018 with effect from 5 November 2018 (the listing date of the Company on the Stock Exchange of Hong Kong). Mr Pak graduated with a Bachelor of Commerce from the Murdoch University, Australia and a Master of Corporate Governance from The Hong Kong Polytechnic University. Mr Pak has been a fellow of The Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr Pak has also been an associate member of The Corporate Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and a member of The Hong Kong Institute of Chartered Secretaries. Mr Pak has over 25 years of experience in accounting and financial management and has previously worked at several international audit firms and other private companies from 1987 to 2000. Thereafter, Mr Pak has served as Chief Financial Officer and Company Secretary of a number of listed companies in Hong Kong since 2001.

Mr Pak is an Independent Non-Executive Director of Hong Kong listed companies Nan Nan Resources Enterprise Limited (Stock Code: 1229), Convoy Global Holdings Limited (Stock Code: 1019), Viva China Holdings Limited (Stock Code: 8032) and China Huiyuan Juice Group Limited (Stock Code: 1886). Mr Pak was an Independent Non-Executive Director of Hong Kong listed company Ta Yang Group Holdings Limited (Stock Code: 1991) during the period from 27 April 2016 to 28 October 2018. From January 2017 to August 2018, Mr Pak was an Independent Non-Executive Director of Trony Solar Holdings Company Limited; trading of its shares on the Main Board of the Stock Exchange has been suspended since 21 June 2012 and was delisted on 23 August 2018.

Mr Pak is a member of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee.

Independent Non-Executive Director – Mr Poon Yan Wai, MCF, FCPA, FAIA (appointed 5 November 2018)

Mr Poon Yan Wai, aged 49, was appointed Independent Non-Executive Director of the Company on 24 May 2018 with effect from 5 November 2018 (the listing date of the Company on the Stock Exchange of Hong Kong). Mr Poon holds a Bachelor's Degree in Accountancy and a Master's Degree in Corporate Finance from the Hong Kong Polytechnic University. He is a fellow member of The Hong Kong Institute of Certified Public Accountants. Mr Poon has over 20 years of experience in the auditing and accounting field and is the Financial Controller, Company Secretary and an authorised representative of a Hong Kong listed company. Mr Poon is an Independent Non-Executive Director of Hong Kong listed company Emperor Capital Group Limited (Stock Code: 717). Mr Poon was previously an Independent Non-Executive Director of another Hong Kong listed company China Brilliant Global Limited (previously known as Prosten Health Holdings Limited) (Stock Code: 8026) from 8 October 2015 to 12 February 2018.

Mr Poon is Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee.

SENIOR MANAGEMENT

Chief Financial Officer – Mr Daniel Broughton

Mr Daniel Broughton, aged 44, was appointed Chief Financial Officer of the Company on 8 September 2014 and is responsible for ensuring the Company's compliance with corporate and statutory obligation and financial reporting. Mr Broughton has over 14 years' experience with financial operations of mining companies. Mr Broughton is also the Chief Financial Officer of ASX listed company Tanami Gold NL (ASX: TAM). Mr Broughton graduated with a Bachelor of Commerce from Murdoch University, Australia in September 2005 and obtained a Graduate Diploma of Chartered Accounting from The Institute of Chartered Accountants, Australia in July 2010.

General Manager of Finance and Administration – Ms Päivi Mikkonen

Ms Päivi Mikkonen, aged 53, joined the Company on 13 November 2006. Ms Mikkonen is responsible for overseeing the administrative and finance function in the Nordic region. Ms Mikkonen has a Master's degree from the University of Tampere and a degree from the University of Sydney, Australia, majoring in accounting, finance and international business. Ms Mikkonen obtained a Diploma in Business Administration, majoring in public administration, from Valkeakosken seudun kauppapilaitos (Valkeakoski Regional Business College), Finland in May 1988. Ms Mikkonen completed the qualification of a press officer in the Institute of Marketing, Finland in March 1993. Ms Mikkonen graduated with a Bachelor of Science in Economics and Business from the University of Tampere, Finland in May 1998, a Master of International Business from the University of Sydney, Australia in March 2000, and a Master of Science (Business Administration) from the University of Tampere, Finland in December 2006.

Chief Geologist – Mr Neale Edwards

Mr Neale Edwards, aged 55, joined the Company 19 August 1996 and has over 25 years' experience in the mineral exploration and mining industry. Mr Edwards holds a Bachelor of Science with Honours and is a Fellow of the Australian Institute of Geoscientists. Mr Edwards' experience covers major exploration regions throughout Australia, the Pacific Rim, northern Africa, northern Europe, and includes the discovery of significant gold resources in the Southern Cross Province of Western Australia. Mr Edwards was previously the Senior Geologist with the Samantha Gold group of companies.

General Manager – Vammala Production Centre – Mr Petteri Tanner

Mr Petteri Tanner, aged 42, joined the Company on 1 September 2009. Mr Tanner graduated with a Master of Science in Mining Engineering from Helsinki University of Technology in 2006. Prior to his current role, Mr Tanner has worked as a Mine Manager at the Company's Jokisivu and Orivesi mines.

Project Manager at Fäboliden – Mr Joshua Stewart

Mr Joshua Stewart, aged 39, joined the Company in 2004. He has over 18 years' experience in the mining industry and holds a Bachelor of Mining Engineering from the University of Queensland, Australia and is a member of the Australasian Institute of Mining and Metallurgy. Mr Stewart joined the Company in 2004, during the construction and commissioning of the Svartliden Gold Mine. During his time with the Company, Mr Stewart has held various technical and management roles with the Group, ranging from mine planning to Chief Operating Officer. Mr Stewart's current role is leadership of the test mining and full mining permit application processes for the Fäboliden Gold Project. Mr Stewart has a broad range of experience from operation disciplines including safety, environmental performance, mining, mineral processing, near mine exploration, human resources and administration.

Process Plant Manager at Svartliden – Mr Heikki Miettunen

Mr Heikki Miettunen, aged 42, joined the Company in 2015 and is the Process Plant Manager at Svartliden, Sweden. Mr Miettunen graduated with a diploma as Master of Science in Process Engineering from the University of Oulu, 60 credits in mineral processing from the Aalto University, and has held positions in Mineral Process Plants for Belvedere Mining Oy (Hitura mine), Endomines Oy (Pampalo mine) and Dragon Mining Oy.

Mill Manager at Vammala – Mr Jaakko Larkomaa

Mr Jaakko Larkomaa, aged 49, joined the Company in 2015 and is the Mill Manager at the Vammala Production Centre, Finland. Mr Larkomaa graduated with a Master of Science Diploma in Process Engineering from the University of Oulu in 1999. Later he studied at Aalto University gaining 60 credits in mineral processing. Prior to his current role, Mr Larkomaa worked in the processing plant at the Northern Resources, Pajala iron ore mine in Sweden.

COMPANY SECRETARIES**Joint Company Secretary – Ms Pauline Anne Collinson (appointed 31 May 2019)**

Ms Pauline Anne Collinson, aged 64, is currently company secretary of two ASX listed entities, namely BARD1 Life Sciences Limited (ASX: BD1) appointed in November 2001, and Tanami Gold NL (ASX: TAM) appointed in July 2013. Ms Collinson previously served as company secretary of the Company when its shares were still being listed on ASX (ASX: DRA) from July 2007 to February 2013. Ms Collinson also held a Non-Executive Directorship with Eurogold Limited (now BARD1 Life Sciences Limited) (its shares were once listed on both AIM and ASX) from 17 November 2013 to 10 June 2016. Ms Collinson holds the Certificate in Governance Risk and Management and the Certificate in Governance Practice from the Governance Institute of Australia (previously known as the Chartered Institute of Secretaries of Australia).

Joint Company Secretary – Mr Lo Tai On (appointed 5 November 2018)

Mr Lo Tai On, aged 65, has over 25 years' experience in the field of company secretarial services. He is a Director of Fair Wind Secretarial Services Limited, a secretarial company rendering company secretarial services. Mr Lo is also currently the company secretary of a number of companies listed on the Hong Kong Stock Exchange.

The Directors submit their report together with the Consolidated Financial Statements of the Company and its subsidiaries (“Consolidated Entity”) for the year ended 31 December 2019 and the Independent Auditor’s Report thereon.

1. REGISTRATION AND LISTING

The Company was registered in Western Australia, Australia under the Corporations Act with limited liability on 23 April 1990. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 5 November 2018.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries during the year continued to be:

- gold mining, and processing ore in Finland;
- gold mining, processing ore and gold concentrate in Sweden; and
- exploration, evaluation and development of gold projects in the Nordic region.

3. DIRECTORS

The Directors during the year ended 31 December 2019 and up to the date of this report are:

Mr Arthur G Dew	Non-Executive Director and Chairman	Appointed 7 Feb 2014
Mr Brett R Smith	Executive Director	Appointed 7 Feb 2014
Ms Lam Lai	Non-Executive Director	Appointed 18 July 2019
Mr Carlisle C Procter	Independent Non-Executive Director	Appointed 19 May 2015
Mr Pak Wai Keung Martin	Independent Non-Executive Director	Appointed 5 Nov 2018
Mr Poon Yan Wai	Independent Non-Executive Director	Appointed 5 Nov 2018
Mr Wong Tai Chun Mark	Alternate to Mr Arthur G Dew	Appointed 19 May 2015

Pursuant to code provision A.4.2 of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years and under article 14.3 and 14.4 of the Constitution of the Company, one-third of the Directors (who are the longest in the office) retire and are being eligible for reappointment. Accordingly, it was determined by the Board that Mr Brett R Smith and Mr Carlisle C Procter shall retire by rotation at the Annual General Meeting (“AGM”) and, being eligible, would offer themselves for re-election at the AGM.

Pursuant to article 14.6 of the Constitution of the Company, any person appointed as a Director to fill a casual vacancy or as an addition to the Board after the last AGM shall automatically retire at the next AGM and eligible for reappointment. Accordingly, Ms Lam Lai shall retire at the coming AGM and being eligible, offer herself for re-election.

Director biographies are set out on pages 36 to 38 of this Annual Report.

4. INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (“INEDs”)

The Company has received annual confirmations of independence from Mr Carlisle Caldwell Procter, Mr Pak Wai Keung Martin and Mr Poon Yan Wai, pursuant to Rule 3.13 of the Listing Rules. As at the date of this Annual Report, the Company still considers them to be independent.

The INEDs, having reviewed the transaction records of the account holding the IPO proceeds, confirm that the net proceeds relating to Fäboliden development have been used only for Fäboliden Project.

5. DIRECTORS' MEETINGS

The details of Director attendance at Board and Committee meetings is included in the Corporate Governance Report on page 50.

6. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors and Chief Executive of the Company in the shares and underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance) (Cap. 571 of the Laws of Hong Kong) (the “SFO”), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director	Capacity/ Nature of Interest	Number of Shares	Approximate % of Shareholding in Company
Mr Arthur G Dew	Beneficial Owner/ Personal Interest	220,000	0.16%
Mr Brett R Smith	Beneficial Owner/ Personal Interest	118,866	0.08%
Mr Carlisle C Procter	Beneficial Owner/ Personal Interest	102,602	0.07%

- a) All interests stated are long positions.
- b) The calculation is based on the total number of 138,840,613 shares on issue as at 31 December 2019.

Save as disclosed above, at 31 December 2019, none of the Directors or Chief Executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company 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 the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

7. DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed herein, at no time during the year was the Company, any of its holding companies, its fellow subsidiaries, its subsidiaries or its associated corporation a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

8. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, so far as the Directors are aware, the following persons (other than Directors or Chief Executives of the Company) or corporations have interests or short positions in the shares and the underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Nature of interest	Position	Number of Shares	Approximate %
Lee Seng Huang	Interest of a Controlled Corporation	Long	^(a) 25,487,855	18.35%
Lee Seng Hui	Interest of a Controlled Corporation	Long	^(a) 25,487,855	18.35%
Lee Su Hwei	Interest of a Controlled Corporation	Long	^(a) 25,487,855	18.35%
Minty Hongkong Limited	Interest of a Controlled Corporation	Long	^(a) 25,487,855	18.35%
Allied Group Limited	Interest of a Controlled Corporation	Long	^{(b) & (c)} 25,487,855	18.35%
Allied Properties (H.K.) Limited	Interest of a Controlled Corporation	Long	^{(b) & (c)} 25,487,855	18.35%
Allied Properties Overseas Limited	Interest of a Controlled Corporation	Long	^(c) 25,487,855	18.35%
Allied Properties Resources Limited	Beneficial Owner	Long	^(c) 25,487,855	18.35%
Hon Kwok Lung	Interest of a Controlled Corporation	Long	^(d) 27,500,899	19.81%
Sincere View International Ltd.	Beneficial Owner	Long	^(d) 27,500,899	19.81%
Lam Suk Ying	Interest of Spouse	Long	^(e) 27,500,899	19.81%

- a) Mr Lee Seng Hui, 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, through a number of 100% controlled companies (including Minty Hongkong Limited), controlled approximately 74.95% of the total number of issued shares of Allied Group Limited ("AGL") (inclusive of Mr Lee Seng Hui's personal interests) and was therefore deemed to have an interest in the shares in which AGL was interested through Allied Properties (H.K.) Limited ("APL").
- b) APL is a non wholly-owned subsidiary of AGL. AGL was therefore deemed to have an interest in the shares in which APL was interested.
- c) The interests in 25,487,855 shares of the Company was held by Allied Properties Resources Limited ("APRL"), a wholly-owned subsidiary of Allied Properties Overseas Limited ("APOL") which in turn is a wholly-owned subsidiary of APL. Each of APL and APOL was therefore deemed to have an interest in the shares in which APRL was interested for the purpose of SFO.
- d) Mr Hon Kwok Lung controlled 80% of the issued shares of Sincere View International Ltd.. Mr Hon Kwok Lung was therefore deemed to have an interest in the shares in which Sincere View International Ltd. was interested for the purpose of the SFO.
- e) Ms Lam Suk Ying is the spouse of Mr Hon Kwok Lung. She was therefore deemed to have an interest in the shares in which Mr Hon Kwok Lung was deemed to be interested for the purpose of the SFO.
- f) The calculation is based on the total number of 138,840,613 shares on issue as at 31 December 2019.

9. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31 December 2019, neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed shares.

10. RESULTS AND BUSINESS REVIEW

The results of the Company for the year ended 31 December 2019 are set out in the Consolidated Financial Statements on pages 130 to 218 of the Annual Report.

The Company's results and Business Review, including future developments, financial performance analysis, principal risks and uncertainties facing the Company, and key relationships with stakeholders, in accordance with Schedule 5 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), are set out in the Chairman's Statement on page 4, the Management Discussion and Analysis on page 12, and the Environmental, Social and Governance Report to be separately released within three months from the publication of this Annual Report.

A summary of the results, assets and liabilities of the Group for the last five years is set out on page 219 of the Annual Report.

11. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor an entity connected with a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company was a party during the year ended 31 December 2019.

12. MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2019.

13. CONTROLLING SHAREHOLDERS INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed in this Annual Report, none of the Controlling Shareholders or any of its connected entities (within the meaning of section 486 of the Companies Ordinance) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Company to which the Company was a party during the year ended 31 December 2019.

14. SHARE CAPITAL, SHARE OPTIONS AND PRE-EMPTIVE RIGHTS

Details of the movements in share capital of the Company are shown in note 14 to the Consolidated Financial Statements.

During the current year, no employee share option scheme has been adopted by the Company.

There are no provisions for pre-emptive rights under the Company's Constitution although there are no restrictions against such rights under the Corporations Act of Australia.

15. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Board is responsible for determining with recommendation from the Remuneration Committee of the Company the compensation arrangements for the Chairman, Directors and Key Management Personnel ("KMP").

For the purposes of this report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, including any Director (whether executive or otherwise) of the Company.

Details of the Directors' and KMP remuneration are set out in notes 16 and 17 to the Consolidated Financial Statements.

Performance-related executive remuneration, including cash bonuses, are based on the Company's and individual performance and are determined at the Board's discretion.

16. RESERVES AND DISTRIBUTABLE RESERVES

Movements in the reserves of the Company during the year are set out in note 15 to the Consolidated Financial Statements.

The Company had no reserves available for cash distribution and/or distribution in specie as calculated under the Act as at 31 December 2019 (as at 31 December 2018: Nil).

17. SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules.

18. OTHER INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes of information of the Directors during the year are set out as below:-

Non-Executive Director – Mr Arthur G Dew

- On 1 April 2019, Mr Dew retired as Non-Executive Chairman of ASX listed company Tian An Australia Limited and remains as its non-executive director.

Executive Director – Mr Brett R Smith

- On 3 December 2019, Mr Smith was appointed as Non-Independent Non-Executive Director of ASX listed company, Metals X Limited; and
- Mr Smith's base salary was increased by 6.9% from AU\$300,000 to AU\$320,700 with effect from 1 January 2019.

18. OTHER INFORMATION (CONT'D)

Independent Non-Executive Director – Mr Pak Wai Keung Martin

- On 13 February 2019, Mr Pak was appointed Independent Non-Executive Director of Viva China Holdings Limited (Stock Code: 8032) which is listed on the GEM of the Stock Exchange.
- On 12 June 2019, Mr Pak was appointed Independent Non-Executive Director of China HuiYuan Juice Group Limited (Stock Code: 1886), which is listed on the Main Board of the Stock Exchange.

19. EQUITY-LINKED AGREEMENTS

Save as disclosed herein, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

20. DEED OF NON-COMPETITION

Each of Mr Smith, Mr Dew, Mr Procter and Mr Wong (collectively the “Covenantors”) has executed the Deed of Non-Competition (the “Deed”) with the Company (for the Company and for the benefit and on behalf of the subsidiaries) on 11 October 2018. Pursuant to the Deed, each of the Covenantors has irrevocably and unconditionally undertaken to the Company that, during the period that the Deed remains effective, (i) he shall not, and shall procure that his close associates shall not, directly or indirectly, develop, acquire, participate, hold any right or interest in or invest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with the business engaged by our Company from time to time in the Nordic region; and (ii) support any person, company or entity that is not part of the Company to engage in any business which is in competition with or is likely to be in competition with the existing or future business carried by the Company.

Each of the Covenantors further undertakes to and covenants with the Company (for the Company and for the benefit and on behalf of the subsidiaries) that if they become aware of any potential gold mining business opportunities in the Nordic region, they will only refer the opportunities to the Company. If they become aware of gold or other mining opportunities outside the Nordic region, they will refer to other companies of which they are directors. Further, if any gold exploration or mining opportunities in the Nordic region are identified by other companies of which the Covenantors are directors and these companies intend to pursue the opportunities, the Covenantors will abstain from the discussion as well as voting on the matters.

The Company has received declarations from the Covenantors of their compliance with the terms of the Deed. The Covenantors declared that they have fully complied with the Deed since the effective date of the Deed and up to the date of this Annual Report. The Independent Non-executive Directors also reviewed the compliance of the Deed.

21. MAJOR CUSTOMERS AND SUPPLIERS

External sales in Finland relate to concentrate from the Vammala Production Centre in Finland. These sales are all made under an ongoing arrangement to one customer and the quantity of concentrate sales is agreed by the parties in advance of delivery.

Intersegment sales in Finland relate to concentrate on-sold to the Svartliden Processing Centre for further processing.

External sales in Sweden relate to the gold bullion sold on-market through third parties.

In the year under review, sales to the Group's five largest customers accounted for 100% of the total sales for the year and sales to the largest customer included therein amounted to 89.1% (2018: 92.7%). Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's total number of issued shares, had a beneficial interest in any of the Group's five largest suppliers and customers.

22. PENSION SCHEME ARRANGEMENTS

Employers in Australia are obligated to make superannuation contributions for eligible employees of 9.5% on gross earnings up to a maximum quarterly superannuation payment of AU\$5,132.85 per quarter. No forfeited contribution is available to reduce the contribution payable in the future. The contribution charged to the Consolidated Statement of Profit or Loss represents the contribution payable to employees' funds during the year.

23. CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 49 to 62.

24. RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 20 to the Consolidated Financial Statements. The related party transactions did not constitute connected transactions or are exempted connected transactions under the Listing Rules.

25. INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company provides Directors' and Officers' liability insurance covering Directors and Officers of the Company against liability in their role with the Company, except where:

- the liability arises out of conduct involving a wilful breach of duty; or
- there has been a contravention of Sections 232(5) or (6) of the Australian Corporations Act 2001 (Cth).

25. INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS (CONT'D)

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of this insurance, as such disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

26. DIVIDENDS

No dividend has been paid or declared and no dividend has been recommended by the Directors for the year ended 31 December 2019 (2018: Nil).

27. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

On 22 January 2020, the Company made a voluntary prepayment towards its Loan Facility of HK\$18,063,577 (including interest payable to that date) representing the portion of the Loan Facility repayable in Hong Kong dollars. At the date of this Annual Report, the Company has AU\$9.0 million in undrawn funds available. There have been no other drawdowns since balance date.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation.

As at the date of this Annual Report, the pandemic, together with the various Government measures so far introduced, have not significantly disrupted the Group's operations. However, the scale and duration of possible future Government measures, and their impact on the Group's operations and financial situation, necessarily remains uncertain. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of COVID-19 on the Group at this time.

The Consolidated Financial Statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the Consolidated Financial Statements as at 31 December 2019 for the impacts of COVID-19.

28. AUDIT AND NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and the Group are important. The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services did not compromise the auditor for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for audit and non-audit services provided by Ernst & Young.

	2019 AU\$	2018 AU\$
Remuneration of Ernst & Young (Australia) for:		
— auditing or reviewing accounts	163,193	248,267
— tax consulting	44,869	33,000
— assurance services relating to the Hong Kong listing	–	260,869
	208,062	542,136
Remuneration of Ernst & Young (other than Australia) for:		
— auditing or reviewing accounts	93,432	94,934
	93,432	94,934

29. REAPPOINTMENT OF AUDITOR

The Consolidated Financial Statements for the year ended 31 December 2019 were audited by Ernst & Young who will retire and, being eligible, offer themselves for reappointment. A resolution will be submitted to the AGM to reappoint Ernst & Young as auditor of the Company.

By Order of the Board
Dragon Mining Limited
Brett Smith
Executive Director

Hong Kong, 17 April 2020

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (“Board”) believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders’ value.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the light of the Corporate Governance Code and Corporate Governance Report (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company applied the principles of, and complied with, the applicable code provisions of the CG Code during the financial year ended 31 December 2019. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

THE BOARD

The Board currently comprises six directors (“Directors”) in total, with one Executive Director, two Non-Executive Directors (“NEDs”) and three Independent Non-Executive Directors (“INEDs”), and one alternate director (“Alternate Director”). The composition of the Board during the year (unless otherwise noted) and up to the date of this report is set out as follows:

Executive Director:	Brett Robert Smith (<i>Chief Executive Officer</i>)
Non-Executive Directors:	Arthur George Dew (<i>Chairman</i>) Lam Lai (appointed on 18 July 2019)
Independent Non-Executive Directors:	Carlisle Caldwell Procter Pak Wai Keung Martin Poon Yan Wai
Alternate Director:	Wong Tai Chun Mark (alternate to Arthur George Dew)

The brief biographical details of the Directors are set out in the Biographies of Directors and Senior Management on pages 36 to 39. There are no family or other material relationships among members of the Board.

THE BOARD (CONT'D)

Board Process

During the year ended 31 December 2019 and up to the date of this report, the Company has had at least three INEDs representing not less than one-third of the Board. At least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. The Board may also deal with matters by way of circular resolution. During the year, four Board meetings were held and the individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Nomination Committee, Audit and Risk Management Committee and general meeting during the year ended 31 December 2019 are set out below:

Name of Directors	Number of meetings attended/ Number of meetings during the term of office held				
	Board	Audit and Risk Management Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Director:					
Brett Robert Smith	4/4	2/2 ²	N/A	N/A	1/1
Non-Executive Directors:					
Arthur George Dew (<i>Chairman</i>)	4/4	2/2 ²	N/A	1/1	1/1
Lam Lai ¹	2/2	1/1 ²	N/A	N/A	N/A
Alternate Director:					
Wong Tai Chun Mark (<i>alternate to Arthur George Dew</i>)	0/4	N/A	N/A	0/1	1/1
Independent Non-Executive Directors:					
Carlisle Caldwell Procter	4/4	2/2	1/1	1/1	1/1
Pak Wai Keung Martin	4/4	2/2	1/1	1/1	0/1
Poon Yan Wai	4/4	2/2	1/1	N/A	1/1

1. Appointed on 18 July 2019

2. Attended by invitation

THE BOARD (CONT'D)

Board Process (Cont'd)

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, approval of Directors' appointment or reappointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management. The respective functions of the Board and management of the Company have been formalised and set out in writing and will be reviewed and updated by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The joint company secretaries of the Company ("Company Secretaries") assist the Chairman of the Board in preparing the agenda for meetings and ensure that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the joint Company Secretary in Australia and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The constitution of the Company ("Constitution") also stipulates that save for the exceptions as provided therein, a Director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the joint Company Secretaries. The Board and each Director also have separate and independent access to the Company's management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure has been established to enable the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

THE BOARD (CONT'D)

Directors' Continuous Professional Development

For continuous professional development, in addition to Directors' attendance at meetings and review of papers and circulars sent by the management of the Company, Directors participated in the activities including the following:

Participation in Continuous Professional Development Activities		
Name of Directors	Reading Regulatory Updates	Attending trainings/ briefings/seminars/ conference relevant to the Directors' duties
Executive Director:		
Brett Robert Smith	✓	✓
Non-Executive Directors:		
Arthur George Dew (<i>Chairman</i>)	✓	✓
Lam Lai	✓	✓
Independent Non-Executive Directors:		
Carlisle Caldwell Procter	✓	✓
Pak Wai Keung Martin	✓	✓
Poon Yan Wai	✓	✓
Alternate Director:		
Wong Tai Chun Mark	✓	✓

Board Diversity

The Company has adopted the Board Diversity Policy which sets out the objectives and principles regarding board diversity for the purpose of achieving the Company's strategic objectives of balanced diversity at the Board as far as practicable. Board appointments will be based on merit and candidates will be considered against measurable objectives, taking into account the Company's business and needs.

Selection of candidates will be based on a range of diversity criteria, including but not limited to gender, age, cultural and educational background, knowledge, professional experience and skills. The ultimate decision will be based on merit and the contribution that the selected candidates may bring to the Board.

Workplace Diversity

The Company and all its related bodies are committed to workplace diversity and recognise the benefits arising from employee and board diversity, including a broader pool of quality employees, improving employee retention, accessing different perspectives, and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

Details are available on the Company's website at www.dragonmining.com.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. Mr Arthur George Dew, being the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the Chief Executive are performed by Mr Brett Robert Smith, the Executive Director and Chief Executive Officer of the Company, who is responsible for the day-to-day management of the Group's business. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed Director will receive an induction package from the joint Company Secretary in Australia on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction on the responsibilities and ongoing obligations to be observed by a director pursuant to the Australian Corporation Act 2001, Hong Kong Companies Ordinance, Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

All NEDs (including INEDs) of the Company were appointed for a specific term, but subject to the relevant provisions of the Constitution or any other applicable laws whereby the Directors shall vacate or retire from their office but be eligible for re-election. The term of appointment of the NEDs (including INEDs) has been fixed for two years.

According to the Constitution, at each annual general meeting of the Company ("AGM"), one-third of the Directors for the time being (or, if that number is not a whole number, the next lowest whole number nearest to one-third) shall retire from office by rotation, other than newly appointed Director, managing Director or alternate Director. Further, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall automatically retire at the next AGM and those Directors shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2019 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, a Remuneration Committee and an Audit and Risk Management Committee in accordance with the Listing Rules, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the joint Company Secretary in Australia, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

Nomination Committee

The Nomination Committee was established effective 5 November 2018 and is chaired by the Chairman of the Board and comprises a majority of INEDs. Currently, the Nomination Committee consists of three members, including Mr Arthur George Dew (Chairman of the Nomination Committee), being a NED, Mr Carlisle Caldwell Procter and Mr Pak Wai Keung Martin, both being INEDs. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The roles and functions of the Nomination Committee are set out in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee has formulated and set out the nomination policy ("Nomination Policy") in its terms of reference. The objective of the Nomination Policy is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and reappointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any reappointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. During the year ended 31 December 2019, one Nomination Committee meeting was held and the attendance of each member is set out in the section headed "The Board" of this report.

During the year ended 31 December 2019 and up to the date of this report, the Nomination Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the proposed resolution for re-election of each retiring Director at 2019 AGM;
- (ii) reviewed the structure, size, composition and diversity of the Board and assessed the independence of each INED; and
- (iii) recommended for the Board's approval the appointment of Ms Lam Lai as a new NED.

In considering the nomination of appointment of new NED and reappointment of retiring Directors, the Nomination Committee, based on the Nomination Policy, assessed the relevant candidates on criteria such as integrity, experience, skill, professional qualifications, independent mind and ability to commit time, etc., and made recommendation to the Board for approval.

Remuneration Committee

The Remuneration Committee was established effective 5 November 2018 and currently consists of three members, including Mr Carlisle Caldwor Procter (Chairman of the Remuneration Committee), Mr Pak Wai Keung Martin and Mr Poon Yan Wai, all being INEDs. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The roles and functions of the Remuneration Committee are set out in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Company has adopted model (ii) as set out in code provision B.1.2(c) of CG Code, under which the Remuneration Committee makes recommendation to the Board on the remuneration package of individual executive Director and senior management.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference and may also deal with matters by way of circulation. During the year ended 31 December 2019, one Remuneration Committee meeting was held and the attendance of each member is set out in the section headed "The Board" of this report.

BOARD COMMITTEES (CONT'D)

Remuneration Committee (Cont'd)

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during the year ended 31 December 2019. During the year ended 31 December 2019 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed the existing policy and structure for the remuneration of Directors and senior management;
- (ii) reviewed the existing remuneration packages of the Executive Director and senior management;
- (iii) reviewed the existing remuneration of the NEDs (including the INEDs);
- (iv) reviewed and recommended for the Board's approval the bonus for the year ended 31 December 2018 and the increment in the remuneration for the year 2019 of an Executive Director and senior management; and
- (v) recommended for the Board's approval the remuneration of Ms Lam Lai as a new NED.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts or letter of appointment as approved by the Board on the recommendation of the Remuneration Committee. Details of the key management personnel's and Directors' remuneration are set out in notes 16 and 17 to the Consolidated Financial Statements respectively. Details of the remuneration policy of the Group as well as Directors' and senior executives' remuneration and company performance, etc. are also set out in paragraph 15 of the Report of Directors on page 44.

The remuneration of the members of the senior management (including the Executive Director) by band for the year ended 31 December 2019 is set out below:

Remuneration bands (AU\$)	Number of Persons
200,001 to 250,000	5
250,001 to 300,000	1
300,001 to 350,000	1
950,001 to 1,000,000	1

Audit and Risk Management Committee

The Audit and Risk Management Committee was established effective 5 November 2018 and currently consists of three INEDs. To retain independence and objectivity, the Audit and Risk Management Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit and Risk Management Committee are Mr Poon Yan Wai (Chairman of the Audit and Risk Management Committee), Mr Carlisle Caldw Procter and Mr Pak Wai Keung Martin. The Audit and Risk Management Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The roles and functions of the Audit and Risk Management Committee are set out in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (CONT'D)

Audit and Risk Management Committee (Cont'd)

The Audit and Risk Management Committee shall meet at least twice a year in accordance with its terms of reference and may also deal with matters by way of circular resolution. During the year ended 31 December 2019, two meetings of the Audit and Risk Management Committee were held and the attendance of each member is set out in the section headed "The Board" of this report.

During the year ended 31 December 2019 and up to the date of this report, the Audit and Risk Management Committee performed the works as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor;
- (ii) reviewed the reports of findings/independent review report from the external auditor and the management's response in relation to the final audit for the year ended 31 December 2018 and the interim results review for the six months ended 30 June 2019 of the Group;
- (iii) reviewed and recommended for the Board's approval the financial report for the year ended 31 December 2018 and the interim financial report for the six months ended 30 June 2019 of the Group together with the relevant management representation letters and announcements; and
- (iv) reviewed and recommended for the Board's annual review the Group's risk management and internal control systems.

COMPANY SECRETARY

On 31 May 2019, Ms Pauline Collinson was appointed to fill the casual vacancy as Joint Company Secretary occasioned by the resignation of Ms Shannon Coates while Mr Lo Tai On continues to act as Joint Company Secretary of the Company. All Directors have access to the advice and services of the Joint Company Secretaries. The Joint Company Secretaries report to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with the Shareholders and management.

Ms Pauline Collinson is a Company Secretary in Australia.

Mr Lo Tai On is a member of the Hong Kong Institute of Certified Public Accountants.

Both Ms Pauline Collinson and Mr Lo Tai On are representatives from external secretarial services providers. The primary contact person of the Company with the Joint Company Secretaries is Mr Daniel Karl Broughton, the Chief Financial Officer of the Group. The Joint Company Secretaries have duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities.

GENERAL CODE OF CONDUCT

The Company has adopted a Code of Conduct. The purpose of the Code is to guide and enhance the conduct and behaviour of the Company's Directors, senior executives, officers, employees and contractors ("Personnel") in performing their everyday roles. The code encourages and fosters a culture of integrity and responsibility with the focus of augmenting our reputation as a valued employer, business partner and corporate citizen, in all our relationships. This Code of Conduct sets out the principles and standards which the Board, senior executives and Personnel of the Company are encouraged to strive towards when dealing with each other, shareholders, other stakeholders and the broader community.

The Board and senior executives are committed to conducting themselves with integrity and honesty in accordance with this Code of Conduct.

Details are available on the Company's website at www.dragonmining.com.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the Consolidated Financial Statements of the Group. The Consolidated Financial Statements for the year ended 31 December 2019 have been prepared in accordance with the International Financial Reporting Standards promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable and have ensured that the Consolidated Financial Statements are prepared on a going concern basis.

The reporting responsibilities of the Company's external auditor, Ernst & Young, are set out in the Independent Auditor's Report on pages 123 to 129.

ACCOUNTABILITY AND AUDIT (CONT'D)

Risk Management and Internal Control

The Board has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls. In 2019, the Board reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programmes and budget.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and manage the risks of different businesses and activities. An annual assessment is performed by the Audit and Risk Management Committee on the effectiveness of the risk management and internal control systems, which have been considered effective and adequate.

The Company's principal subsidiaries are managed under independent systems of risk management and internal controls. These subsidiaries have provided appropriate assurance to the Company on their compliance with the CG Code regarding risk management and internal control systems in general to the Company.

A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in note 24 to the Consolidated Financial Statements and under the "Operational Risks" and "Financial Risks" sections contained in the Management Discussion and Analysis on pages 18 and 23 respectively.

Internal Audit

The Company's Internal Audit Function ("IAF") is considered suitable for a small company such as the Company. The Company's risk management and internal control systems have been established in the light of the Company's small size and uncomplicated structure and are designed to provide reasonable assurance against material misstatement or loss, and to manage the risk of system failure. Systems and procedures are in place to identify, evaluate and manage the risks attached to the Company's different business and financial activities.

The IAF is based on a matrix of delegated authorities that defines the level of authority individual staff have for all financial and operational activities. These procedures allow a hierarchical system of checking and review.

Budgets are prepared and approved by the Board. All capital expenditure must be approved by an established authorisation for expenditure process. Items above a defined value, together with any non-budgeted expenditure, must be authorised by Board resolution.

The matrix of authority requires sign-off by the level above the individual initiating the transaction.

The Company's corporate governance and control functions were reviewed in 2019 and will be reviewed periodically thereafter.

ACCOUNTABILITY AND AUDIT (CONT'D)

Policy on Disclosure of Inside Information

The Board has adopted the Policy on the Disclosure of Inside Information ("Policy") effective 8 November 2018 with respect to the procedures and internal controls for the handling and dissemination of inside information. The Policy sets out guidelines and procedures to the directors of the Company and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in a timely manner. Directors and relevant officers in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, Part XIVA of the Securities and Futures Ordinance, and relevant statutory and regulatory requirements from time to time.

External Auditors' Remuneration

The remuneration paid to the Group's external auditors during the year is set out in paragraph 28 of the Report of Directors on page 48.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with shareholders. The Chairman actively participates at the AGM and personally chairs the meeting to answer any questions from shareholders. The chairmen of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting of shareholders to approve a connected transaction or any other transaction that is subject to independent shareholders' approval.

The 2019 AGM was held on 23 May 2019. The attendance records of the Directors at the general meeting are set out in the section headed "The Board" of this report. The representative of external auditor participated in the 2019 AGM by conference telephone.

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of retiring Directors.

The notification of general meeting to shareholders is to be sent in the case of the AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days before the meeting for all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the shareholders at the commencement of the meeting. The Chairman answers questions from shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS (CONT'D)

Shareholder(s) representing at least 5% of the votes that may be cast at the general meeting can request the Directors to call and arrange a general meeting of shareholders ("General Meeting") by providing a written request to the registered office of the Company. Such requisition must state any resolution, to be proposed at the General Meeting and must be signed by shareholder(s) making the request. Directors must call the meeting within 21 days after the request is given to the Company.

In addition, shareholders representing at least 5% of the votes that may be cast at the general meeting or at least 100 shareholders who are entitled to vote at a general meeting may give the Company notice of a resolution they propose to move at a general meeting. Such proposal must be in writing to the registered office of the Company, must set out the wording of the proposed resolution, and must be signed by shareholder(s) making the request in accordance with the Corporations Act and Constitution, where applicable.

The Board established a shareholders' communication policy in November 2018. A shareholder may serve an enquiry to the Board at the Registered Office for the attention of the Board in written form and state the nature of the enquiry and the reason for making the enquiry. In addition, shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, for any questions about their shareholdings.

DIVIDEND POLICY

The Board has adopted a Dividend Policy which aims at providing reasonable and sustainable returns to its shareholders whilst maintaining a position of financial stability which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Board may declare or propose dividends on an annual basis and/or may declare interim dividends or special dividends. Proposal or declaration of dividends by the Board is subject to consideration of the Company's and the Group's operating results, accumulated and future earnings, gearing, liquidity position, capital commitment requirement and future expansion plan as well as general economic conditions and external factors that may have impact on the financial performance and position of the Company and the Group. In addition, as the Company is a holding company, the Board will also consider the dividends received or to be received from its subsidiaries and associates at the time of any proposal or declaration of a dividend of the Company.

The Board will regularly review the Dividend Policy and will amend and/or modify the Dividend Policy if necessary.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but also about promoting and developing an ethical and healthy corporate culture. The Board will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

On behalf of the Board
Dragon Mining Limited
Arthur George Dew
Chairman

Hong Kong, 17 April 2020



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**Independent auditor's report to the members of Dragon Mining Limited
Report on the audit of the financial report**

獨立核數師報告

致龍資源有限公司成員

OPINION

意見

We have audited the consolidated financial statements of Dragon Mining Limited (the Company) and its subsidiaries (collectively the Group) set out on pages 130 to 218, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

我們已審計列載於第130至218頁的龍資源有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表及綜合其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為編製。

BASIS FOR OPINION

意見的基礎

We conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (collectively the "Codes") that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Codes.

我們已根據國際國際會計師聯合會頒佈的《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師對財務報告審計的責任」一節中作進一步闡述。根據與我們審計財務報告相關的會計專業與道德標準委員會的APES110專業會計師道德規模及國際會計師職業道德準則理事會頒佈的《專業會計師道德守則》(以下統稱「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Carrying value of inventories

Why significant
為何重要

As disclosed in Note 6, the Group held inventories as at 31 December 2019 of AU\$16.684 million, which related to ore and concentrate stockpiles, gold in circuit, raw materials and stores.

Inventory is a significant asset which requires judgement in determining an appropriate costing allocation and assessing if the carrying value is recorded at the lower of cost and net realisable value. Accordingly, we considered the carrying value of inventories to be a key audit matter.

如附註6所披露，於2019年12月31日，貴集團的存貨包括原礦和精礦、流通中的黃金、原材料和庫存，為16.684百萬澳元。

存貨是一項重要資產，在確定適當的成本分配和評估賬面價值是否以較低的成本和可變現淨值入賬時，需要作出判斷。因此，我們認為存貨的賬面價值屬於關鍵審計事項。

關鍵審計事項

關鍵審計事項是我們根據專業判斷，認為對本年度綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理，我們不對該等事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師對財務報告審計的責任」一節闡述的責任，包括與該等事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表存在重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為就隨附的綜合財務報表發表審計意見提供了基礎。

1. 存貨賬面價值

How our audit addressed the key audit matters
我們的審計如何應對該關鍵審計事項

We obtained an understanding of the Group's processes in respect of inventory valuation.

We assessed the accuracy of the Group's inventory valuation model including evaluating the costs, assumptions and methodologies used in the model.

We selected a sample of inventory items to evaluate whether, based on their nature, costs were correctly determined and allocated.

We re-performed calculations to confirm that inventories were recorded at the lower of cost and net realisable value, including evaluating gold price and cost to complete assumptions.

我們瞭解了 貴集團在存貨估值方面的流程。

我們評估了 貴集團存貨估值模型的準確性，包括該模型中使用的成本、假設和方法。

我們選擇了一個存貨項目的樣本，以評估是否根據其性質正確地確定和分配了成本。

我們重新進行了計算，包括評估了採用的黃金價格和成本，確認存貨是以成本和可變現淨值兩者較低的價格入賬的。

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

2. Recognition and measurement of rehabilitation provisions

2. 復墾撥備的確認及計量

Why significant
為何重要

How our audit addressed the key audit matters
我們的審計如何應對該關鍵審計事項

As disclosed in Note 12, the Group recorded rehabilitation provisions totalling AU\$18.992 million as at 31 December 2019 relating to the mine sites and processing facilities in Sweden and Finland.

As disclosed in Note 1(s) the calculation of these provisions required judgment in estimating the future costs, the timing as to when the future costs will be incurred and the determination of an appropriate rate to discount the future costs to their present value. The Group reviews rehabilitation obligations that have arisen semi-annually, or as new information becomes available, including an assessment of the underlying assumptions used, effects of any changes in local regulations, and the expected approach to rehabilitation.

如附註12所披露，於2019年12月31日，貴集團計提的復墾準備金合共為18.992百萬澳元，用於瑞典和芬蘭的礦場和加工設施。

如附註1(s)所披露，計算該等準備金需要作出判斷，包括估計未來的成本，確定未來成本何時發生的時間，並釐定將未來成本折現至其現值的合適比率。貴集團每半年或在獲得新資料時複核所承擔的復墾義務，包括評估所使用的基本假設、地方條例的任何變化的影響和預期的復墾方法。

We assessed the Group's calculation of the rehabilitation provisions and obtained explanations to support material movements in the provisions during the year.

We evaluated the legal and/or constructive obligations with respect to the rehabilitation for all mine sites and processing facilities, the intended method of rehabilitation and the associated cost estimates.

We assessed the competence, capability and objectivity of the external experts who compiled the data that supported the provisions and considered the appropriateness of their work in conducting our procedures.

We also assessed the accuracy of the calculations used to determine the rehabilitation provision including the discount rate applied.

我們評估了貴集團對復墾準備金的計算，並獲得準備金在本年發生重大變動的解釋。

我們評估了所有礦場和處理設施的復原相關的法定和／或推定義務、預期的復原方法和相關成本費用的估算。

我們評估了編製復墾準備金數據的外部專家的勝任能力、專業能力和客觀性，並考慮了他們在執行我們程序方面的工作是否適當。

我們亦評估了用於確定復墾準備金的計算的準確性，包括已應用的折現率。

EMPHASIS OF MATTER: SUBSEQUENT EVENTS – IMPACT OF THE CORONAVIRUS (COVID-19) OUTBREAK

We draw attention to Note 25 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the directors in the preparation of the financial report. As set out in Note 25, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

強調事項：期後事項－新型冠狀病毒疫情的影響(2019新型冠狀病毒病)

我們務請閣下注意財務報告附註25，當中指出世界衛生組織宣佈於2019年12月31日之後2019新型冠狀病毒病爆發為全球大流行病，以及董事在準備財務報告時如何計及該事項。誠如附註25所載，概無就2019新型冠狀病毒病的影響對於2019年12月31日的財務報表作出調整。我們並無就此事項修訂意見。

綜合財務報表及核數師報告以外的信息

貴公司董事需對其他信息負責。其他信息包括刊載於貴公司2019年年報內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核及風險管理委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

核數師對財務報告審計的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們遵照香港《公司條例》第405條僅對全體成員作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負責或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT (CONT'D)**核數師就審計財務報告承擔的責任(續)**

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的成效發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT (CONT'D)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jemma K Newton.

Ernst & Young
Perth
17 April 2020

核數師就審計綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本年度綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是 Jemma K Newton。

安永會計師事務所
珀斯
2020年4月17日

Consolidated Statement of Profit or Loss

For the year ended 31 December 2019

綜合損益表

截至2019年12月31日止年度

		Note	2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
		附註		
Revenue from customers	客戶收益	21	53,073	37,850
Cost of sales	銷售成本	2(a)	(42,208)	(41,154)
Gross profit/(loss)	毛利/(毛損)		10,865	(3,304)
Other revenue	其他收益	2(b)	73	216
Other income	其他收入	2(c)	1,136	35
Exploration expenditure	勘探支出		(60)	(51)
Management and administration expenses	管理及行政開支		(4,914)	(3,754)
Other expenses	其他開支	2(d)	(83)	(398)
Finance costs	財務成本	2(e)	(210)	(191)
Foreign exchange loss	外匯虧損		(496)	(782)
Hong Kong listing costs	香港上市成本		-	(1,302)
Profit/(loss) before tax	除稅前溢利/(虧損)		6,311	(9,531)
Income tax expense	所得稅開支	3	-	-
Profit/(loss) after income tax	除所得稅後溢利/(虧損)		6,311	(9,531)
Earnings per share attributable to ordinary equity holders of the parent (cents per share)	母公司普通股持有人應佔每股盈利(仙/股)			
Basic earnings/(loss) per share	每股基本盈利/(虧損)	19	4.55	(9.90)
Diluted earnings/(loss) per share	每股攤薄盈利/(虧損)	19	4.55	(9.90)

For the year ended 31 December 2019

截至2019年12月31日止年度

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Profit/(loss) after income tax (brought forward)	除所得稅後溢利／(虧損) (承前)	6,311	(9,531)
Other comprehensive income <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> (Loss)/gain on foreign currency translation	其他全面收入 將於其後期間重新分類至 損益的其他 全面收入： 外幣匯兌(虧損)／收益	(394)	1,620
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	將於其後期間重新分類至 損益的其他 全面收入淨額	(394)	1,620
Total comprehensive income/(loss) for the period	期內全面收入／(虧損) 總額	5,917	(7,911)
Income/(loss) attributable to: Members of Dragon Mining Limited	以下人士應佔收入／(虧損)： 龍資源有限公司股東	6,311	(9,531)
		6,311	(9,531)
Total comprehensive income/(loss) attributable to: Members of Dragon Mining Limited	以下人士應佔全面收入／ (虧損)總額： 龍資源有限公司股東	5,917	(7,911)
		5,917	(7,911)

Consolidated Statement of Financial Position

As at 31 December 2019

綜合財務狀況表

於2019年12月31日

		Note 附註	2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
CURRENT ASSETS	流動資產			
Cash and cash equivalents	現金及現金等價物	4	8,182	10,905
Trade and other receivables	貿易及其他應收款項	5	5,949	3,990
Inventories	存貨	6	16,684	10,057
Other assets	其他資產	10	163	429
TOTAL CURRENT ASSETS	流動資產總值		30,978	25,381
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	7	33,347	26,556
Mineral exploration and evaluation costs	礦產勘探及評估成本	8	8,699	5,333
Right-of-use assets	使用權資產	9	320	–
Other assets	其他資產	10	5,289	5,480
TOTAL NON-CURRENT ASSETS	非流動資產總值		47,655	37,369
TOTAL ASSETS	資產總值		78,633	62,750
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	11	7,049	6,409
Provisions	撥備	12	2,263	1,892
Interest bearing liabilities	計息負債	13	65	7
Other liabilities	其他負債		226	100
TOTAL CURRENT LIABILITIES	流動負債總額		9,603	8,408
NON-CURRENT LIABILITIES	非流動負債			
Provisions	撥備	12	19,114	12,617
Interest bearing liabilities	計息負債	13	6,535	4,278
Other liabilities	其他負債		17	–
TOTAL NON-CURRENT LIABILITIES	非流動負債總額		25,666	16,895
TOTAL LIABILITIES	負債總額		35,269	25,303
NET ASSETS	資產淨值		43,364	37,447
EQUITY	權益			
Contributed equity	實繳股本	14	133,991	133,991
Reserves	儲備	15	(417)	(23)
Accumulated losses	累計虧損		(90,210)	(96,521)
TOTAL EQUITY	權益總額		43,364	37,447

Arthur G Dew
狄亞法
Director
董事

Brett R Smith
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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For the year ended 31 December 2019

截至2019年12月31日止年度

		Contributed Equity	Accumulated Losses	Foreign Currency Translation	Convertible Note Premium Reserve	Equity Reserve Purchase of Non- controlling Interest	Total Equity
		實繳股本 AU\$'000 千澳元	累計虧損 AU\$'000 千澳元	外幣匯兌 AU\$'000 千澳元	可轉換票據 溢價儲備 AU\$'000 千澳元	權益的權益 儲備購買 AU\$'000 千澳元	權益總額 AU\$'000 千澳元
At 1 January 2018	於2018年1月1日	119,992	(86,990)	(4,780)	2,068	1,069	31,359
Loss for the period	期內虧損	-	(9,531)	-	-	-	(9,531)
Other comprehensive income	其他全面收入	-	-	1,620	-	-	1,620
Total comprehensive income for the period	期內全面收入總額	-	(9,531)	1,620	-	-	(7,911)
Transactions with owners in their capacity as owners: Issue of shares (net of cost)	與擁有人(以其擁有人身份) 的交易: 發行股份(扣除成本)	13,999	-	-	-	-	13,999
At 31 December 2018	於2018年12月31日	133,991	(96,521)	(3,160)	2,068	1,069	37,447
At 1 January 2019	於2019年1月1日	133,991	(96,521)	(3,160)	2,068	1,069	37,447
Profit for the period	期內溢利	-	6,311	-	-	-	6,311
Other comprehensive income	其他全面收入	-	-	(394)	-	-	(394)
Total comprehensive income for the period	期內全面收入總額	-	6,311	(394)	-	-	5,917
Transactions with owners in their capacity as owners:	與擁有人(以其擁有人身份) 的交易:	-	-	-	-	-	-
At 31 December 2019	於2019年12月31日	133,991	(90,210)	(3,554)	2,068	1,069	43,364

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

綜合現金流量表

截至2019年12月31日止年度

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Cash flows from operating activities	經營活動現金流量		
Receipts from customers	收到客戶款項	53,196	36,587
Payments to suppliers and employees	向供應商及僱員付款	(45,345)	(45,037)
Payments for mineral exploration	就礦產勘探付款	(59)	(68)
Interest received	已收利息	66	225
Interest expense	利息開支	(237)	(170)
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額	7,621	(8,463)
		4	
Cash flows from investing activities	投資活動現金流量		
Payments for property, plant and equipment	就物業、廠房及設備付款	(6,983)	(3,249)
Proceeds from sale of property, plant and equipment	銷售物業、廠房及設備所得款項	1,113	-
Payments for development activities	就開發活動付款	(6,431)	(5,329)
Proceeds from bond held on deposit	寄存債券所得款項	-	9
Refund of environmental bonds	環保債券退款	17	-
Net cash used in investing activities	投資活動所用現金淨額	(12,284)	(8,569)
Cash flows from financing activities	融資活動現金流量		
Lease liability payments	租賃負債付款	(30)	(11)
Proceeds from share issue	股份發行所得款項	-	17,890
Drawdown of loan	提取貸款	2,000	9,000
Repayment of loan	償還貸款	-	(5,000)
Share issue costs	股份發行成本	-	(933)
Net cash from financing activities	融資活動所得現金淨額	1,970	20,046
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(2,698)	3,914
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	10,905	6,609
Effects of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等價物的影響	(30)	382
Cash and cash equivalents at the end of the period	期末現金及現金等價物	8,182	10,905
		4	

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

Dragon Mining Limited (the “Company” or the “Parent Entity”) was incorporated as an Australian Public Company, limited by shares on 23 April 1990, and is subject to the requirements of the Australian Corporations Act 2001 as governed by the Australian Securities and Investment Commission. The Company is domiciled in Australia and its registered office is located at Unit 202, 39 Mends Street, South Perth, WA 6151 Australia.

The Consolidated Financial Statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 17 April 2020.

The Consolidated Financial Statements of the Company as at and for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “Consolidated Entity” or the “Group”). The Group is a for profit entity, primarily involved in gold mining operations and gold mineral exploration. The Company has direct and indirect interests in its subsidiaries, all of which have substantially similar characteristics to a private company incorporated in Hong Kong, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations 註冊成立/註冊地點及日期以及營運地點	Nominal value of issued ordinary share capital 已發行普通股本的面值	Percentage of equity attributable to the Company 本公司應佔股本百分比	Principal activities 主要業務
Dragon Mining Investments Pty Ltd	Australia 18 December 2008 澳洲 2008年12月18日	–	100%	Dormant 暫無業務
Dragon Mining (Sweden) AB	Sweden 27 April 1993 瑞典 1993年4月27日	SEK 100,000 100,000瑞典克朗	100%	Gold Production 黃金生產
Viking Gold & Prospecting AB	Sweden 3 April 1996 瑞典 1996年4月3日	SEK 100,000 100,000瑞典克朗	100%	Dormant 暫無業務
Dragon Mining Oy	Finland 24 March 1993 芬蘭 1993年3月24日	EUR 100,000 100,000歐元	100%	Gold Production 黃金生產
龍資源有限公司 (Dragon Mining Limited [†]) 龍資源有限公司 (Dragon Mining Limited [†])	Hong Kong 17 May 2017 香港 2017年5月17日	HK\$1.00 1.00港元	100%	Dormant 暫無業務

[†] For translation purposes.

[†] 僅供翻譯用途。

1. 公司資料及主要會計政策概要

a) 報告實體

龍資源有限公司(「本公司」或「母公司」)於1990年4月23日註冊成立為一間澳洲公眾公司，為股份有限公司，並須遵守澳洲2001年公司法的規定，由澳洲證券及投資監察委員會監管。本公司於澳洲註冊成立，其註冊辦事處位於Unit 202, 39 Mends Street, South Perth, WA 6151 Australia。

截至2019年12月31日止年度的綜合財務報表已根據董事日期為2020年4月17日的決議案獲准刊發。

本公司於2019年12月31日及截至該日止年度的綜合財務報表涵蓋本公司及其附屬公司(統稱為「綜合實體」或「本集團」)。本集團為營利性實體，主要從事黃金開採業務及金礦勘探。本公司於其附屬公司擁有直接及間接權益，全部均具備與香港註冊成立的私人公司大致相同的特點，詳情載列如下：

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Basis of Preparation

Statement of compliance

The Consolidated Financial Statements for the year ended 31 December 2019 are general purpose financial statements prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

All IFRSs effective for the accounting period commencing 1 January 2019 have been adopted by the Group and, except as noted below, accounting policies have been consistently applied throughout all periods presented. The adoption of the new and revised standards and interpretations effective 1 January 2019 had no material impact on the financial position or performance of the Group. The Group's accounting policies have been updated to reflect the new standards where applicable. Refer to note 1(bb) for disclosure on the implementation of IFRS 16 *Leases* ("IFRS 16") and IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23").

The Consolidated Financial Statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. These financial statements are presented in Australian dollars ("AUD") and all values are rounded to the nearest thousand except when otherwise specified.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

b) 編製基準

合規聲明

截至2019年12月31日止年度的綜合財務報表乃按照國際財務報告準則(此統稱包括國際會計準則委員會(「國際會計準則委員會」)頒佈的所有適用個別國際財務報告準則、國際會計準則及詮釋)及香港公司條例的披露規定編製。此等財務報表亦符合香港聯合交易所有限公司證券上市規則的適用披露條文。

本集團已採納於2019年1月1日開始的會計期間生效的所有國際財務報告準則(除下文所述者外)，會計政策已於所呈列的所有期間內貫徹應用。採納於2019年1月1日生效的新訂及經修訂準則及詮釋對本集團的財務狀況或表現並無重大影響。本集團的會計政策已作出適當更新以反映新訂準則。有關實施國際財務報告準則第16號*租賃*(「國際財務報告準則第16號」)及國際財務報告詮釋委員會詮釋第23號*所得稅處理不確定性*(「國際財務報告詮釋委員會第23號」)的披露內容，請參閱附註1(bb)。

綜合財務報表乃使用歷史成本法編製，惟若干金融資產按公允價值計量。該等財務報表以澳元(「澳元」)呈列，且除非另有說明，否則所有數值均已約整至最接近的千位。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

c) Basis of Consolidation

Control is achieved when the Company is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights in an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

c) 綜合基準

當本公司因參與投資對象業務而承擔可變回報風險或享有可變回報且能透過對投資對象的權力影響該等回報時，即取得控制權。

具體而言，當且僅當本公司擁有下列各項時方才控制投資對象：

- 對投資對象的權力(即現有權力賦予其目前掌控投資對象的有關業務的能力)；
- 來自投資對象的可變回報風險或權利；及
- 行使對投資對象的權力以影響其回報的能力。

倘本公司擁有少於投資對象大多數投票或類似權利的權利，則本公司於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- 與投資對象的其他投票權持有人的合約安排；
- 其他合約安排所產生的權利；及
- 本公司的投票權及潛在投票權。

倘有事實及情況顯示三項控制因素中有一項或多項出現變化，本公司將重新評估其是否對投資對象擁有控制權。合併一間附屬公司於本公司取得該附屬公司的控制權時開始，並於本公司失去該附屬公司的控制權時終止。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Basis of Consolidation (Cont'd)

The income, expenses, assets and liabilities of a subsidiary acquired or disposed of during the year are included in the Company's Consolidated Statement of Profit or Loss or the Consolidated Statement of Financial Position from the date the Company gains control until the date the Company ceases to have control.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control of a subsidiary, the Company:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of any investment retained;
- recognises the fair value of the consideration received;
- recognises any surplus or deficit in the Consolidated Statement of Profit or Loss; and
- reclassifies the Company's share of items previously recognised in other comprehensive income to the Consolidated Statement of Profit or Loss or retained earnings as appropriate.

Investments in subsidiaries are carried at cost less impairment in the Company's Consolidated Statement of Financial Position.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

c) 綜合基準(續)

年內收購或出售的附屬公司的收入、開支、資產及負債，自本公司取得控制權當日起直至本公司失去控制權當日止列入本公司的綜合損益表或綜合財務狀況表內。

如有需要，將對附屬公司的財務報表作出調整，致使彼等的會計政策與本公司的會計政策一致。與本公司成員公司交易有關的所有集團內公司間資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數撇銷。

於一間附屬公司的擁有權權益變動，惟並無失去控制權，則以權益交易入賬。

倘本公司失去附屬公司的控制權，則本公司會：

- 終止確認該附屬公司的資產(包括商譽)及負債；
- 終止確認任何非控股權益的賬面值；
- 終止確認計入權益的累計匯兌差額；
- 確認任何保留投資的公允價值；
- 確認已收取代價的公允價值；
- 確認於綜合損益表內的任何盈餘或虧絀；及
- 將先前已於其他全面收入確認的本公司應佔項目重新分類至綜合損益表或保留盈利(如適用)。

於附屬公司的投資按成本減去減值於本公司的綜合財務狀況表內列賬。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

d) Revenue from Contracts with Customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from the sale of gold bullion and concentrate when control of the product has transferred to the customer.

d) 與客戶訂立合約的收益

收益按與客戶訂立合約所列明代價計量。本集團於產品控制權轉讓至客戶時從金錠及精礦銷售確認收益。

Concentrate sales

Concentrate is sold to a third-party through a standard Incoterm Delivery-At-Place ("DAP") agreement. Once the concentrate has been delivered the Group has met its performance obligations and control passes. Revenue is recognised based on the estimated final settlement price and is determined with reference to the forward gold price. Adjustments are made for variations in assay and weight between delivery and final settlement. The final settlement price received is based on the monthly average London Metal Exchange (LME) gold price for the month following delivery. Adjustments relating to quotational period pricing are recognised and measured in accordance with the policy at note 1(h).

精礦銷售

精礦通過標準國際商業條款目的地交貨(「目的地交貨」)協議售予第三方。一旦交付了精礦,本集團已符合其履行責任及轉移控制權。收益根據估計最終結算價確認,並參考遠期金價釐定。就交付與最終結算間的含量及重量差異進行調整。於交付後根據當月的每月平均倫敦金屬交易所(LME)黃金價格接收最終結算價。有關報價期間定價相關調整乃根據附註1(h)的政策進行確認及計量。

Bullion sales

Bullion is sold on the market through the Group's metal account. The only performance obligation under the contract is the sale of gold bullion. Revenue from bullion sales is recognised at a point in time when control passes to the buyer. This generally occurs when the Group instructs the refiner to transfer the gold to the customer by crediting the metal account of the customer. As all performance obligations are satisfied at that time, there are no remaining performance obligations under the contract. The transaction price is determined at transaction date and there are no further adjustments to this price.

金銀錠銷售

金銀錠透過本集團金屬賬戶於市場出售。合約項下唯一的履約責任為銷售金銀錠。銷售金銀錠的收益於控制權轉移予買家的時間點確認,一般於本集團指示精煉者透過存入客戶的金屬賬戶將黃金轉移予買家時發生。由於所有履約責任於該時間完成,合約項下再無任何剩餘的履約責任。交易價於交易日期釐定,且該價格概無進一步調整。

e) Income Taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted for changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements and for unused tax losses.

e) 所得稅

期內所得稅開支或利益乃按當期應課稅收入以各司法權區的國家所得稅率計算,並按資產及負債的稅基與各自於綜合財務報表內的賬面值之間的暫時差額引致的遞延稅項資產及負債變動以及未動用稅項虧損予以調整後的應付稅款。

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

遞延所得稅乃按報告日期資產及負債的稅基與就財務報告目的而言的賬面值之間的所有暫時差額作出撥備。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Income Taxes (Cont'd)

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting or taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent it is probable that a taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

e) 所得稅(續)

遞延所得稅負債將就所有應課稅暫時差額確認，惟：

- 倘若遞延所得稅負債的起因，是由於在一宗並非業務合併的交易中首次確認資產或負債，而且在交易時，對會計或應課稅溢利或虧損均無影響；及
- 對於涉及附屬公司的投資及聯營公司的權益的應課稅暫時差額而言，倘若撥回暫時差額的時間可以控制，以及暫時差額不大可能在可見將來撥回，則屬例外。

對於所有可扣減暫時差額、結轉的未用稅項資產及未用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時差額、結轉的未用稅項資產及未用稅項虧損，則遞延所得稅資產均確認入賬，惟：

- 倘若有關可扣減暫時差額的遞延所得稅資產的起因，是由於在一宗並非業務合併的交易中首次確認資產或負債，而且在交易時，對會計或應課稅溢利或虧損均無影響；及
- 對於涉及附屬公司的投資及聯營公司的權益的可扣減暫時差額而言，只有在暫時差額有可能在可見將來撥回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時差額時，方會確認遞延稅項資產。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

e) Income Taxes (Cont'd)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

Tax consolidation legislation

The Company implemented the Australian tax consolidation legislation as of 1 July 2003. The Company has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

e) 所得稅(續)

遞延所得稅資產的賬面值於各報告日期予以審閱並扣減至不再可能有足夠應課稅溢利用以抵消遞延所得稅資產的全部或部分為止。

未確認的遞延所得稅資產於各報告日期重新評估，並在可能有未來應課稅溢利以收回遞延稅項資產時予以確認。變現資產或清償負債的年度預期適用的稅率，會用作計量遞延所得稅資產及負債，並以報告日期已經生效或基本已經生效的稅率(及稅法)為基準。

惟倘存在法律上可強制執行的權利，可將即期稅項資產與即期稅項負債互相抵銷，而遞延稅項資產及負債乃涉及同一應課稅實體及同一稅務機關，則遞延稅項資產可與遞延稅項負債互相抵銷。

稅務合併法例

本公司於2003年7月1日實施澳洲稅務合併法例。本公司採用集團分配方式確定適當金額的即期稅項及遞延稅項，以分配予稅務合併集團的成員。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the tax authority; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the tax authority, classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each Company is measured using the currency of the primary economic environment in which that entity operates. The Consolidated Financial Statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

f) 商品及服務稅

收益、支出及資產乃扣除商品及服務稅金額後確認，惟：

- 因購買商品及服務時產生的商品及服務稅不獲稅務局退回；及
- 應收款項及應付款項按已計入的商品及服務稅金額列賬。

稅務局退回或應付予稅務局的商品及服務稅淨額於綜合財務狀況表以部分應收款項或應付款項列賬。

現金流量按總額基準計入綜合現金流量表，而因投資及融資活動而產生的現金流量商品及服務稅組成部分(稅務局退回或應付予稅務局者)列為經營現金流量。

承擔及或然事項則於扣除稅務局退回或應付予稅務局的商品及服務稅金額後披露。

g) 外幣交易及結餘

功能及呈列貨幣

各公司功能貨幣均以該實體經營所在地區的主要經濟環境通行的貨幣計量。綜合財務報表以本公司的功能及呈列貨幣澳元呈列。

交易及結餘

外幣交易均按交易當日的匯率換算為功能貨幣。於結算上述交易，及年終換算以外幣計值的貨幣資產與負債產生的匯兌收益及虧損，均在綜合損益表中確認。

以外幣按歷史成本計量的非貨幣項目使用初始交易之日的匯率進行換算。以外幣按公允價值計量的非貨幣項目使用釐定公允價值之日的匯率進行換算。換算按公允價值計量的非貨幣項目產生的收益及虧損按確認該項目公允價值變動收益及虧損的方式處理。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

g) Foreign Currency Transactions and Balances (Cont'd)

Group Companies

The results and financial position of all the subsidiaries of the Company (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that reporting date;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction date, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any monetary items that form part of the net investment in a foreign entity are taken to Shareholders' Equity. When a foreign operation is sold, or borrowings are repaid the proportionate share of such exchange differences are recognised in the Consolidated Statement of Profit or Loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

g) 外幣交易及結餘(續)

集團公司

所有功能貨幣有別於呈列貨幣的本公司附屬公司(該等公司概無惡性通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為呈列貨幣：

- 資產及負債按該報告日期當日的收市匯率換算；
- 收入及開支按平均匯率換算，除非此匯率不足以合理地概括反映於交易日期適用匯率，則在此情況下，收入及開支按交易日期的匯率換算；及
- 一切因此而產生的匯兌差額均確認為權益的一個獨立組成部分。

於綜合賬目時，因換算任何貨幣項目(構成於海外實體投資淨額的一部分)而產生的匯兌差額，均計入股東權益內。當出售海外業務或償還借款時，按比例分佔的有關匯兌差額於綜合損益表中確認。

因收購海外實體而產生的商譽及公允價值調整，均視作該海外實體的資產及負債，並於報告日期按收市匯率換算。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Trade and Other Receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. This category includes trade receivables relating to concentrate sales that are subject to quotation period pricing.

The terms of the concentrate sales contract contain provisional pricing arrangements. Adjustments to the sales price are based on movements in metal prices up to the date of final pricing. Final settlement is based on the monthly average LME gold price for the month following delivery (the "quotational period"). Movements in the fair value of the concentrate debtors are recognised in other revenue.

The group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

h) 貿易及其他應收款項

貿易應收款項初步按交易價格確認，其他應收款項按公允價值確認。應收款項為持有作收取合約現金流量，並預期產生現金流量(即僅支付分類及其後按攤銷成本計量的本金及利息)。不符合攤銷成本準則的應收款項於損益按公允價值計量。有關類別包括與視乎報價期定價的精礦銷售相關的貿易應收款項。

精礦銷售合約條款載有臨時定價安排。銷售價格調整乃根據直至最終定價日期的金屬價格變動而定。最終結算乃根據交付後當月(「報價期」)的每月平均LME黃金價格而定。精礦應收款項公允價值變動乃確認為其他收益。

集團按遠期基準評估按攤銷成本列賬的債務工具相關預期信貸虧損。預期信貸虧損金額於各報告日期更新以反映自各項金融工具初始確認以來的信貸風險變動。本集團經常性確認按攤銷成本列賬的貿易應收款項的全期預期信貸虧損。該等金融資產預期信貸虧損乃根據本集團歷史信貸虧損而估計，並就與應收款項及整體經濟環境特定因素以及於報告日期對現時及預測狀況的評估作調整。

對於按攤銷成本計量的所有其他應收款項，本集團於自初始確認起信貸風險大幅增加時確認全期預期信貸虧損。如於另一方面，金融工具自初始確認起信貸虧損並無大幅增加，則本集團按相等於未來12個月內預期信貸虧損的金額計量金融工具虧損撥備。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

h) Trade and Other Receivables (Cont'd)

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

i) Inventories

Finished goods, gold concentrate, gold in circuit and stockpiles of unprocessed ore have been valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure.

Costs are assigned to stockpiles and gold in circuit inventories based on weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the cost to sell. Consumables have been valued at cost less an appropriate provision for obsolescence. Cost is determined on a first-in-first-out basis.

j) Deferred Waste

As part of open-pit mining operations, the Group incurs stripping (waste removal) costs during the development and production phase of its operations.

When development stripping costs are incurred expenditure is capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a unit of production ("UOP") method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping costs incurred in the production phase create two benefits:

- the production of inventory; or
- improved access to future ore.

h) 貿易及其他應收款項(續)

本集團認為於金融資產逾期逾90日或外界來源顯示債務人不太可能向債權人(包括本集團)付款時視為違約事件。金融資產於有證據顯示對手方處於嚴重財政困難或違反合約時(如發生違約或逾期事件)發生信貸減值。本集團於有資料顯示對手方處於嚴重財政困難及並無現實收回前景時撇銷金融資產。

i) 存貨

製成品、金精礦、流通中的黃金及庫存的未加工礦石已按成本及可變現淨值兩者中的較低者估價。成本包括直接材料、直接人工，以及可變和固定間接開支的適當比例部分。

成本按加權平均成本基準計入庫存及流通中的黃金存貨。可變現淨值乃於日常業務過程中的估計售價減去估計完工成本及銷售成本。消耗品已按成本減適當的廢舊撥備估價。成本乃按先進先出基準釐定。

j) 遞延廢料

作為露天採礦作業的一部分，本集團在其營運的開發及生產階段產生剝採(廢料移除)成本。

當產生開發剝採成本時，支出资本化為建設礦山成本的一部分，隨後使用生產單位(「生產單位」)法於其使用年內攤銷。當礦山/組成部分被委託並按管理層的意圖準備使用時，開發剝採成本的資本化將終止。

生產階段產生的剝採成本會帶來兩大利益：

- 存貨的生產；或
- 日後能獲得更多礦石。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Deferred Waste (Cont'd)

Where the benefits are realised in the form of inventories produced in the period, production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred, and the benefit is improved access to future ore, the costs are recognised as a stripping activity asset in mine properties.

If the costs of the inventories produced and the stripping asset are not separately identifiable an allocation is undertaken based on the waste to ore stripping ratio (for the ore component concerned). If mining of waste in a period occurs more than the expected stripping ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life of component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventories produced.

Amortisation is provided using a UOP method over the life of the identified component of orebody. The UOP method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves) component.

k) Property, Plant and Equipment

Mine Properties: areas in production

Areas in production represent the accumulation of all acquired exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to an area of interest in which mines are being prepared for production or the economic mining of a mineral reserve has commenced.

When further development expenditure, including waste development, is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward to the extent that a future economic benefit is established, otherwise such expenditure is classified as part of the cost of production. Amortisation of costs is provided using a UOP method (with separate calculations being made for each mineral resource).

The UOP method results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves.

The costs are carried forward to the extent that these costs are expected to be recouped through the successful exploitation of the Group's mining leases. The net carrying value of each mine property is reviewed regularly and, to the extent that its carrying value exceeds its recoverable amount, the excess is fully provided against in the financial year in which it is determined.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

j) 遞延廢料(續)

倘該等利益以期內所生產的存貨形式實現，則生產剝採成本乃列賬為該等存貨的生產成本的一部分。倘產生生產剝採成本且該等利益使日後能獲得更多礦石，則有關成本乃確認為礦場物業的剝採活動資產。

倘生產存貨的成本及剝採資產不可單獨識別，則按照廢料對礦石剝採比率(就相關礦石組成部分而言)進行分配。倘若一段期間內的廢料開採超過預期剝採比率，則超出部分被確認為剝採資產的一部分。倘若一段期間內的開採等於或低於預期年期組成部分剝採比率，則整個生產剝採成本分配予生產礦石存貨成本。

本集團使用生產單位法按已識別礦體組成部分年期進行攤銷。生產單位法導致與經濟上可收回礦產資源(包括探明及概算儲量)組成部分的消耗成正比攤銷費用。

k) 物業、廠房及設備

礦場物業：生產區域

生產區域指由本集團或其代表就礦山準備生產或礦產儲備的經濟開採已開始的擬開發之地所產生的所有勘探、評估及開發支出的累積。

倘在礦場物業開始生產後產生進一步開發支出(包括廢料開發)，則在確立未來經濟利益的情況下結轉有關支出，否則將有關支出分類為生產成本的一部分。攤銷成本乃使用生產單位法撥備(對每個礦產資源進行單獨計算)。

生產單位法產生與經濟上可收回礦產儲量的消耗成正比的攤銷費用。

倘若預計將通過成功利用本集團的採礦租賃來收回成本，則結轉有關成本。本集團定期審查各礦場物業的賬面淨值，在賬面值超過可收回金額的情況下，於釐定超額的財政年度內全額計提超額部分。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**1. 公司資料及主要會計政策概要(續)****k) Property, Plant and Equipment (Cont'd)***Plant and equipment*

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

The cost of an item of plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant and equipment other than mining plant and equipment and land. The depreciation rates used for each class of depreciable assets are:

Other plant and equipment	5 – 50%
Buildings	4 – 33%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of mine properties, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Refer to note 1(n).

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit or Loss in the year the asset is derecognised.

k) 物業、廠房及設備(續)*廠房及設備*

各類物業、廠房及設備以成本減去(如適用)任何累計折舊及減值列賬。

廠房及設備項目的成本包括：

- 其購買價格，包括進口關稅及不可退還的購買稅，並扣除貿易折扣及回扣；
- 使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本；及
- 拆除及移除項目並恢復其所在場地的成本的初步估計。

折舊

所有物業、廠房及設備(礦區廠房及設備以及土地除外)項目均按直線法折舊。各類可折舊資產的折舊率如下：

其他廠房及設備	5至50%
樓宇	4至33%

本集團在各財政年度末均會檢討資產的剩餘價值、可使用年期及攤銷方法，並在適當時作出調整。

減值

礦場物業、廠房及設備的賬面值會於有事件發生或情況改變顯示賬面值可能無法收回時進行減值檢討。請參閱附註1(n)。

出售

物業、廠房及設備項目於出售時或當使用或出售該資產預期不會產生任何日後經濟利益時終止確認。

於終止確認該資產時產生的任何收益或虧損(按出售所得款項淨額與該資產賬面值的差額計算)乃計入該資產終止確認年度的綜合損益表內。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Mineral Exploration and Evaluation Costs

Exploration expenditure is expensed to the Consolidated Statement of Profit or Loss as and when it is incurred and included as part of cash flows from operating activities in the Consolidated Statement of Cash Flows. Exploration costs are only capitalised to the Consolidated Statement of Financial Position if they result from an acquisition.

Evaluation expenditure is capitalised to the Consolidated Statement of Financial Position. Evaluation is deemed to be activities undertaken from the beginning of the definitive feasibility study conducted to assess the technical and commercial viability of extracting a mineral resource before moving into the development phase.

The criteria for carrying forward costs are:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area are continuing.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

Farm Out arrangements

In respect of Farm Outs, the Company does not record any expenditure made by the Farmee on its account. Where there is capitalised exploration expenditure it also does not recognise any gain or loss on its exploration and evaluation Farm Out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Cash received from the Farmee is treated as a reimbursement of expenditure incurred (where expenditure is capitalised) or gains on disposal if there is no capitalised expenditure.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

l) 礦產勘探及評估成本

勘探支出於產生時在綜合損益表內支銷，並作為經營活動產生的現金流量的一部分計入綜合現金流量表。倘若勘探成本乃由於收購產生，則僅在綜合財務狀況表內予以資本化。

評估支出在綜合財務狀況表內予以資本化。評估被視為從開始最終可行性研究即進行的活動，以評估在進入開發階段之前提取礦物資源的技術及商業可行性。

結轉成本的條件如下：

- 有關成本預期可透過成功開發及開採擬開發之地，或者透過出售而收回；或
- 擬開發之地的勘探及／或評估活動尚未達至可容許對在或有關擬開發之地繼續存在或可經濟地收回儲量和活躍及重大營運作合理評估的階段。

就廢棄的擬開發之地結轉的成本於作出廢棄決定的年度內撇銷。

轉讓安排

轉讓方面，本公司並無記錄承讓人賬戶上的任何支出。倘若有資本化的勘探開支，本集團亦不會確認勘探及評估轉讓安排的任何收益或虧損，但會將先前就全部利益資本化的任何成本重新指定為就所保留的部分利益資本化的成本。自承讓人收到的現金被視為償付所產生的支出(如果支出被資本化)或出售所得收益(倘若並無資本化支出)。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities normally of three months or less, and bank overdrafts excluding any restricted cash. Restricted cash is not available for use by the Company and is therefore not considered highly liquid (i.e. rehabilitation bonds).

For the purposes of the Consolidated Statement of Cashflows, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the Consolidated Statement of Financial Position.

n) Impairment

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

m) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、其他短期及流動性高而原到期日通常為三個月或以內的投資以及銀行透支(不包括任何受限制現金)。本公司不能使用受限制現金，因此受限制現金不被視為高流動性(即復墾保證金)。

就綜合現金流量表而言，現金及現金等價物包括上文所定義的現金及現金等價物，扣除未償還的銀行透支。銀行透支計入綜合財務狀況表流動負債項下的計息貸款及借款。

n) 減值

本集團於各報告日期審閱其非金融資產(存貨及遞延稅項資產除外)的賬面值，以確定是否存在任何減值跡象。倘若存在有關跡象，則估計資產的可收回金額。

倘若資產或其現金產生單位的賬面值超過可收回金額，則確認減值虧損。減值虧損於綜合損益表中確認。現金產生單位是可產生大致上獨立於其他資產及組別的現金流量的最小可識別資產組別。就現金產生單位確認的減值虧損，其分配次序如下：首先用以減少該等單位獲分配的任何商譽的賬面值，然後用以按比例減少該單位(或單位組別)內其他資產的賬面值。

一項資產或現金產生單位的可收回金額按其使用價值與公允價值減處置成本的較高者釐定。在評估使用價值時，會採用反映當時市場評估的貨幣時間價值及該資產的獨有風險的稅前折現率，將估計未來現金流量折現為現值。

於各報告日期對過往期間確認的減值虧損進行評估，以確定是否有任何跡象顯示虧損減少或不再存在。倘用以釐定可收回金額的估計出現變動，則減值虧損會被撥回。減值虧損僅在資產賬面值不高於假設並無確認減值虧損時原應釐定的已扣除折舊或攤銷的賬面值的範圍內才予以撥回。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Trade and Other Payables

Trade and other payables are carried at amortised cost due to their short-term nature and they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual's basis.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

o) 貿易及其他應付款項

由於屬短期性質及無貼現，貿易及其他應付款項按攤銷成本列賬。貿易及其他應付款項指於財政年度完結前因向本集團提供貨品及服務而出現的未繳負債，且該等負債乃於本集團有責任就購買該等貨品及服務而作出日後付款時產生。該等款項並無抵押，且通常須於確認後30日內支付。

應付關連方款項按本金列賬。利息由貸款人收取時，按累計基準確認為開支。

p) 撥備

倘本集團因過往事件而承擔現時責任(法定或推定)，而履行該責任很可能需要含有經濟利益的資源流出，且能可靠地估計有關責任的金額，則確認撥備。

倘本集團預期部分或全部撥備可獲償付，例如有保險合約作保障，則將償付金確認為獨立資產，惟僅於償付金可實質確定時方會確認。與任何撥備有關的開支於綜合損益及其他全面收益表內呈列(扣除任何償付金)。

在貨幣時間價值的影響屬重大的情況下，以按反映貨幣時間價值及(如適用)有關負債特定風險的現時市場評估的稅前折現率折現未來預期現金流量的方式撥備。

倘使用折現法，隨著時間過去而增加的撥備確認為財務成本。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

q) Interest Bearing Liabilities

All loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated considering any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the Consolidated Statements of Profit or Loss when the liabilities are derecognised, as well as through the amortisation process.

r) Employee Benefits

Wages, salaries and other short-term benefits

The liability for wages, salaries and other short-term benefits is recognised at the present value of expected future payments.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds or national government bonds as appropriate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions made by the Group to employee superannuation funds, defined contribution plans, are charged to the Consolidated Statement of Profit or Loss in the period employees' services are provided.

q) 計息負債

所有貸款及借款初始按公允價值(扣除借款相關發行成本)確認。

於初始確認後，計息負債其後使用實際利率法按攤銷成本計量。攤銷成本經考慮任何發行成本以及結算時的任何折扣或溢價而計算。

收益及虧損於債務取消確認時於綜合損益表內以及透過攤銷流程確認。

r) 僱員福利

工資、薪金及其他短期福利

有關工資、薪金及其他短期福利的付款責任按照預計未來付款的現值確認。

長期服務假期

長期服務假期的相關責任於僱員福利撥備內確認，並按將就僱員截至報告日期提供的服務而作出的預計未來付款的現值計量。其中將會考慮預計未來工資薪金的水平、離職僱員的年資與服務年期。預計未來付款以到期期限與幣值應盡可能與估計未來現金流出相近的優質企業債券或國家政府債券(視情況而定)於報告日期的市場收益率計算折現。

養老金

本集團向僱員養老金、界定供款計劃所作供款，於僱員提供服務期間自綜合損益表中扣除。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

s) Restoration and Rehabilitation Costs

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation is incurred. The nature of restoration activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and revegetation of affected areas.

An obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting on the provision is recorded as a finance cost in the Consolidated Statement of Profit or Loss. The carrying amount capitalised is depreciated over the life of the related asset.

t) Earnings Per Share

Basic Earnings Per Share ("EPS") is calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

The result is then divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

s) 恢復及復墾成本

本集團於產生責任期間將恢復經營地點的法律及推定責任的估計成本現值記賬。修復活動的性質包括拆除及移除建築物、修復礦山、拆除經營設施、關閉廠房和廢物場所，以及修復、開墾及恢復受影響地區。

當資產於生產地點安裝時，則產生責任。當初步記錄責任時，估計成本乃藉增加相關採礦資產的賬面值時資本化。隨著時間過去，負債乃按反映現時對負債的市場評估及特定風險的折現率就現值變動增加。復墾成本的額外干擾或變動將於產生時確認為相應資產及復墾負債的添置或變動。

折現對撥備影響的解除乃於綜合損益表內確認為財務成本。已資本化賬面值乃於相關資產年內折舊。

t) 每股盈利

每股基本盈利按母公司的成員公司應佔純利除以普通股加權平均數計算(就任何花紅部分作出調整)。

每股攤薄盈利乃按母公司的成員公司應佔純利計算，並已就以下各項作出調整：

- 償還股本(股息除外)的成本；
- 股息及利息的除稅後影響(乃與已確認為開支的具潛在攤薄影響普通股有關)；及
- 因具潛在攤薄影響的普通股而導致期內收益或開支的其他非酌情變動。

其後，該結果除以普通股及具潛在攤薄影響的普通股的加權平均數(就任何花紅部分作出調整)。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.9% (2018: 4.0%), which is the effective interest of the specific borrowing.

u) 借款成本

由購買、建造或生產任何需要一段相當長時間才可以投入其擬定用途或銷售的資產所產生的直接借款成本會資本化，作為資產成本之一部分。所有其他借款成本於發生的期間支銷。借款成本包括實體就借用資金所產生的利息及其他成本。用作釐定可撥充資本的借款成本金額的比率為3.9% (2018年：4.0%)，其為特定借款的實際利率。

v) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Operating segments results are regularly reviewed by the Company's chief operating decision makers and are used to make decisions about the allocation of resources and to assess performance using discrete financial information. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

v) 分部報告

經營分部為本集團可賺取收益及產生開支(包括與相同實體其他組成部分進行交易有關的收益及開支)的業務活動的組成部分。經營分部業績由本公司主要經營決策者定期審閱，用於對資源分配作出決定，並使用離散財務資料對業績進行評估。這包括尚未賺取收益的業務初創階段。管理層於確定經營分部時亦將考慮其他因素，如直線經理的存在以及提交給董事會的分部資料水平。

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

經營分部已根據提供給主要經營決策者(即執行管理團隊)的資料確定。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

v) Segment Reporting (Cont'd)

The Company aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- geographical location;
- national regulatory environment;
- nature of the products and services; and
- nature of the production processes.

Operating segments that do not meet the quantitative criteria as prescribed by IFRS 8 Operating Segments are reported separately. An operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

w) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

v) 分部報告(續)

本公司將具有類似經濟特徵且在以下各方面相似的兩個或兩個以上經營分部合併：

- 地理位置；
- 國家監管環境；
- 產品及服務的性質；及
- 生產流程的性質。

不符合國際財務報告準則第8號經營分部規定的定量標準的經營分部單獨列報。當關於分部的資料對財務報表使用者有用時，不符合定量標準的經營分部仍然單獨列報。

有關低於定量標準的其他業務活動及經營分部的資料，在「所有其他分部」的單獨類別中合併及披露。

w) 實繳股本

已發行及繳足股本按本公司收取的代價的公允價值確認。

發行新股份或購股權直接產生的遞增成本於權益內呈列為所得款項的扣減(扣除稅項)。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

x) Fair Value

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in note 24.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

x) 公允價值

本集團於各報告日期按公允價值計量金融工具(如衍生工具)。金融工具的公允價值按攤銷成本計量(於附註24披露)。

公允價值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允價值計量乃根據假設出售資產或轉讓負債的交易於以下情況下進行而作出：

- 資產或負債的主要市場；或
- 在無主要市場的情況下，資產或負債的最具優勢市場。

主要或最具優勢市場須為本集團可進入的市場。

資產或負債的公允價值乃按假設市場參與者於資產或負債定價時會以最佳經濟利益行事計量。

本集團採納適用於不同情況且具備充分數據以供計量公允價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有公允價值於財務報表計量或披露的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入數據按以下公允價值等級分類：

- 第一級 – 相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 估值技術(對公允價值計量而言屬重要的最低層級輸入數據可直接或間接觀察)
- 第三級 – 估值技術(對公允價值計量而言屬重要的最低層級輸入數據不可觀察)

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

x) Fair Value (Cont'd)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

y) Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Concentrate sales

With respect to concentrate sales, a receivable is recognised when the concentrate is delivered to the customer's facility as this is the point in time that the risks and rewards of ownership are transferred, and the Group's performance obligations have been met in accordance with the sales agreements. Adjustments are made for variations in assay and weight between the time of dispatch of the concentrate and time of final settlement. The Group estimates the amount of consideration receivable using the expected value approach based on internal assays. Management consider that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur due to a variation in assay and weight.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

x) 公允價值(續)

就按經常性基準於財務報表按公允價值確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入數據)確定是否發生不同等級轉移。

y) 重大會計判斷

於應用本集團的會計政策過程中，除涉及估計的會計政策外，管理層作出下列對財務報表內已確認金額構成最重大影響的判斷：

精礦銷售

有關精礦銷售，應收款項於精礦被交付至客戶設施時(所有權的風險及回報被轉移且根據銷售協議達成本集團履行責任的時間點)確認。就調度精礦時間與最終結算時間的含量及重量的差異作出調整。本集團根據內部含量採用預期價值法估計應收代價金額。管理層認為所確認累計收益金額重大撥回不大可能因含量及重量的差異而發生。

釐定有續租選擇權及終止選擇權的合約租期

本集團將租賃的租期釐定為不可撤銷租賃期限，連同延長租賃的選擇權涵蓋的任何期間(如合理確定將行使選擇權)或終止租賃的選擇權涵蓋的任何期間(如合理確定將不行使選擇權)。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**1. 公司資料及主要會計政策概要(續)****y) Significant Accounting Judgements (Cont'd)***Determining the lease term of contracts with renewal and termination options (Cont'd)*

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group did not include the renewal period as part of the lease term of property. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to note 1(bb) for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Production start date

The Group assesses the stage of each mine under development/construction to determine when a mine transitions into the production phase, this being when the mine is substantially complete and ready for its intended use.

The criteria used to assess the start date are determined based on the unique nature of each mine development/construction project, such as the complexity of the project and its location. Some of the criteria used to identify the production start date include, but are not limited to:

- level of capital expenditure incurred compared with the original construction cost estimate;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal.

y) 重大會計判斷(續)*釐定有續租選擇權及終止選擇權的合約租期(續)*

本集團有若干具有續租及終止選擇權的租賃合約。本集團於評估是否可合理確定行使續租或終止租賃的選擇權時應用判斷，即本集團考慮行使續租或終止選擇權所帶來經濟誘因的所有相關因素。於開始日期後，倘存在超出其控制的重大事件或情況變化從而影響其行使(或不行使)續租或終止選擇權(例如重大租賃裝修建設或租賃資產經歷重大定製化)的能力，則本集團重新評估租期。

本集團並無將續租期計入為物業租期的一部分。僅於終止選擇權獲合理確定不會行使時，終止選擇權覆蓋的期間方會計入租期的一部分。有關延長及終止選擇權的行使日期往後的期間(不計入租期內)的潛在未來租金款項的資料，請參閱附註1(bb)。

開始生產日期

本集團評估各個處於開發/建設階段的礦場階段，以確定礦場何時進入生產階段，為礦場大致完成並可用於既定用途的時間。

用於評估開始日期的標準是根據各個礦場開發/建設項目的獨特性質而確定，例如項目的複雜程度及其位置。用以識別開始生產日期的若干標準包括但不限於：

- 與原先施工成本的估算對比，所產生的資本支出水平；
- 礦場廠房及設備竣工的合理測試週期；
- 能夠以可銷售並符合規格的形式生產金屬；及
- 能夠持續生產金屬。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

y) Significant Accounting Judgements (Cont'd)

Production start date (Cont'd)

When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements. It is also at this point that depreciation/amortisation commences.

The Group determined the production start date for the Kaapelinkulma Gold Mine as 8 April 2019 and 24 June 2019 for the Fäboliden Gold Mine, these being the dates when the mining of ore commenced.

z) Significant Accounting Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

Determination of mineral resources and ore reserves

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The ore reserves, mineral resources or mineralisation are reported in accordance with the Aus.IMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves" ("the Code").

The information has been prepared by or under supervision of competent persons as identified by the Code. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. As at 31 December 2019, the Group had an increase in its Resources and Reserves. Changes in reported Reserves and Resources estimates can impact the carrying value of property, plant and equipment through depreciation, provisions for mine rehabilitation, restoration and dismantling obligations, the recognition of deferred tax assets, as well as the amount of depreciation and amortisation charged to the statement of comprehensive income. However, quantification of the future impact is not considered practicable.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

y) 重大會計判斷(續)

開始生產日期(續)

倘礦場開發項目進入生產階段，若干礦場開發成本的資本化將告停止，而成本則視為存貨成本的一部分或開支，惟符合有關添置或改進採礦資產的資本化成本除外。折舊／攤銷亦於此時開始。

本集團已決定 Kaapelinkulma 金礦的開始生產日期為 2019 年 4 月 8 日，Fäboliden 金礦的開始生產日期為 2019 年 6 月 24 日，此等日期為開始開採礦石的日期。

z) 主要會計估計及假設

若干資產及負債的賬面值通常根據未來事件的估計及假設釐定。於下一個報告期間，導致對若干資產及負債的賬面值進行重大調整的重大風險的主要估計及假設為：

礦產資源及礦石儲量的釐定

釐定儲量影響有關資產賬面值、折舊及攤銷率、遞延剝採成本以及關閉及復墾撥備的會計處理。礦石儲量、礦產資源或礦化度乃根據 Aus.IMM 「澳洲查明礦產資源及礦石儲量報告準則(Australian Code for reporting of Identified Mineral Resources and Ore Reserves)」(「準則」)報告。

該資料乃由準則所識別的合資格人士或由其監督編製。估計礦產資源及礦石儲量存在多項固有不明朗因素，而於估計時有效的假設可在獲得新資料時出現大幅變動。商品預測價格、匯率、生產成本或回收率的變動可能會影響儲量經濟狀況，並可最終導致儲量重列。於 2019 年 12 月 31 日，本集團的資源及儲量有所增加。已呈報儲量及資源的估計變動可影響物業、廠房及設備折舊後的賬面值、礦山復墾撥備、恢復及拆除義務確認遞延稅項資產、以及於全面收益表扣除的折舊及攤銷金額。然而，未來影響的定量資料被視為並不實際。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**1. 公司資料及主要會計政策概要(續)****z) Significant Accounting Estimates and Assumptions (Cont'd)****z) 主要會計估計及假設(續)***Mine rehabilitation provisions*

The Group assesses its mine rehabilitation provision half-yearly in accordance with the accounting policy stated in note 1(s). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site.

礦山復墾撥備

本集團會根據附註1(s)所列的會計政策每半年評估其礦山復墾撥備。釐定礦山復墾撥備需要重大判斷，原因是存在大量交易及其他將影響應付予礦山復墾的最終責任的因素。

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents the Group's best estimate of the present value of the future rehabilitation costs required. The restoration activities in relation to Svartilden and Orivesi are expected to commence in 2022, once all necessary approvals have been obtained.

最終復墾成本尚未確定，而成本估計可因眾多因素而有所不同，包括復墾活動的程度及成本的估計、技術變動、監管變動、成本相較通脹率增加及折現率變動。該等不確定因素或會導致未來實際開支與現時撥備的金額有所不同。因此，於釐定礦山復墾撥備時已作出重大估計及假設。故已確立的撥備可能有重大調整而對未來的財務業績造成影響。於報告日期的撥備為本集團未來所需復墾成本的現值的最佳估計。有關Svartilden及Orivesi的恢復活動預期將於2022年取得所有必要批准後開始。

Contingent liabilities

The Group assesses all open legal matters at each reporting date to determine whether a provision should be recognised or contingent liability disclosed.

或然負債

本集團於各報告日期評估所有待決法律事項，以決定應否確認撥備或披露或然負債。

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Group's control, or present obligations that arise from past events but are not recognised because:

或然負債指因過往事件而引致可能需要履行的責任(且其出現與否僅於日後發生或沒有發生並非受本集團控制之不確定事件時確定)，或因過往事件而引致的現行責任，惟因以下原因尚未確認：

- (a) it is not probable that an outflow of economic benefits will be required to settle the obligation; or
- (b) the amount cannot be measured reliably.

- (a) 經濟利益不大可能需要流出以清償該責任；或
- (b) 有關金額不能可靠計量。

Contingent liabilities are not recognised, but are disclosed, unless the possibility of an outflow is remote. The Group has disclosed the contingent liabilities identified at year end in note 22.

除非經濟利益流出的可能性極微，否則或然負債只獲披露，不獲確認。本集團已於附註22披露於年末識別的或然負債。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

z) Significant Accounting Estimates and Assumptions (Cont'd)

Leases – Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets

In accordance with accounting policy note 1(n) the Consolidated Entity, in determining whether the recoverable amount of its cash-generating units is the higher of fair value less costs of disposal or value-in-use against which asset impairment is to be considered, undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its mine properties, forward estimates of:

- mine life, including quantities of mineral reserves and resources for which there is a high degree of confidence of economic extraction with given technology;
- production levels and demand;
- metal price;
- inflation;
- cash costs of production;
- discount rates applicable to the cash-generating unit; and
- future legal changes and/or environmental permits.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

z) 主要會計估計及假設(續)

租賃－估計增量借款利率

當本集團未能輕易釐定租賃的隱含利率，其使用增量借款利率計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時（如就並無訂立融資交易的附屬公司而言）或當須對利率進行調整以反映租賃的條款及條件時（如當租賃並非以附屬公司的功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（如附屬公司的個別的信貸評級）。

非金融資產減值

根據會計政策附註1(n)，於釐定其現金產生單位的可收回金額是否為公允價值減銷售成本或使用價值（將考慮資產減值）中的較高者時，綜合實體會進行未來現金流量計算，有關計算乃基於多項關鍵估計及假設進行，就礦場物業而言包括對以下各項的遠期估計：

- 礦山壽命，包括在指定科技下存在高度經濟開採置信度的礦物儲量及資源的數量；
- 生產水平及需求；
- 金屬價格；
- 通脹；
- 生產的現金成本；
- 適用於現金產生單位的折現率；及
- 未來法律變動及／或環境許可證。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

z) Significant Accounting Estimates and Assumptions (Cont'd)

Impairment of non-financial assets (Cont'd)

Impairment is recognised when the carrying amount of the cash-generating unit exceeds its recoverable amount. The recoverable amount for each cash-generating unit has been determined using the fair value less cost of disposal approach, classified as level 3 on the fair value hierarchy. Any variation in the assumptions used to determine fair value less cost of disposal would result in a change to the assessed recoverable value. If the variation in assumption had a negative impact on recoverable value, it could indicate a requirement for impairment of non-current assets.

Refer to note 7 for further discussion of the current year impairment trigger assessment.

Income taxes

The Group is subject to income taxes in Australia, Sweden and Finland. The Group's accounting policy for taxation stated in note 1(e) requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated Statement of Financial Position.

Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless the repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

z) 主要會計估計及假設(續)

非金融資產減值(續)

當現金產生單位的賬面值超過其可收回金額時會確認減值。各現金產生單位的可收回金額已採用公允價值減出售成本法(分類為公允價值層級第三級)釐定。用於釐定公允價值減出售成本的假設的任何變動將導致評估的可收回價值發生變動。倘假設的變動對可收回價值產生負面影響，則表明非流動資產需要減值。

有關本年度觸發減值評估的進一步討論，請參閱附註7。

所得稅

本集團須繳納澳洲、瑞典及芬蘭的所得稅。附註1(e)所述本集團有關稅務的會計政策規定管理層就被視為所得稅項(相對經營成本)的安排類別作出判斷。在評估遞延稅項資產及若干遞延稅項負債是否確認於綜合財務狀況表時亦需要作出判斷。

遞延稅項資產(包括該等產生自未收回稅項虧損、資本損失及暫時性差異者)僅在視為可能收回時方予確認，而其乃取決於產生充足未來應課稅溢利。本集團確認產生自投資暫時性差異的遞延稅項負債乃主要因在海外稅務司法權區持有的保留盈利造成，除非可控制匯出的保留盈利且預期在可預見將來將不會產生。

有關產生未來應課稅溢利及匯出的保留盈利的假設乃取決於管理層有關未來現金流量的估計。該等則取決於對未來生產及銷售量、經營成本、復墾成本、資本開支、股息及其他資本管理交易的估計。就應用所得稅規例而言亦需要作出判斷。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

aa) Accounting Standards and Interpretations Issued but Not Yet Effective

The following accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the period ended 31 December 2019 and are outlined below:

Definition of Material – Amendments to IAS 1 and IAS 8 (effective 1 January 2020)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new framework will be minimal.

Definition of a Business – Amendments to IFRS 3 (effective 1 January 2020)

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new framework will be minimal.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

aa) 已發佈但尚未生效的會計準則及詮釋

下列會計準則及詮釋已發佈或修訂但尚未生效。本集團於截至2019年12月31日止期間尚未採納該等準則，該等準則概述如下：

重大的定義 – 國際會計準則第1號及國際會計準則第8號的修訂(自2020年1月1日起生效)

於2018年10月，國際會計準則理事會發佈對國際會計準則第1號財務報表的呈列及國際會計準則第8號的修訂，以統一該等準則中「重大」的定義，並澄清該定義的若干方面。新定義指出，「倘遺漏、錯誤表述或模糊不清的資料可合理預期會影響一般目的財務報表的主要使用者根據該等財務報表(提供特定報告實體之財務資料)作出的決策，則有關資料屬重大」。

該等修訂澄清，重要性將取決於資料的性質或程度或兩者皆有。實體將需要單獨與其他資料一併評估一項資料對財務報表而言是否重大。本集團已考慮對其綜合財務報表的影響並評估新框架的影響將為極微。

業務的定義 – 國際財務報告準則第3號的修訂(自2020年1月1日起生效)

該等修訂澄清，倘若構成業務，一組不可分割的活動及資產必須至少包括一項投入及一項實質性過程，能共同顯著促進創造產出的能力。該等修訂亦澄清，一項業務可以不具備所有創造產出所需的投入及過程，即該等投入及投入所應用的過程必需具備「促進創造產出的能力」而非「創造產出的能力」。本集團已考慮對其綜合財務報表的影響並評估新框架的影響將為極微。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

aa) Accounting Standards and Interpretations Issued but Not Yet Effective (Cont'd)

Conceptual Framework for Financial Reporting (effective 1 January 2020)

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new framework will be minimal.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2022)

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in associate or joint venture. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

IFRS 17 – Insurance contracts (effective 1 January 2021)

This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. This standard is not applicable to the Company as it is not an insurance company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

IAS 1 current and non-current classification

On 23 January 2020, the International Accounting Standards Board (IASB or the Board) issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements (the amendments) to specify the requirements for classifying liabilities as current or non-current.

The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

aa) 已發佈但尚未生效的會計準則及詮釋(續)

財務報告概念框架(自2020年1月1日起生效)

經修訂財務報告概念框架(概念框架)並非為一項準則,且概無概念凌駕任何準則或準則的任何規定。概念框架目的為協助董事會制定準則,有助編製者制定貫徹會計政策(如並無適用準則)及協助各方理解及詮釋準則。本集團已考慮對其綜合財務報表的影響,並評定新框架的影響微乎其微。

國際財務報告準則第10號及國際會計準則第28號的修訂 – 投資者與其聯營公司或合營公司之間的資產出售或注資(自2022年1月1日起生效)

該等修訂澄清,若對聯營公司或合營公司的轉讓涉及國際財務報告準則第3號業務合併所界定的業務,則確認全額收益或虧損。然而,因出售或注入不構成業務的資產而產生的任何收益或虧損,則僅以無關聯投資者於聯營公司或合營公司內的權益為限確認。本集團已考慮對其綜合財務報表的影響,並評定新準則的影響微乎其微。

國際財務報告準則第17號 – 保險合約(自2021年1月1日起生效)

該準則替代國際財務報告準則第4號(當前允許就保險合約作各種會計處理)。國際財務報告準則第17號將從根本上改變簽發具有酌情參與特點的保險合約及投資合約的所有實體的會計處理。該準則並不適用於本公司,因為其並非一家保險公司。

此外概無其他尚未生效並預期將對當前或未來報告期間內的實體及可預見未來交易產生重大影響的準則。

國際會計準則第1號 – 流動與非流動的分類

於2020年1月23日,國際會計準則理事會(IASB或董事會)發佈對國際會計準則第1號財務報表的呈列(修訂本)第69至76段的修訂,以指明將負債分類為流動或非流動的規定。

本集團已考慮對其綜合財務報表的影響,並評定新準則的影響微乎其微。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards and Interpretations

This note explains the impact of the adoption of new and amended accounting standards and interpretations effective from 1 January 2019.

IFRS 16

IFRS 16 supersedes IAS 17 Leases ("IAS 17"), IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees, with limited exception, to account for leases under a single on-balance sheet model.

Prior to the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Comparatives for the 2018 reporting period have not been restated as permitted under the specific transition provisions in the standard. In accordance with IFRS 16, at the transition date, the Group assessed all contracts to establish whether they contain a lease.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

bb) 採納新訂及經修訂會計準則及詮釋的會計政策變動

本附註闡明採納自2019年1月1日起生效的新訂及經修訂會計準則及詮釋的影響。

國際財務報告準則第16號

國際財務報告準則第16號取代國際會計準則第17號租賃(「國際會計準則第17號」)、國際財務報告詮釋委員會詮釋第4號確定一項安排是否包含租賃、準則詮釋委員會詮釋第15號經營租賃－優惠以及準則詮釋委員會詮釋第27號評估涉及租賃法律形式的交易實質。該準則載有租賃確認、計量、呈列及披露的原則，並在有限例外情況下，要求承租人將租賃按單一資產負債表模式列賬。

於採納國際財務報告準則第16號前，本集團於開始日期將其各租賃(作為承租人)分類為融資租賃或經營租賃。倘租賃資產擁有權附帶的絕大部分風險及回報轉讓予本集團，則租賃分類為融資租賃；否則分類為經營租賃。融資租賃於租約開始時按租賃物業於開始日期的公允價值或最低租賃款項現值之較低者予以資本化。租賃款項於利息(確認為財務費用)與租賃負債扣減之間進行分配。就經營租賃而言，租賃物業不予以資本化，租賃款項於租期內以直線法於損益確認為租金開支。任何預付租金及應計租金分別確認為其他資產及其他負債。

本集團於初始應用日期2019年1月1日使用經修訂追溯法採納國際財務報告準則第16號。如該準則特定過渡條文項下所允許，2018年報告期的比較資料未有重列。根據國際財務報告準則第16號，於過渡日期，本集團已評估所有合約以確立其是否包含租賃。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards and Interpretations (Cont'd)

Leases previously accounted for as operating leases

The Group has a lease contract for property with lease term of 60 months. On transition, the Group elected to use the practical expedient not to apply the requirements of IFRS 16 to leases for which the lease term ends within 12 months of the date of initial application of the Standard.

As at 1 January 2019 all leases were assessed as having a lease term of less than 12 months from initial application. Under IFRS 16, lease payments on short-term leases are also recognised as an expense on a straight-line basis over the lease terms.

Leases previously classified as finance leases

The Group has lease contracts for plant and equipment previously classified as finance leases. The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied on these leases from 1 January 2019.

On adoption of IFRS 16 at 1 January 2019, right-of-use assets of AU\$43,000 were reclassified from property, plant and equipment to right-of-use assets on the balance sheet. The Group continues to present lease liabilities within interest bearing loans and borrowings.

bb) 採納新訂及經修訂會計準則及詮釋的會計政策變動(續)

過往作為經營租賃入賬的租賃

本集團有一份物業租賃合約，租賃期為60個月。於過渡時，本集團選擇使用可行權宜方法，對租賃期於準則的初始應用日期起計12個月內結束的租賃不應國際財務報告準則第16號的規定。

於2019年1月1日，所有租賃被評估為租賃期自初始應用起少於12個月。根據國際財務報告準則第16號，短期租賃的租賃款項亦於租賃期按直線基準確認為開支。

過往分類為融資租賃的租賃

本集團擁有過往分類為融資租賃的廠房及設備的租賃合約。就過往分類為融資租賃(即使用權資產及租賃負債等於根據國際會計準則第17號確認的租賃資產及負債)的租賃而言，本集團並未更改於首次應用日期已確認資產及負債的初始賬面價值。國際財務報告準則第16號的規定已自2019年1月1日起應用於該等租賃。

於2019年1月1日採納國際財務報告準則第16號，使用權資產43,000澳元由物業、廠房及設備重新分類為資產負債表的使用權資產。本集團繼續於計息貸款及借款呈列租賃負債。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards and Interpretations (Cont'd)***Impact on application***1. 公司資料及主要會計政策概要(續)****bb) 採納新訂及經修訂會計準則及詮釋的會計政策變動(續)***應用的影響*

		At 1 January 2019 於2019年 1月1日 AU\$'000 千澳元
The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments disclosed as of 31 December 2018 as follows:	於2019年1月1日的租賃負債與截至2018年12月31日披露的經營租賃承擔對賬如下：	
Operating lease commitments as at 31 December 2018	於2018年12月31日的經營租賃承擔	67
Less	減	
Commitments relating to short-term leases	有關短期租賃的承擔	(67)
Add	加	
Commitments relating to lease previously classified as finance lease	有關過往分類為融資租賃的租賃的承擔	37
Lease liabilities as at 1 January 2019	於2019年1月1日的租賃負債	<u>37</u>
		At 1 January 2019 於2019年 1月1日 AU\$'000 千澳元
Depreciation expense for right-of-use asset	使用權資產的折舊開支	24
Interest expense on lease liabilities	租賃負債的利息開支	1
Expense relating to leases of low value assets (included in general and administrative expenses)	低價值資產租賃的相關開支(計入一般及行政開支)	7
Variable lease payments(included in cost of sales)	可變租賃款項(計入銷售成本)	-
Short term lease payments (included in general and administrative expenses)	短期租賃付款(計入一般及行政開支)	67
Total amount recognised in the Consolidated Statement of Profit or Loss	於綜合損益表確認的總額	<u>99</u>
Total cash flow	現金流量總額	<u>114</u>

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards and Interpretations (Cont'd)

Policy applied from 1 January 2019 – Group as Lessee

The Group assesses each contract at inception to determine whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- (i) Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.
- (ii) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets:

bb) 採納新訂及經修訂會計準則及詮釋的會計政策變動(續)

自2019年1月1日起應用的政策 – 本集團作為承租人

本集團於開始時評估每份合約是否為租賃或包含租賃，即倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

- (i) 本集團作為承租人
本集團就所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。
- (ii) 使用權資產
本集團於租賃開始日期(即相關資產可供使用的日期)確認使用權資產。使用權資產乃按成本減任何累計折舊及減值虧損計量，並根據租賃負債的任何重新計量作出調整。使用權資產的成本包括已確認的租賃負債金額、產生的初始直接成本、以及於開始日期當日或之前支付的租賃款項減任何收取的租賃獎勵。使用權資產於資產的租賃期或估計可使用年期(以較短者為準)按直線法基準予以折舊：

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards (Cont'd)***Policy applied from 1 January 2019 – Group as Lessee (Cont'd)***(ii) Right-of-use assets (Cont'd)**

Property	5 – 50%
Plant and equipment	4 – 33%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 1(n).

The Group's right-of-use assets are included in note 9.

- (iii) Short-term leases and leases of low value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

1. 公司資料及主要會計政策概要(續)**bb) 採納新訂及經修訂會計準則的會計政策變動(續)***自2019年1月1日起應用的政策 – 本集團作為承租人(續)***(ii) 使用權資產(續)**

物業	5至50%
廠房及設備	4至33%

倘租賃資產的擁有權於租賃期結束時轉讓予本集團或成本反映行使購買選擇權，折舊按資產的估計可使用年期計算。使用權資產亦會減值。請參閱附註1(n)的會計政策。

本集團的使用權資產載於附註9。

- (iii) 短期租賃及低價值資產租賃
本集團對其機器及設備的短期租賃(即該等租賃期於開始日期起計為12個月或以下且不包含購買選擇權的租賃)應用短期租賃確認豁免。其亦對被認為價值低的辦公室設備的租賃應用低價值資產租賃確認豁免。短期租賃及低價值資產租賃的租賃款項於租賃期按直線法基準確認為開支。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1. 公司資料及主要會計政策概要(續)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards (Cont'd)

Policy applied from 1 January 2019 – Group as Lessee (Cont'd)

(iv) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing liabilities in note 13.

bb) 採納新訂及經修訂會計準則的會計政策變動(續)

自2019年1月1日起應用的政策 – 本集團作為承租人(續)

(iv) 租賃負債

於租賃開始日期，本集團確認按租賃期內將支付的租賃款項現值計量的租賃負債。租賃款項包括定額付款(包含實質定額款項)減任何租賃獎勵應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃款項亦包括本集團合理確定行使的購買選擇權的行使價及在租賃期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。並非取決於指數或利率之可變租賃款項在出現觸發付款的事件或條件的期間內確認為開支(除非彼等為產生存貨而造成)。

於計算租賃款項的現值時，倘租賃隱含利率不易釐定，則本集團使用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增長，並會因支付租賃款項而減少。

此外，倘出現修訂、租賃期有所變更、租賃款項有所變更(例如因用於釐定有關租賃款項的指數或利率變動導致未來款項有所變更)或購買有關資產的選擇權的評估出現變動，租賃負債的賬面值將會重新計量。

本集團的租賃負債載於附註13計息負債內。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards (Cont'd)

Policy applied prior to 1 January 2019 – Group as Lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the date of inception. The arrangement is assessed to determine whether fulfilment is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets) are not explicitly specified in an arrangement. The Group is not a lessor in any transactions, it is only a lessee.

(i) Group as a lessee

Finance leases, which transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

bb) 採納新訂及經修訂會計準則的會計政策變動(續)

於2019年1月1日前應用的政策 – 本集團作為承租人

釐定安排是否為，或是否包含租賃，乃基於開始日期的安排內容。該安排會被評估，以釐定履行是否依賴使用一個或多個特定資產，及該安排是否轉移一個或多個資產的使用權(即使有關資產並未於安排中明確指明)。本集團於所有交易中概非出租人，僅為承租人。

(i) 本集團作為承租人

將租賃項目所有權附帶的絕大部分風險及回報轉讓予本集團的融資租賃，會於租賃開始時按租賃物業的公允價值或(倘較低)最低租賃款項現值予以資本化。租賃款項按比例於融資費用及租賃負債減少之間作出分配，從而使該負債的應付餘額的利率固定。融資費用於損益及其他全面收益表的財務成本確認。

租賃資產按該項資產的可使用年限予以折舊。惟倘本集團未能合理確定將於租賃期屆滿前獲得擁有權，該資產則按資產的預計可使用年限與租賃期中的較短者予以折舊。

經營租用款項在租賃期於損益及其他全面收益表中以直線法基準確認為經營開支。

for the year ended 31 December 2019

截至2019年12月31日止年度

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**1. 公司資料及主要會計政策概要(續)****bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards (Cont'd)***IFRIC Interpretation 23 Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

bb) 採納新訂及經修訂會計準則的會計政策變動(續)*國際財務報告詮釋委員會詮釋第23號所得稅處理的不確定性*

倘稅項處理涉及影響國際會計準則第12號所得稅的應用的不確定性，詮釋處理該情況下的所得稅會計。該詮釋不適用於國際會計準則第12號範圍外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理以下情況：

- 實體是否考慮不確定稅項進行單獨處理；
- 實體對稅務機關的稅項處理檢查所作的假設；
- 實體如何釐定應課稅溢利(稅項虧損)、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及
- 實體如何考慮事實及情況變動。

for the year ended 31 December 2019

1. CORPORATE INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

bb) Changes in Accounting Policies on Adoption of New and Amended Accounting Standards (Cont'd)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (Cont'd)

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it had any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the Group.

截至2019年12月31日止年度

1. 公司資料及主要會計政策概要(續)

bb) 採納新訂及經修訂會計準則的會計政策變動(續)

國際財務報告詮釋委員會詮釋第23號所得稅處理的不確定性(續)

實體須釐定是否考慮單獨進行各項不確定的稅項處理，或將一項或多項其他不確定稅項處理合併進行。能更好預測解決不確定性的方法應予以採用。

本集團於確定所得稅處理不確定性時運用重大判斷。由於本集團在複雜的跨國環境下經營，本集團已評估該詮釋是否會對其綜合財務報表造成影響。

於採納該詮釋時，本集團考慮其是否存在任何不確定稅務情況(尤其是與轉移定價有關時)。本公司及附屬公司於不同司法權區進行的稅務申報包括有關轉移定價的抵扣，而稅務機關可能質疑有關稅項處理。本集團根據其對稅務合規及轉移定價的研究確定，其稅項處理(包括對附屬公司的稅項處理)可能會獲稅務機關接受。該詮釋對本集團的綜合財務報表並無影響。

for the year ended 31 December 2019

截至2019年12月31日止年度

2. OTHER REVENUE, INCOME AND EXPENSES**2. 其他收益、收入及開支**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
a) Cost of sales	a) 銷售成本		
Cost of production net of inventory movements	生產成本(扣除存貨變動)	33,655	37,666
Depreciation of mine properties, plant and equipment	礦場物業、廠房及設備折舊	6,766	3,488
Rehabilitation costs ¹	復墾成本 ¹	1,787	-
		42,208	41,154
<i>Cost of production net of inventory movements</i>	<i>生產成本(扣除存貨變動)</i>		
Mining	採礦	20,931	25,480
Processing	選礦	4,440	9,941
Other production activities	其他生產活動	1,272	1,370
Gold inventory movements	黃金存貨變動	7,012	875
		33,655	37,666
Cost of production net of inventory movements	生產成本(扣除存貨變動)	33,655	37,666

¹ In December 2019, the Group submitted its mine closure plan for Orivesi to the Regional State Administrative Agency of Western and Inland Finland, which included the recognition of an additional AU\$1.8 million rehabilitation expense through cost of sales.

¹ 於2019年12月，本集團就Orivesi礦場向芬蘭西部及內陸地區州行政機構提交其礦場關閉計劃，包括透過銷售成本而確認的額外復墾開支1.8百萬澳元。

for the year ended 31 December 2019

截至2019年12月31日止年度

2. OTHER REVENUE, INCOME AND EXPENSES (CONT'D)**2. 其他收益、收入及開支(續)**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
b) Other revenue	b) 其他收益		
Finance revenue and interest	融資收益及利息	66	209
Rent and sundry income	租金及雜項收入	7	7
		<u>73</u>	<u>216</u>
c) Other income	c) 其他收入		
Sale of property, plant and equipment	銷售物業、廠房及 設備	1,136	-
Other	其他	-	35
		<u>1,136</u>	<u>35</u>
d) Other expenses	d) 其他開支		
Depreciation of non-mine site assets	非礦山場地資產折舊	83	72
Evaluation assets written off	撇銷評估資產	-	326
		<u>83</u>	<u>398</u>
e) Finance costs	e) 財務成本		
Interest	利息	193	174
Other	其他	17	17
		<u>210</u>	<u>191</u>
f) Total employee benefits including Directors' remuneration	f) 僱員福利總額 (包括董事薪酬)		
Wages and salaries	工資及薪金	8,321	7,771
Defined contribution superannuation expense	界定供款退休金開支	1,239	1,245
Other employee benefits	其他僱員福利	748	669
		<u>10,308</u>	<u>9,685</u>

for the year ended 31 December 2019

截至2019年12月31日止年度

3. INCOME TAX**3. 所得稅**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
(a) Income Tax Expense	(a) 所得稅開支		
The major components of income tax expense are:	所得稅開支的主要部份為：		
<i>Current income tax</i>	<i>即期所得稅</i>		
Current income tax expense	即期所得稅開支	2,079	-
Adjustments in respect of current income tax of previous year	就過往年度即期所得稅作出調整	-	-
<i>Deferred income tax</i>	<i>遞延所得稅</i>		
Income tax benefit arising from previously unrecognised tax loss	因過往未確認稅項虧損產生的所得稅利益	(2,079)	-
Relating to origination and reversal of temporary differences	有關暫時差額的產生及撥回	-	-
		-	-
Income tax expense reported in the statement of comprehensive income	於全面收益表呈報的所得稅開支	-	-
(b) Amounts charged or credited directly to equity	(b) 直接扣除自或計入權益的金額		
<i>Deferred income tax related to items charged/(credited) directly to equity</i>	<i>與直接扣除自/(計入)權益的項目有關的遞延所得稅</i>		
		-	-

for the year ended 31 December 2019

截至2019年12月31日止年度

3. INCOME TAX (CONT'D)

- (c) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

3. 所得稅(續)

- (c) 於全面收益表確認的稅項開支總額與按法定所得稅稅率計算的稅項開支的數值對賬

稅項開支與除所得稅前會計溢利及本集團適用所得稅稅率之乘積的對賬如下：

		2019	2018
		2019年	2018年
		AU\$'000	AU\$'000
		千澳元	千澳元
Accounting profit/(loss) before income tax	除所得稅前會計溢利/(虧損)	6,311	(9,531)
At the Group's statutory income tax rate of 30% in Australia (2018: 30%)	按本集團於澳洲的法定所得稅稅率30%(2018年: 30%)	1,893	(2,859)
Adjustments in respect of current income tax of previous year	就過往年度即期所得稅作出調整	-	-
Effect of different rates of tax on overseas income	海外收益不同稅率的影響	(792)	623
Other	其他	(858)	(3,353)
Previously unrecognised tax losses utilised/recognised	動用/確認過往未確認稅項虧損	(2,079)	-
Tax losses and other temporary differences not recognised as benefit not probable	未確認稅項虧損及其他暫時差額(因不可能產生利益)	1,836	5,589
Aggregate income tax expense	所得稅開支總額	-	-

for the year ended 31 December 2019

截至2019年12月31日止年度

3. INCOME TAX (CONT'D)

3. 所得稅(續)

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
(d) Recognised deferred tax assets and liabilities	(d) 已確認遞延稅項資產及負債		
Consolidated deferred income tax at reporting date relates to the following:	於報告日期與下列各項有關的綜合遞延所得稅：		
<i>Deferred tax assets</i> (excluding tax losses)	<i>遞延稅項資產</i> (稅項虧損除外)		
Leave entitlements	休假權利	142	46
Rehabilitation provision	復墾撥備	1,553	393
Share issue and listing costs	股份發行及上市成本	1,210	2,125
Mine properties, property, plant and equipment	礦場物業、物業、廠房及設備	788	3,572
Exploration costs	勘探成本	738	928
Accruals	應計費用	50	42
Temporary differences not recognised ¹	未確認的暫時差額 ¹	(4,353)	(7,101)
Set off deferred tax liabilities pursuant to set off provisions	根據抵銷條款抵銷遞延稅項負債	(128)	(5)
Deferred income tax assets	遞延所得稅資產	-	-
<i>Deferred tax liabilities</i>	<i>遞延稅項負債</i>		
Accelerated deduction	加速扣減	-	-
Mine properties, property, plant and equipment	礦場物業、物業、廠房及設備	(128)	(5)
Set off deferred tax liabilities pursuant to set off provisions	根據抵銷條款抵銷遞延稅項負債	128	5
Deferred income tax liabilities	遞延所得稅負債	-	-

¹ The temporary differences not recognised include AU\$0.1 million in respect of FX movements and AU\$2.4 million of adjustments in respect of deferred tax of previous year.

¹ 未確認的暫時差額包括有關外匯變動的0.1百萬澳元及有關去年遞延稅項調整的2.4百萬澳元。

for the year ended 31 December 2019

3. INCOME TAX (CONT'D)

(e) Tax Losses

Future benefits of tax losses total approximately AU\$11.1 million (2018: AU\$12.2 million). The Consolidated Entity has available capital losses at a tax rate of 30% amounting to AU\$2.6 million (2018: AU\$2.6 million).

The benefits of the tax losses will only be obtained by the companies in the Consolidated Entity if:

- they continue to comply with the provisions of the Income Tax Legislation relating to the deduction of losses of prior periods;
- they earn sufficient assessable income to enable the benefits of the deductions to be realised; and
- there are no changes in Income Tax Legislation adversely affecting the Company's ability to realise the benefits.

(f) Tax consolidation

Effective 1 July 2003, for the purpose of income taxation, Dragon Mining Limited and its 100% Australian owned subsidiaries formed a Tax Consolidation Group ("Tax Group"). Members of the Tax Group have entered into a tax sharing and funding arrangement whereby each entity in the Tax Group has agreed to pay a tax equivalent amount to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the Tax Group. For the year ended 31 December 2019, there are no tax consolidation adjustments (2018: Nil). The nature of the tax funding arrangement for the Tax Group is such that no tax consolidation adjustments (contributions by or distributions to equity participants) would be expected to arise. The head entity of the Tax Group is Dragon Mining Limited. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

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3. 所得稅(續)

(e) 稅項虧損

稅項虧損的未來利益合共約為11.1百萬澳元(2018年: 12.2百萬澳元)。綜合實體有按30%稅率計算的可用資本虧損2.6百萬澳元(2018年: 2.6百萬澳元)。

綜合實體內的公司僅在以下情況下方可獲得稅項虧損的利益:

- 繼續遵守所得稅規例中有關扣減過往期間虧損的規定;
- 獲得足夠的應課稅收入, 以實現扣減的利益; 及
- 所得稅規例並無發生會對本公司實現利益的能力產生不利影響的變動。

(f) 綜合計稅

自2003年7月1日起, 就所得稅目的而言, 龍資源有限公司及其100%澳洲擁有的附屬公司組成一個綜合計稅集團(「計稅集團」)。計稅集團的成員公司已經簽訂稅收分成及資金安排, 據此, 計稅集團各實體同意根據實體的即期稅項負債或即期稅項資產, 向主管實體支付或自主管實體收取等值稅款。該等金額反映在應收或應付計稅集團其他實體的款項中。截至2019年12月31日止年度, 並無進行綜合計稅調整(2018年: 無)。計稅集團的稅收資金安排的性質使然, 預計不會出現綜合計稅調整(參股者出資或向參股者分派)。計稅集團的主管實體為龍資源有限公司。此外, 協議規定了在主管實體不履行納稅義務的情況下各實體之間的所得稅負債分配。於結算日期, 違約的可能性甚微。

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截至2019年12月31日止年度

4. CASH AND CASH EQUIVALENTS

4. 現金及現金等價物

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Cash at bank and on hand	銀行及手頭現金	8,182	10,905
		8,182	10,905

a) Reconciliation of net profit after tax to net cash flows from operations

a) 除稅後淨溢利與經營產生的淨現金流量對賬

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Net profit/(loss) after tax	除稅後淨溢利/(虧損)	6,311	(9,531)
Adjustments for:	就以下項目作出調整：		
Depreciation and amortisation	折舊及攤銷	6,849	3,886
Capitalised interest on qualifying asset	合資格資產的資本化利息	(146)	-
Net foreign exchange gains	外匯收益淨額	(108)	(55)
Changes in operating assets and liabilities:	營運資產及負債的變動：		
— Increase in receivables	— 應收款項增加	(2,902)	(966)
— (Decrease)/increase in other assets	— 其他資產(減少)/增加	360	(271)
— Increase in inventories	— 存貨增加	(6,891)	(604)
— Increase/(decrease) in trade creditors and accruals	— 應付貿易賬款及應計費用增加/(減少)	1,881	(592)
— Increase/(decrease) in provisions	— 撥備增加/(減少)	2,267	(273)
Net operating cash flows	經營現金流量淨額	7,621	(8,406)

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截至2019年12月31日止年度

4. CASH AND CASH EQUIVALENTS (CONT'D)**b) Reconciliation of liabilities from financing activities**

Opening balance – 1 January	期初結餘 – 1月1日	4,000	–
Cash flow:	現金流量：		
Proceeds of borrowings	借款所得款項	2,000	9,000
Repayment of borrowings	償還借款	–	(5,000)
Lease liabilities	租賃負債	337	47
Repayment of lease liabilities	償還租賃負債	(30)	(11)
Non-cash changes:	非現金變動：		
Foreign exchange adjustments on borrowings	借款外匯調整	293	249
Balance at period end	期末結餘	6,600	4,285

5. TRADE AND OTHER RECEIVABLES

Trade receivables – fair value through profit or loss (i)	貿易應收款項 – 於損益按公允價值計值(i)	3,786	749
Trade receivables – amortised cost (ii)	貿易應收款項 – 攤銷成本(ii)	495	2,094
Other receivables (iii)	其他應收款項(iii)	1,668	1,147
		5,949	3,990

- (i) Trade receivables that relate to concentrate sales that are subject to quotation period pricing are recognised at fair value through profit or loss. Concentrate sales are subject to the provisional pricing arrangements disclosed in note 1(h). The Group issues a provisional invoice at the end of the month following the month of delivery which is payable within fifteen days. A final invoice is issued by the Group within three days of receiving final assays, typically two months post delivery, which is payable by the purchaser within five days of invoice receipt.
- (ii) Includes trade receivables for gold sold on market and settled within two days. The probability of default is considered to be insignificant. All amounts have been collected subsequent to year end.
- (iii) Other receivables include bank guarantees held on deposit with National Australia Bank for the lease of the corporate premises. These deposits are rolled over every three months in accordance with the lease terms. Due to the short-term nature and credit rating of the counterparty, the probability of default is insignificant.

4. 現金及現金等價物(續)**b) 融資活動負債對賬**

	2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Opening balance – 1 January	4,000	–
Cash flow:		
Proceeds of borrowings	2,000	9,000
Repayment of borrowings	–	(5,000)
Lease liabilities	337	47
Repayment of lease liabilities	(30)	(11)
Non-cash changes:		
Foreign exchange adjustments on borrowings	293	249
Balance at period end	6,600	4,285

5. 貿易及其他應收款項

	2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Trade receivables – fair value through profit or loss (i)	3,786	749
Trade receivables – amortised cost (ii)	495	2,094
Other receivables (iii)	1,668	1,147
	5,949	3,990

- (i) 與視乎報價期定價的精礦銷售相關的貿易應收款項，按公允價值於損益確認。精礦銷售須受附註1(h)所披露的臨時定價安排所限。本集團會於交付該月後下個月底發出臨時發票，款項應於十五日內支付。本集團於收取最終含量三日內發出最終發票，一般為交付後兩個月買方應於收取發票後五日內付款。
- (ii) 包括就於市場出售黃金並於兩日內清償的貿易應收款項。違約可能性被視為不重大。所有款項已於年底隨後收取。
- (iii) 其他應收款項包括就出租公司物業而持有並存放於 National Australia Bank 的銀行擔保。該等存款根據租賃條款每三個月滾存一次。基於其短期性質及交易對手方的信貸評級，違約可能性並不重大。

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5. TRADE AND OTHER RECEIVABLES (CONT'D)**5. 貿易及其他應收款項(續)**

The Group's exposure to credit risk and interest rate risk are disclosed in note 24(d) and 24(e).

本集團面臨的信貸風險及利率風險於附註24(d)及24(e)披露。

Ageing Analysis

An aged analysis of the trade debtors as at the end of the reporting period, based on invoice date, is as follows:

賬齡分析

於報告期間末，按發票日期計算的應收貿易賬款的賬齡分析如下：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Amounts not yet invoiced	尚未開具票的金額	2,899	-
Within 1 month	一個月內	1,382	2,843
1 to 2 months	一至兩個月	-	-
2 to 3 months	兩至三個月	-	-
Over 3 months	超過三個月	-	-
Trade debtors	應收貿易賬款	4,281	2,843

6. INVENTORIES**6. 存貨**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Ore and concentrate stockpiles ¹	礦石及精礦庫存 ¹	9,875	4,509
Gold in circuit valued – at cost	流通中的黃金—按成本估值	5,896	-
Gold in circuit valued – at NRV	流通中的黃金—按可變現淨值 估值	-	4,499
Raw materials and stores – at cost	原材料及儲備—按成本	913	1,049
		16,684	10,057

¹ At 31 December 2019, all ore and concentrate stockpiles were valued at cost except for 1,000 tonnes of stockpiled Orivesi ore which was valued at a net realisable value of AU\$0.02 million.

¹ 於2019年12月31日，除1,000噸庫存的Orivesi礦石按可變現淨值20,000澳元估值外，所有礦石及精礦庫存均按成本估值。

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7. PROPERTY PLANT AND EQUIPMENT**7. 物業、廠房及設備**

		2019	2018
		2019年	2018年
		AU\$'000	AU\$'000
		千澳元	千澳元
Land	土地		
Gross carrying amount – at cost	按成本計值的賬面總值	1,362	1,390
Buildings	樓宇		
Gross carrying amount – at cost	按成本計值的賬面總值	2,548	2,623
Less accumulated depreciation and impairment	減累計折舊及減值	(2,052)	(1,981)
Net carrying amount	賬面淨值	496	642
Property, plant and equipment	物業、廠房及設備		
Gross carrying amount – at cost	按成本計值的賬面總值	34,231	33,474
Less accumulated depreciation and impairment	減累計折舊及減值	(31,862)	(31,405)
Net carrying amount	賬面淨值	2,369	2,069
Mine Properties	礦場物業		
Gross carrying amount – at cost	按成本計值的賬面總值	123,978	113,429
Less accumulated amortisation and impairment	減累計攤銷及減值	(94,858)	(90,974)
Net carrying amount	賬面淨值	29,120	22,455
Total property, plant and equipment	物業、廠房及設備總額		
Gross carrying amount – at cost	按成本計值的賬面總值	162,119	150,916
Less accumulated amortisation and impairment	減累計攤銷及減值	(128,772)	(124,360)
Net carrying amount	賬面淨值	33,347	26,556

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7. PROPERTY PLANT AND EQUIPMENT (CONT'D)**7. 物業、廠房及設備(續)****Reconciliations**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period:

對賬

報告期初及期末物業、廠房及設備賬面值的對賬：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Land	土地		
Carrying amount at beginning of period	期初的賬面值	1,390	1,334
Net foreign exchange movement	外匯變動淨額	(28)	56
		1,362	1,390
Buildings	樓宇		
Carrying amount at beginning of period	期初的賬面值	642	613
Additions	添置	-	98
Disposals	出售	(24)	-
Depreciation	折舊	(113)	(102)
Net foreign exchange movement	外匯變動淨額	(9)	33
		496	642
Property, plant and equipment	物業、廠房及設備		
Carrying amount at beginning of period	期初的賬面值	2,026	2,457
Additions	添置	1,605	719
Depreciation	折舊	(1,102)	(1,227)
Net foreign exchange movement	外匯變動淨額	(160)	120
		2,369	2,069
Mine properties	礦場物業		
Carrying amount at beginning of period	期初的賬面值	22,455	14,940
Additions	添置	9,100	3,596
Capitalisation of borrowing costs	借款成本的資本化	146	-
Reclassification from evaluation costs	來自評估成本的重新分類	3,136	5,385
Depreciation	折舊	(5,609)	(2,231)
Net foreign exchange movement	外匯變動淨額	(108)	765
		29,120	22,455

The Group has considered whether any impairment triggers exist at 31 December 2019 and have concluded that no triggers are present in the current year. Management have also considered whether an impairment reversal is required and determined that no historical impairment should be reversed. No impairment was recognised during the 2018 and 2019 financial years. Included within Mine Properties is AU\$16.3 million relating to Fäboliden. The Company has a valid environmental test mining permit for Fäboliden and is in the progress of obtaining a full mining permit which is expected to be finalised in the second half of 2020.

本集團已考慮於2019年12月31日是否存在任何觸發減值的事件，並確定本年度並無出現觸發減值的事件。管理層亦已考慮是否需要撥回減值，並決定並無過往減值需要撥回。2018及2019財政年度並未確認減值。計入礦場物業的16.3百萬澳元與Fäboliden有關。本公司已就Fäboliden擁有有效的環境試採礦許可證，並正獲取完整的採礦許可證，預期於2020年下半年落實。

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8. MINERAL EVALUATION AND DEVELOPMENT COSTS**Mineral exploration and evaluation costs**

Balance at beginning of financial period	財政期初的結餘
Additions	添置
Exploration write off	勘探撇銷
Reclassification to mine properties	重新分類至礦場物業
Net foreign exchange movement	外匯變動淨額
Total mineral exploration and evaluation expenditure	礦產勘探及評估開支總額

The recoverability of the carrying amount of exploration and evaluation is dependent on the successful development and commercial exploitation, or alternatively through the sale of the respective area of interest.

9. RIGHT-OF-USE ASSETS

Gross carrying amount – at cost	按成本計值的賬面總值
Less accumulated depreciation and impairment	減累計折舊及減值
Net carrying amount	賬面淨值

8. 礦產評估及開發成本**礦產勘探及評估成本**

2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
5,333	5,562
6,808	5,298
–	(326)
(3,136)	(5,385)
(306)	184
8,699	5,333

勘探及評估的賬面值能否收回取決於能否成功開發及商業開採，或另行通過出售擬開發之地收回。

9. 使用權資產

2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
344	–
(24)	–
320	–

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9. RIGHT-OF-USE ASSETS (CONT'D)**9. 使用權資產(續)****Reconciliations**

Reconciliations of the carrying amounts of right-of-use asset classes at the beginning and end of the reporting period:

對賬

報告期初及期末使用權資產組別賬面值的對賬。

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Right-of-use assets – property	使用權資產 – 物業		
Carrying amount at beginning of period	期初的賬面值	–	–
Additions	添置	205	–
Depreciation	折舊	(3)	–
		<hr/>	<hr/>
Carrying amount at end of period	期末的賬面值	202	–
		<hr/> <hr/>	<hr/> <hr/>
Right-of-use assets – plant and equipment	使用權資產 – 廠房及設備		
Carrying amount at beginning of period	期初的賬面值	43	–
Additions	添置	97	–
Depreciation	折舊	(21)	–
Net foreign exchange movement	外匯變動淨額	(1)	–
		<hr/>	<hr/>
Carrying amount at end of period	期末的賬面值	118	–
		<hr/> <hr/>	<hr/> <hr/>

¹ On 1 January 2019, the Group reclassified the carrying value of finance leases previously held under property, plant and equipment as right-of-use assets – property, plant and equipment in accordance with IFRS 16.

¹ 於2019年1月1日，本集團根據國際財務報告準則第16號將以往於物業、廠房及設備項下持有的融資租賃的賬面值重新分類為使用權資產 – 物業、廠房及設備。

The Group's lease liabilities are included in interest-bearing liabilities at note 13.

本集團的租賃負債計入計息負債(載於附註13)。

for the year ended 31 December 2019

10. OTHER ASSETS**Current**

Prepayments

Non-currentEnvironmental and other bonds
at amortised cost¹

¹ The environmental bonds relate to cash that has been deposited with Swedish and Finnish government authorities. The bonds are held in an interest-bearing account and can only be drawn down when rehabilitation programs have been completed and authorised by the relevant government authority.

The Consolidated Entity's exposure to credit risk is disclosed in note 24(d).

11. TRADE AND OTHER PAYABLES

Trade payables and accruals

The Consolidated Entity's exposure to credit risk is disclosed in note 24(d).

Ageing Analysis

An aged analysis of the trade creditors and accruals as at the end of the reporting period, based on invoice date, is as follows:

Within 1 month
1 to 2 months
2 to 3 months
Over 3 months

Trade payables and accruals

流動

預付款項

非流動按攤銷成本計量的
環保及其他債券¹

¹ 環保債券與已經存放於瑞典及芬蘭政府機構的現金有關。債券乃以計息賬戶持有，僅當復墾項目完成並獲得有關政府機構授權時方可提取。

綜合實體面臨的信貸風險於附註24(d)披露。

11. 貿易及其他應付款項

貿易應付款項及應計費用

綜合實體面臨的信貸風險於附註24(d)披露。

賬齡分析

於報告期間末，按發票日期計算的應付貿易賬款及應計費用的賬齡分析如下：

一個月內
一至兩個月
兩至三個月
超過三個月

貿易應付款項及應計費用

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10. 其他資產

2019	2018
2019年	2018年
AU\$'000	AU\$'000
千澳元	千澳元

163	429
-----	-----

5,289	5,480
-------	-------

2019	2018
2019年	2018年
AU\$'000	AU\$'000
千澳元	千澳元

7,049	6,409
-------	-------

2019	2018
2019年	2018年
AU\$'000	AU\$'000
千澳元	千澳元

6,959	5,418
33	974
25	10
32	7

7,049	6,409
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12. PROVISIONS**12. 撥備**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Current	流動		
Employee entitlements	僱員權益	2,263	1,762
Other	其他	-	130
		2,263	1,892
Non-current	非流動		
Employee entitlements	僱員權益	122	86
Rehabilitation	復墾	18,992	12,531
		19,114	12,617
<i>Rehabilitation movement</i>	<i>復墾變動</i>		
Balance at 1 January 2019	於2019年1月1日的結餘	12,531	
Additions	添置	6,768	
Rehabilitation borrowing discount unwound	未回轉復墾借款折現	-	
Net foreign exchange movement	外匯變動淨額	(307)	
Balance at 31 December 2019	於2019年12月31日的結餘	18,992	

The provisions for rehabilitation are recorded in relation to the gold mining operations for the rehabilitation of the disturbed mining area to a state acceptable to various Swedish and Finnish authorities. While rehabilitation is performed progressively where possible, final rehabilitation of the disturbed mining area is not expected until the cessation of production. Accordingly, the provisions are expected to be settled primarily at the end of the mine life, although some amounts will be settled during the mine life. Rehabilitation provisions are estimated based on survey data, external contracted rates and the timing of the current mining schedule. Provisions are discounted based on rates that reflect current market assessments of the time value of money and the risks specific to that liability. The discount rate utilised for Finland in 2019 was 0% (2018: 0%) and in Sweden was 0% (2018: 0%). Additions during the relevant periods to the rehabilitation provision include obligations that do not have an associated mining asset recognised at the end of the reporting date. A contingent liability in relation to the Groups Svartliden rehabilitation provision has been disclosed at note 22.

The Group continues to complete progressive rehabilitation at all its sites but the works associated with these rehabilitation provisions are not expected to be undertaken in the subsequent reporting period.

復墾撥備乃就金礦開採業務而記錄，將受擾開採區域恢復到瑞典及芬蘭多個機構可接受的狀態。儘管在可能的情況下逐步進行復墾，但預計在停產之前不會對受擾的採礦區域進行最終復墾。因此，預計有關撥備主要會在礦山壽命結束時結付，而部分金額會在礦山壽命期間中結付。復墾撥備乃根據調查數據、外部合約費率及當前採礦計劃的時間進行估計。撥備乃基於反映當前貨幣時間價值的市場評估的費率及該項負債特定的風險進行折現。2019年芬蘭所用的折現率為0% (2018年：0%)，瑞典為0% (2018年：0%)。有關期間復墾撥備的增加包括並無擁有於報告日期末確認的相關採礦資產的義務。有關本集團 Svartliden 復墾撥備的或然負債已於附註 22 披露。

本集團繼續在其所有場所完成漸進式復墾，惟與該等復墾撥備有關的工程預期不會在下一個報告期進行。

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13. INTEREST BEARING LIABILITIES**13. 計息負債**

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Current liabilities	流動負債		
Lease liabilities ¹	租賃負債 ¹	65	7
		65	7
Non-current liabilities	非流動負債		
Loan principal	貸款本金	6,000	4,000
Revaluation of HKD denominated drawdowns	對港元列值提取的重估	293	249
Lease liabilities ¹	租賃負債 ¹	242	29
		6,535	4,278

¹ The Group's right-of-use lease assets are included at note 9.¹ 本集團的使用權租賃資產載於附註9。As at 31 December 2019:
於2019年12月31日：

	Interest Rate 利率	Maturity 到期日	HK\$'000 千港元	AU\$'000 千澳元
AP Finance Limited				
AP Finance Limited				
Australian Dollar denominated drawdowns 澳元列值提取	4%	30 June 2021 2021年6月30日	-	3,000
Hong Kong Dollar denominated drawdowns 港元列值提取	4%	30 June 2021 2021年6月30日	17,961	3,293

The Group has a Hong Kong Dollar denominated unsecured Loan Facility with AP Finance Limited ("Loan Facility") for the Australian Dollars ("AUD") equivalent of AU\$12.0 million. On 22 November 2019, the Company extended the Loan Facility availability period from 30 June 2020 to 30 June 2021; all other terms and conditions remained unchanged.

本集團有來自AP Finance Limited 澳元(「澳元」)等值12.0百萬澳元的港元列值無抵押貸款融資(「貸款融資」)。於2019年11月22日，本公司將可獲得貸款融資的期限由2020年6月30日延長至2021年6月30日，所有其他條款及條件維持不變。

The Company has agreed with AP Finance Limited that the September 2018, January and March 2019 drawdowns of AU\$1.0 million each will be repayable in Australian Dollars. The rest of the Loan Facility remains repayable in Hong Kong Dollars. Refer to Subsequent Events note 25 for changes to the Loan Facility after year end.

本公司已與AP Finance Limited 協定，於2018年9月、2019年1月及3月各自提取的1.0百萬澳元將以澳元償還。餘下貸款融資仍以港元償還。有關年末後貸款融資的變動，請參閱其後事項附註25。

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14. CONTRIBUTED EQUITY**14. 實繳股本**

Share capital	股本	2019	2018	2019	2018
		2019年	2018年	2019年	2018年
		Number of Shares		AU\$'000	AU\$'000
		股份數目		千澳元	千澳元
Ordinary shares fully paid	已繳足普通股	138,840,613	138,840,613	133,991	133,991
Movements in issued capital	已發行股本變動				
				AU\$'000	No. Shares
				千澳元	股份數目
At 1 January 2019	於2019年1月1日			133,991	138,840,613
Balance at 31 December 2019	於2019年12月31日的結餘			133,991	138,840,613

During the year there were no disclosable transactions relating to the purchases, sales or redemption of own shares by the Company, or any of its subsidiaries, of its listed securities.

於年內，概無進行有關本公司或其任何附屬公司購買、出售或贖回自身股份或上市證券的須予披露交易。

No dividend for the years ended 31 December 2019 and 2018 was declared or paid by the Company. In addition, the Board resolved not to propose any final dividend for the year ended 31 December 2019.

本公司並無就截至2019年及2018年12月31日止年度宣派或支付股息。此外，董事會決議不建議就截至2019年12月31日止年度宣派任何末期股息。

15. RESERVES**15. 儲備**

		2019	2018
		2019年	2018年
		AU\$'000	AU\$'000
		千澳元	千澳元
Foreign currency translation reserve	外幣匯兌儲備	(3,554)	(3,160)
Convertible note premium reserve	可轉換票據溢價儲備	2,068	2,068
Equity reserve purchase of non-controlling interest	來自購買非控股權益的權益儲備	1,069	1,069
		(417)	(23)

Foreign currency translation reserve summary

This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

外幣匯兌儲備概要

該項儲備用於記錄因換算海外附屬公司財務報表而產生的匯兌差額。

Convertible note premium reserve summary

This reserve is used to record the equity component of any convertible notes on issue. This is a historical reserve and no convertible notes are currently on issue.

可轉換票據溢價儲備概要

該項儲備用於記錄發行在外的任何可轉換票據的權益部分。該項儲備為歷史儲備，目前並無發行在外的可轉換票據。

Equity reserve – purchase of non-controlling interest

This reserve is used to record differences between the consideration paid for acquiring the remaining non-controlling interest and the carrying value of net assets attributed to the non-controlling interest. This is a historical reserve and all subsidiaries are now wholly owned.

權益儲備 – 購買非控股權益

該項儲備用於記錄收購剩餘非控股權益所支付代價與歸屬於非控股權益的淨資產的賬面值之間的差額。該項儲備為歷史儲備，所有附屬公司現時均為全資擁有。

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16. KEY MANAGEMENT PERSONNEL DISCLOSURES**16. 主要管理人員披露****a) Details of Key Management Personnel**

Directors' and Executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Directors**董事**

Mr Arthur G Dew 狄亞法先生	Non-Executive Chairman (appointed 7 February 2014) 非執行主席(於2014年2月7日獲委任)
Mr Wong Tai Chun Mark 王大鈞先生	Alternate Director to Mr Arthur G Dew (appointed 19 May 2015) 狄亞法先生的替任董事(於2015年5月19日獲委任)
Mr Brett R Smith Brett R Smith先生	Executive Director (appointed 7 February 2014) 執行董事(於2014年2月7日獲委任)
Ms Lam Lai 林黎女士	Non-Executive Director (appointed 18 July 2019) 非執行董事(於2019年7月18日獲委任)
Mr Carlisle C Procter Carlisle C Procter先生	Independent Non-Executive Director (appointed 19 May 2015) 獨立非執行董事(於2015年5月19日獲委任)
Mr Pak Wai Keung Martin 白偉強先生	Independent Non-Executive Director (appointed 5 November 2018) 獨立非執行董事(於2018年11月5日獲委任)
Mr Poon Yan Wai 潘仁偉先生	Independent Non-Executive Director (appointed 5 November 2018) 獨立非執行董事(於2018年11月5日獲委任)

Executives**行政人員**

Mr Neale M Edwards Neale M Edwards先生	Chief Geologist (appointed 19 August 1996) 首席地質學家(於1996年8月19日獲委任)
Mr Daniel K Broughton Daniel K Broughton先生	Chief Financial Officer (appointed 8 September 2014) 首席財務官(於2014年9月8日獲委任)

b) Compensation of Key Management Personnel*Key Management Personnel***b) 主要管理人員薪酬***主要管理人員*

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 AU\$ 澳元	2018 2018年 AU\$ 澳元
Short-term	短期	1,507,621	1,080,161
Long-term	長期	86,673	116,375
Post-employment	退休後	134,526	101,738
Total	總計	1,728,820	1,298,274

The remuneration of Key Management Personnel ("KMP") is determined by the Remuneration Committee having a regard to the position, experience, qualification and performance of the individuals and market trends.

主要管理人員(「主要管理人員」)的薪酬乃由薪酬委員會根據個人的職位、經驗、資歷及表現以及市場趨勢釐定。

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16. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)**16. 主要管理人員披露(續)****b) Compensation of Key Management Personnel (Cont'd)***Five Highest Paid Employees*

The five highest paid employees during the year included one Director and four specified employees, for both 2019 and 2018 years.

Details of the remuneration for the year of the remaining four highest paid employees who is neither a Director nor Chief Executive of the Company are as follows:

b) 主要管理人員薪酬(續)*五位最高薪酬僱員*

於2019年及2018年，年內五位最高薪酬僱員包括一名董事及四名指定僱員。

既非本公司董事亦非高級行政人員的餘下四位最高薪酬僱員的年內薪酬詳情如下：

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		AU\$	AU\$
		澳元	澳元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	963,862	924,852
Performance related bonuses	表現相關花紅	26,432	50,995
Pension scheme contributions	退休金計劃供款	206,687	165,516
Total	總計	1,196,981	1,141,363

The number of Non-Director and Non-Chief Executive highest paid employees whose remuneration fell within the following bands, presented in Hong Kong Dollars, is as follows:

薪酬介於以下範圍(以港元呈列)的非董事及非高級行政人員最高薪酬僱員人數呈列如下：

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至 1,500,000港元	2	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至 2,000,000港元	2	2
HK\$2,000,001 – HK\$2,500,000	2,000,001港元至 2,500,000港元	-	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至 3,000,000港元	-	-
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至 3,500,000港元	-	-
Total	總計	4	4

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17. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION**17. 董事及高級執行人員薪酬**

In Australian dollars Directors	以澳元呈列 董事		Short-Term 短期		Other Long-Term Benefits 其他長期福利		Post- Employment 退休後	Total Emoluments 薪酬總額 AUD 澳元	Proportion of Remuneration Performance Related 表現相關 薪酬的比例 %
			Salary & Fees 薪金及袍金 AUD 澳元	Bonuses 花紅 AUD 澳元	Annual Leave Accrued 應計年假 AUD 澳元	Long Service Leave Accrued 應計長期 服務假期 AUD 澳元	Super- annuation Benefits 養老金福利 AUD 澳元		
Mr Arthur G Dew ¹ (Non-Executive Chairman)	狄亞法先生 ¹ (非執行主席)	2019	90,000	-	-	-	8,550	98,550	-
		2018	90,000	-	-	-	8,550	98,550	-
Mr Brett R Smith ² (Executive Director)	Brett R Smith先生 ² (執行董事)	2019	345,419	509,195	28,426	10,833	81,188	975,061	52%
		2018	300,000	200,000	26,591	19,696	47,500	593,787	34%
Ms Lam Lai ³ (Non-Executive Director)	林黎女士 ³ (非執行董事)	2019	31,547	-	-	-	-	31,547	-
		2018	-	-	-	-	-	-	-
Mr Carlisle C Proctor (Independent Non-Executive Director)	Carlisle C Proctor先生 (獨立非執行董事)	2019	40,000	-	-	-	3,800	43,800	-
		2018	37,930	-	-	-	3,603	41,533	-
Mr. Poon Yan Wai (Independent Non-Executive Director)	潘仁偉先生 (獨立非執行董事)	2019	30,000	-	-	-	-	30,000	-
		2018	4,615	-	-	-	-	4,615	-
Mr. Pak Wai Keung Martin (Independent Non-Executive Director)	白偉強先生 (獨立非執行董事)	2019	30,000	-	-	-	-	30,000	-
		2018	4,615	-	-	-	-	4,615	-
Mr Mark Wong (Alternate Director)	王大鈞先生 (替任董事)	2019	-	-	-	-	-	-	-
		2018	-	-	-	-	-	-	-
Total all specified Directors	所有指定董事總計	2019	566,966	509,195	28,426	10,833	93,538	1,208,958	42%
		2018	437,160	200,000	26,591	19,696	59,653	743,100	27%
Specified Executives	指定行政人員								
Mr Neale M Edwards (Chief Geologist)	Neale M Edwards先生 (首席地質學家)	2019	214,698	-	19,030	4,082	20,396	258,206	-
		2018	208,000	-	18,437	3,958	19,760	250,155	-
Mr Daniel K Broughton (Chief Financial Officer)	Daniel K Broughton先生 (首席財務官)	2019	216,762	-	19,214	5,088	20,592	261,656	-
		2018	210,000	25,000	18,614	29,079	22,325	305,018	8%
Total all named Executives	所有列明行政人員總計	2019	431,460	-	38,244	9,170	40,988	519,862	-
		2018	418,000	25,000	37,051	33,037	42,085	555,173	5%
Total all specified Directors and Executives	所有指定董事及 行政人員總計	2019	998,426	509,195	66,670	20,003	134,526	1,728,820	29%
		2018	855,160	225,000	63,642	52,733	101,738	1,298,273	17%

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17. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONT'D)**17. 董事及高級執行人員薪酬(續)**

Notes:

附註：

- 1) Mr Arthur Dew received certain emoluments from Allied Group Limited in relation to his services to the Allied Group Limited, a substantial shareholder of the Company.
- 2) Mr Brett Smith is also the Chief Executive Officer of the Company and his remuneration disclosed above include those for services rendered by him as Chief Executive Officer.
- 3) Ms Lam Lai was appointed Non-Executive Director effective from 18 July 2019.

- 1) 狄亞法先生就向本公司的主要股東聯合集團有限公司提供服務而收取聯合集團有限公司若干酬金。
- 2) Brett Smith先生亦為本公司的行政總裁，上文所披露的薪酬包括其作為行政總裁提供服務而收取的薪酬。
- 3) 林黎女士於2019年7月18日獲委任為非執行董事。

The Executive Director remuneration shown above is for the provision of services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事薪酬為就管理本公司及本集團的事務提供服務所收取的薪酬。

The Non-Executive Director and Independent Non-Executive Directors' remuneration shown above are for their services as Directors of the Company.

上文所示非執行董事及獨立非執行董事薪酬為作為本公司董事提供服務所收取的薪酬。

There was no arrangement under which a Director waived or agreed to waive any emoluments during the reporting period.

報告期內概無有關董事放棄或同意放棄任何酬金的安排。

18. REMUNERATION OF AUDITORS**18. 核數師薪酬**

The Auditor of Dragon Mining Limited is Ernst & Young.

龍資源有限公司的核數師為安永會計師事務所。

		2019 2019年 AU\$ 澳元	2018 2018年 AU\$ 澳元
Remuneration of Ernst & Young (Australia) for:	安永會計師事務所就以下服務的薪酬(澳洲)：		
– auditing or reviewing accounts	– 審計或審閱賬目	163,193	248,267
– tax consulting	– 稅務諮詢	44,869	33,000
– assurance services relating to the Hong Kong listing	– 與香港上市有關的鑑證服務	–	260,869
		208,062	542,136
Remuneration of Ernst & Young (other than Australia) for:	安永會計師事務所就以下服務的薪酬(澳洲以外地區)：		
– auditing or reviewing accounts	– 審計或審閱賬目	93,432	94,934
		93,432	94,934

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19. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options and dilutive convertible notes). There have been no post balance sheet movements impacting the diluted earnings per share.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

19. 每股盈利

每股基本盈利金額乃以母公司普通股持有人應佔期內溢利或虧損淨額除以期內已發行普通股的加權平均數計算。

每股攤薄盈利金額乃以母公司普通股持有人應佔溢利或虧損淨額除以期內已發行普通股的加權平均數(就具攤薄效應的購股權及可轉換票據的影響作出調整後)。概無發生影響每股攤薄盈利的資產負債表後變動。

以下反映計算每股基本及攤薄盈利所用的收入及股份數據：

		2019 2019年	2018 2018年
Basic earnings/(loss) per share	每股基本盈利/(虧損)		
Earnings/(loss) used in calculation of basic earnings/(loss) per share (AU\$'000)	用於計算每股基本盈利/(虧損)的盈利/(虧損)(千澳元)	6,311	(9,531)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings/(loss) per share	用於計算每股基本盈利/(虧損)的期內已發行普通股的加權平均數	138,840,613	96,532,921
Basic earnings/(loss) per share (cents)	每股基本盈利/(虧損)(分)	4.55	(9.90)
Diluted earnings/(loss) per share	每股攤薄盈利/(虧損)		
Earnings/(loss) used in calculation of basic earnings/(loss) per share (AU\$'000)	用於計算每股攤薄盈利/(虧損)的盈利/(虧損)(千澳元)	6,311	(9,531)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings/(loss) per share	用於計算每股攤薄盈利/(虧損)的期內已發行普通股的加權平均數	138,840,613	96,532,921
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings/(loss) per share	用於計算每股攤薄盈利/(虧損)的期內已發行普通股的加權平均數	138,840,613	96,532,921
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted earnings/(loss) per share. These may be dilutive in future if exercised	不具攤薄效應及因此於計算每股攤薄盈利時並未包含的潛在普通股數目。日後如獲行使則可能具攤薄效應	-	-
Diluted earnings/(loss) per share (cents)	每股攤薄盈利/(虧損)(分)	4.55	(9.90)

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20. RELATED PARTY TRANSACTIONS**20. 關連人士交易****a) Subsidiaries**

The Consolidated Financial Statements include the financial statements of Dragon Mining Limited and the subsidiaries listed in the following table:

Name of Entity 實體名稱	Incorporation 註冊成立地點	Class 類別	Equity Holding 股權持有量	
			2019 2019年 %	2018 2018年 %
Dragon Mining Investments Pty Ltd	Australia	Ordinary	100	100
Dragon Mining Investments Pty Ltd	澳洲	普通股		
Dragon Mining (Sweden) AB	Sweden	Ordinary	100	100
Dragon Mining (Sweden) AB	瑞典	普通股		
Viking Gold & Prospecting AB	Sweden	Ordinary	100	100
Viking Gold & Prospecting AB	瑞典	普通股		
Dragon Mining Oy	Finland	Ordinary	100	100
Dragon Mining Oy	芬蘭	普通股		
龍資源有限公司	Hong Kong	Ordinary		
(Dragon Mining Limited) ¹			100	—
龍資源有限公司	香港	普通股		
(Dragon Mining Limited [#])				

¹ For translation purposes.

a) 附屬公司

綜合財務報表包括龍資源有限公司及下表所列附屬公司的財務報表：

[#] 僅供翻譯用途。

b) Transactions with related parties

Save as disclosed elsewhere in the notes to the Consolidated Financial Statements, the Company has the following transactions with related parties that are also exempted from the continuing connected transactions disclosures according to Rule 14A.73(6) and 14A.73(8) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

- (i) The Company has effected Directors' and Officers' Liability Insurance.
- (ii) In addition to his role as the Company's Chief Financial Officer, Mr DK Broughton provides Chief Financial Officer Services and the Company also provides administrative services including offering the use of certain space in the Company office premise located in Perth, Australia as its registered office to ASX listed gold explorer, Tanami Gold NL ("Tanami"). Tanami is a Company of which Messer's Dew, Smith and Procter, the Company's Non-Executive Chairman, Executive Director and Independent Non-Executive Director are also Non-Executive Directors. The provision of services commenced from 8 September 2014 whereby the Company will charge Tanami for 46% of Mr DK Broughton's salary cost. During the year, the Company charged Tanami AU\$100,000 (2018: AU\$100,000) of which nil was outstanding at 31 December 2019 (2018: AU\$24,750).

b) 與關連人士的交易

除於綜合財務報表附註其他地方所披露者外，本公司擁有以下亦獲豁免遵守香港聯合交易所有限公司證券上市規則第14A.73(6)及14A.73(8)條項下持續關連交易披露規定的關聯方交易。

- (i) 本公司已落實董事及高級人員的責任保險。
- (ii) 除了擔任本公司首席財務官之外，DK Broughton先生亦向澳交所上市的黃金勘探公司Tanami Gold NL(「Tanami」)提供首席財務官的服務，而本公司亦向其提供行政服務，包括提供本公司位於澳洲珀斯的辦公處所的若干空間作為其註冊辦事處。Tanami是本公司非執行主席狄先生、執行董事Smith先生及獨立非執行董事Procter先生亦擔任其非執行董事的一家公司。有關服務自2014年9月8日開始提供，據此，本公司將向Tanami收取DK Broughton先生46%的薪酬成本。年內，本公司向Tanami收取100,000澳元(2018年：100,000澳元)，其中於2019年12月31日的未支付費用為零(2018年：24,750澳元)。

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20. RELATED PARTY TRANSACTIONS (CONT'D)

Entity with significant influence over the Group

As at 31 December 2019, the following entities have significant influence over the Group:

- (i) Allied Properties Resources Limited ("APRL"), a wholly owned subsidiary of Allied Properties (H.K.) Limited, owns 25,487,855 (2018: 21,039,855) ordinary shares of the Company for an interest of 18.35% (2018: 23.68%). The Company also has an unsecured AU\$12 million loan facility with AP Finance Limited ("Loan Facility"), a subsidiary of Allied Properties (H.K.) Limited. The key provisions of the Loan Facility include (i) an interest rate of 4.0% per annum payable in arrears, and (ii) a loan with the term up to 30 June 2021. Refer to note 13.
- (ii) Sincere View International Ltd. owns 27,500,899 ordinary shares of the Company for an interest of 19.81%.

21. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are used by the chief operating decision makers in assessing performance and determining the allocation of resources.

The Group has identified its operating segments to be Sweden and Finland, based on geographical location, different national regulatory environments and different end products. Dragon Mining (Sweden) AB, the primary entity operating in Sweden, produces gold bullion from the Svartliden Production Centre and processed ore from test-mining activities at the Fäboliden Gold Mine. Dragon Mining Oy in Finland produces gold concentrate from the Vammala Production Centre and, processed ore from the Orivesi, Jokisivu and Kaapelinkulma Gold Mines.

Discrete financial information about each of these operating segments is reported to the Board and executive management team (the chief operating decision makers) on at least a monthly basis.

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20. 關連人士交易(續)

對本集團有重大影響的實體

於2019年12月31日，以下實體對本集團有重大影響：

- (i) 聯合地產(香港)有限公司的全資附屬公司 Allied Properties Resources Limited (「APRL」) 擁有本公司 25,487,855 股 (2018年：21,039,855 股) 普通股 (即 18.35% 權益 (2018年：23.68%))。本公司亦與聯合地產(香港)有限公司的附屬公司 AP Finance Limited 訂有 12 百萬澳元的無抵押貸款融資 (「貸款融資」)。貸款融資的主要條款包括 (i) 應按 4.0% 的年利率付息；及 (ii) 貸款期限至 2021 年 6 月 30 日為止。請參閱附註 13。
- (ii) Sincere View International Ltd. 擁有本公司 27,500,899 股普通股 (即 19.81% 權益)。

21. 分部資料

可報告分部的劃分

本集團按內部報告劃分其經營分部，而該等內部報告已經主要營運決策者應用，評核績效及決定資源分配。

本集團根據地理位置、不同國家監管環境及不同的最終產品，將經營分部劃分為瑞典及芬蘭。在瑞典開展業務的主要實體 Dragon Mining (Sweden) AB 由 Svartliden 生產中心生產金錠及加工來自 Fäboliden 金礦的試採工作的礦石。芬蘭的 Dragon Mining Oy 則由 Vammala 生產中心生產金精礦，並加工來自 Orivesi、Jokisivu 及 Kaapelinkulma 金礦的礦石。

本集團至少每月向董事會及執行管理團隊 (主要營運決策者) 匯報有關每個經營分部的獨立財務資料。

21. SEGMENT INFORMATION (CONT'D)**Accounting policies and inter-segment transactions**

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the Consolidated Financial Statements.

Segment results include management fees and interest charged on intercompany loans, both of which are eliminated in the Group result. They also include foreign exchange movements on intercompany loans denominated in AUD, and external finance costs that relate directly to segment operations. This segment results also include intercompany sales of concentrate which occur at rates that reflect market value.

Unallocated corporate costs are non-segmental expenses such as head office expenses and finance costs that do not relate directly to segment operations.

Disaggregation of revenue and major customers

External sales in Finland relate to concentrate from the Vammala Production Centre in Finland. These sales are all made under an ongoing arrangement to one customer and the quantity of concentrate sales is agreed by the parties in advance of delivery.

Inter-segment sales in Finland relate to concentrate on-sold to the Svartliden Processing Centre for further processing.

External sales in Sweden relate to gold bullion sold on-market through National Australia Bank.

The Group's segments reflect the disaggregation of revenue by geography and product types as described above.

21. 分部資料(續)**會計政策及分部間交易**

本集團在報告分部內部採用的會計政策，與綜合財務報表附註1所載相同。

分部業績包括管理費及集團內公司間貸款的利息，兩者均在本集團業績中被抵銷。分部業績亦包括以澳元計值的集團內公司間貸款的外匯變動，以及直接與分部業務相關的外部財務成本。該分部業績亦包括集團內公司間以反映市場價值的費率進行的精礦銷售。

未分配的公司費用為非分部費用，如不直接與分部業務相關的總部費用及財務成本。

收益及主要客戶分類

在芬蘭的外部銷售與芬蘭Vammala生產中心生產的精礦有關。該等銷售均根據一項持續進行安排向一名客戶作出，精礦銷售數量於付運前由訂約方協定。

在芬蘭的分部間銷售與出售予Svartliden加工中心作進一步加工的精礦有關。

在瑞典的外部銷售與透過National Australia Bank在市場上出售的金錠有關。

如上文所述，本集團的分部反映出收益按地理位置及產品種類分類。

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21. SEGMENT INFORMATION (CONT'D)

21. 分部資料(續)

		Sweden 瑞典 2019 2019年 AU\$'000 千澳元	Finland 芬蘭 2019 2019年 AU\$'000 千澳元	Total 總計 2019 2019年 AU\$'000 千澳元	
Segment revenue	分部收益				
Gold sales to external customers	對外部客戶銷售黃金	41,360	11,713	53,073	
Inter-segment sales	分部間銷售	-	31,885	31,885	
Elimination of inter-segment revenue	抵銷分部間收益	-	-	(31,885)	
Total revenue	收益總額	41,360	43,598	53,073	
Other revenue	其他收益				
Interest revenue	利息收益	6	9	15	
Sundry revenue	雜項收益	-	7	7	
Unallocated interest revenue	未分配利息收益	-	-	51	
Total other revenue	其他收益總額	6	16	73	
Segment interest expense	分部利息開支	1	-	1	
Unallocated interest expense	未分配利息開支	-	-	192	
Total interest expense	利息開支總額	1	-	193	
Depreciation and amortisation	折舊及攤銷	1,354	5,490	6,844	
Unallocated depreciation and amortisation	未分配折舊及攤銷	-	-	5	
		1,354	5,490	6,849	
Segment result	分部業績				
Pre-tax segment result	除稅前分部業績	(5,030)	12,246	7,216	
Income tax expense	所得稅開支	-	-	-	
Post tax segment result	除稅後分部業績	(5,030)	12,246	7,216	
Unallocated items:	未分配項目:				
Corporate interest revenue	公司利息收益			51	
Other corporate income	其他公司收入			22	
Corporate costs	公司成本			(3,284)	
Finance costs	財務成本			(197)	
Elimination of inter-company interest expense and management fees in segment results	分部業績中抵銷集團內公司間利息開支及管理費			2,503	
Profit after tax as per the Consolidated Statement of Profit or Loss	按照綜合損益表所示除稅後溢利			6,311	
Segment assets	分部資產	31,362	46,864	78,226	
Unallocated items:	未分配項目:				
Other corporate assets	其他公司資產			407	
Total assets	資產總值			78,633	
Acquisition of non-current assets	收購非流動資產	1,125	6,101	7,226	
		Australia 澳洲 2019 2019年 AU\$'000 千澳元	Sweden 瑞典 2019 2019年 AU\$'000 千澳元	Finland 芬蘭 2019 2019年 AU\$'000 千澳元	Total 總計 2019 2019年 AU\$'000 千澳元
Non-current assets by geographic location	按地理位置劃分的非流動資產	255	23,241	24,159	47,655

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21. SEGMENT INFORMATION (CONT'D)

21. 分部資料(續)

		Sweden 瑞典 2018 2018年 AU\$'000 千澳元	Finland 芬蘭 2018 2018年 AU\$'000 千澳元	Total 總計 2018 2018年 AU\$'000 千澳元
Segment revenue	分部收益			
Gold sales to external customers	對外部客戶銷售黃金	31,837	6,013	37,850
Inter-segment sales	分部間銷售	-	31,819	31,819
Elimination of inter-segment revenue	抵銷分部間收益	-	-	(31,819)
Total revenue	收益總額	31,837	37,832	37,850
Other revenue	其他收益			
Interest revenue	利息收益	3	-	3
Sundry revenue	雜項收益	-	7	7
Unallocated interest revenue	未分配利息收益	-	-	206
Total other revenue	其他收益總額	3	7	216
Segment interest expense	分部利息開支	-	-	-
Unallocated interest expense	未分配利息開支	-	-	173
Total interest expense	利息開支總額	-	-	173
Depreciation and amortisation	折舊及攤銷	109	3,451	3,560
Loss on disposal of exploration	出售勘探虧損	-	326	326
		109	3,777	3,886
Segment result	分部業績			
Pre-tax segment result	除稅前分部業績	(7,319)	653	(6,666)
Income tax expense	所得稅開支	-	-	-
Post tax segment result	除稅後分部業績	(7,319)	653	(6,666)
Unallocated items:	未分配項目:			
Corporate interest revenue	公司利息收益			206
Corporate costs	公司成本			(3,817)
Finance costs	財務成本			(181)
Elimination of inter-company interest expense and management fees in segment results	分部業績中抵銷集團內公司間利息開支及管理費			927
Profit after tax as per the Consolidated Statement of Profit or Loss	按照綜合損益表所示除稅後溢利			(9,531)
Segment assets	分部資產	26,723	26,583	53,306
Unallocated items:	未分配項目:			
Other corporate assets ¹	其他公司資產 ¹			9,458
Total assets	資產總值			62,764
Acquisition of non-current assets	收購非流動資產	4,244	187	4,431

¹ Other corporate assets predominantly relates to cash and short-term deposits held within the Australian Parent of AU\$9.3 million.

¹ 其他公司資產主要與澳洲母公司所持現金及短期存款9.3百萬澳元有關。

	Australia 澳洲 2018 2018年 AU\$'000 千澳元	Sweden 瑞典 2018 2018年 AU\$'000 千澳元	Finland 芬蘭 2018 2018年 AU\$'000 千澳元	Total 總計 2018 2018年 AU\$'000 千澳元
Non-current assets by geographic location	按地理位置劃分的非流動資產	53	18,898	18,417
				37,368

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22. CONTINGENT ASSETS AND LIABILITIES

(i) Hanhima Royalty

The Group has a right to a 2% Net Smelter Return ("NSR") on future mineral production from Agnico Eagle Mines Limited ("Agnico Eagle") with respect to the Hanhima Gold Project in northern Finland. Agnico Eagle will have the right to buy back 1 percentage point of the 2% NSR at any time for €2.0 million cash.

The Hanhima Gold Project remains as an early stage exploration project as at 31 December 2019 and therefore the company has not recognised any receivables from this agreement, as the risk of reversal is considered significant.

(ii) Endomines Royalty

The Group has a right to a 1% Net Smelter Return ("NSR") up to €1.5 million from Endomines Oy with respect to the Mining Properties in the Hattu Schist Belt in eastern Finland ("Mining Properties") as described in the Purchase Agreement dated 12 October 2006. The NSR is only payable from the Mining Properties, after the Mineral Resource as defined at the Pampalo Gold Mine, at the date of sale has been mined.

(iii) Svartliden Rehabilitation Provision

In accordance with the Group's legal requirements, a provision has been recognised to provide for the anticipated future rehabilitation costs at Svartliden. The basis for the provision amount is derived from the Svartliden Rehabilitation Plan ("Closure Plan"), which is reviewed and updated as necessary by an independent external consultant, in accordance with the Groups Environmental Permit provisions.

In April 2017, work to update the Closure Plan was completed and, together with comments from the Environmental Protection Agency ("EPA") and the County Administration Board ("CAB"), was submitted to the Land and Environmental Court ("Court"). While the scope has not been disputed, the suggested value of the bond is presently under appeal.

The submitted Closure Plan includes segregating the potentially acid forming waste rock ("PAF") from the non-acid forming waste rock ("NAF") into separate cells. The cost of providing an engineered hard covering of the PAF cells is included in the updated costings provided to the Court in May 2018.

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22. 或然資產及負債

(i) Hanhima權利金

本集團就Agnico Eagle Mines Limited (「Agnico Eagle」) 於芬蘭北部 Hanhima黃金項目的未來礦物生產擁有淨冶煉回報(「淨冶煉回報」)2%的權利。Agnico Eagle將有權於任何時間以2.0百萬歐元現金購回2%淨冶煉回報中的1個百分點。

於2019年12月31日，Hanhima黃金項目仍屬於早期的勘探項目，鑒於公司認為撥回風險重大，因此並無確認來自該項協議的任何應收款項。

(ii) Endomines權利金

誠如日期為2006年10月12日的購買協議所述，本集團就Endomines Oy 於芬蘭東部Hattu Schist Belt的採礦資產(「採礦資產」)擁有淨冶煉回報1%的權利，上限為1.5百萬歐元。於銷售日期在Pampalo金礦定義為礦產資源經開採後，淨冶煉回報僅由採礦資產支付。

(iii) Svartliden復墾撥備

根據本集團的法律規定，已確認就Svartliden的預計未來復墾成本所計提的撥備。撥備金額的基準來自Svartliden復墾計劃(「封礦計劃」)，該計劃由獨立外部顧問根據本集團環境許可證條文於必要時審閱及更新。

於2017年4月，更新封礦計劃的工作已經完成，並連同環境保護局(「EPA」)及縣行政委員會(「CAB」)意見提交予土地與環境法院(「法院」)。儘管範圍並無爭議，但債券的建議價值目前正在上訴中。

已提交的封礦計劃包括將潛在酸性的廢岩(「PAF」)與非酸性廢岩(「NAF」)分離為獨立個體。提供PAF個體改造覆蓋硬件的成本計入於2018年5月向法院提供的經更新成本。

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22. CONTINGENT ASSETS AND LIABILITIES (CONT'D)

22. 或然資產及負債(續)

(iii) Svartliden Rehabilitation Provision (Cont'd)

On 3 September 2019, the Court provided its ruling on the Closure Plan, whereby the Court:

- (a) approved the Company's investigation reports supporting the Closure Plan; and
- (b) required the Company to increase its existing rehabilitation collateral security to SEK74.0 million. The increase can take the form of a bank guarantee and is intended to provide additional security for an engineered covering of the entire waste rock area, in the event the entire waste rock area becomes potentially acid forming. The Company has appealed this ruling.

On 18 November 2019, the Company submitted its appeal to the Environmental Court of Appeal ("Court of Appeal"). The Company's appeal challenged:

- (a) the amount of additional collateral security being requested by the Court;
- (b) the permit conditions during the closure phase; and
- (c) the restrictions preventing the CAB from incrementally returning the Company's security bonds as rehabilitation work is progressed.

On 16 December 2019, the Court of Appeal, having read the Company's appeal document and grounds for appeal, granted the Company leave to appeal the Court's rulings. The Company is not required to adhere to the Court ruling while the ruling is under appeal.

As at 31 December 2019, the Group has not provided the additional security required by the Court for an engineered cover to the entire waste rock area. The current approved Closure Plan complies with the known characteristics of the tailings, waste rock and operations at Svartliden, the value of the bond proposed by the Company reflects this scope of work and is supported by calculations using the rates of local contractors. The Closure Plan reflects the conditions on the site and the necessary activities to be undertaken upon closure based on independent advice of the most likely outcome. In the event of a fundamental change to the acid forming characteristics of the NAF waste rock, the Company may need to provide for an engineered cover of the entire waste rock area and the additional provision will be significant.

(iii) Svartliden復墾撥備(續)

於2019年9月3日，法院就關閉計劃作出裁決，據此，法院：

- (a) 批准本公司支持封礦計劃的調查報告；及
- (b) 要求本公司增加現有復墾附屬抵押至74.0百萬瑞典克朗。增加可以銀行擔保形式進行，並(倘整個廢岩區域帶潛在酸性)計劃為整個廢岩區域的改造覆蓋提供額外抵押。本公司已就裁決提出上訴。

於2019年11月18日，本公司向環境上訴法院(「上訴法院」)提出上訴。本公司就以下事項提出上訴：

- (a) 法院要求的額外附屬抵押金額；
- (b) 於封礦期間的許可證條件；及
- (c) 防止CAB隨著復墾工作的進行，逐步退還本公司安全保證金的限制。

於2019年12月16日，上訴法院經審閱本公司的上訴文件及上訴理由，向本公司授予上訴許可。本公司於上訴期間毋須遵守法院的判決。

於2019年12月31日，本集團並無就法院要求為整個廢岩區域的改造覆蓋提供額外抵押要作出撥備。現時已批准的封礦計劃遵從於Svartliden尾礦、廢岩及營運的已知特徵，本公司擬議的債券價值反映了該範疇的工作，並採用了當地承建商的費率計算作證明。封礦計劃基於獨立意見最有可能的結果，反映工地狀況及封礦須採取的必要行動。倘NAF廢岩的酸性形成特徵發生根本性變化，則本公司可能需要對整個廢岩區域提供改造覆蓋而且額外撥備金額將屬重大。

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22. CONTINGENT ASSETS AND LIABILITIES (CONT'D)

(iv) PEIC Dispute

On 9 March 2016, PEIC Oy, one of the Group's electrical contractors at the time in Finland, ceased to provide electrical contracting services to Dragon Mining Oy ("DOY"). On 20 December 2017, the Company was informed by the Pirkanmaan District Court ("District Court") that PEIC Oy had applied to the District Court summoning a claim against DOY.

On 17 December 2018, the District Court ruled in favour of PEIC Oy. On 22 February 2019, the Court of Appeal, having read the Group's appeal document and grounds for appeal, granted the Group leave to appeal the District Court's ruling.

The basis for the Group's appeal challenges both the reasonableness and legitimacy of a number of historical demands being raised in PEIC Oy's claim. The Group's initial defense was lacking in this area and has since changed its legal representation. The Claim Amount, which has been paid by the Company, is held in escrow pending the decision of the Court of Appeal which was heard in early April 2020. The Company expects to receive the Court of Appeal's decision in June 2020.

Regardless of the aforesaid appeal, the Group has objected to all historical demands from PEIC Oy and maintains the view that PEIC Oy does not have a valid basis for its claim above the amount provided by the Company. In the event the Company's appeal is unsuccessful, the claim amount will not constitute a material impact on the Group's financial position or operating results.

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22. 或然資產及負債(續)

(iv) PEIC糾紛

於2016年3月9日，本集團當時於芬蘭的其中一名電力承包商PEIC Oy不再向Dragon Mining Oy(「DOY」)提供電力承包服務。於2017年12月20日，本公司獲Pirkanmaan區域法院(「區域法院」)告知，PEIC Oy已向區域法院申請對DOY提出申索。

於2018年12月17日，地區法院裁定PEIC Oy勝訴。於2019年2月22日，上訴法院經審閱本公司的上訴文件及上訴理由，向本集團授予上訴許可。

本集團基於PEIC Oy申索中提出若干過往需求的合理性及合法性提出上訴。本集團於該領域缺乏初步抗辯，並自此更換其法律代表。本公司已支付的索償金額以託管方式持有，以待上訴法庭於2020年4月初進行聆訊的裁決。本公司預期於2020年6月收到上訴法庭的裁決。

不論上述上訴如何，本集團已反對PEIC Oy所有過往需求，並認為PEIC Oy提出高於本公司所提供金額的申索並無有效依據。倘本公司的上訴不成功，申索金額將不會對本集團的財務狀況或經營業績構成重大影響。

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23. EXPENDITURE COMMITMENTS**23. 開支承擔****a) Exploration commitments**

Due to the nature of the Consolidated Entity's operations in exploring and evaluating areas of interest, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure to retain present interests in mineral tenements. Expenditure commitments on mineral tenure for the Consolidated Entity can be reduced by selective relinquishment of exploration tenure or by the renegotiation of expenditure commitments. The approximate minimum level of exploration requirements to retain current tenements in good standing is detailed below.

a) 勘探承擔

由於綜合實體在勘探及評估擬開發之地的性質使然，儘管有必要產生支出以保留現有礦產權益，但很難準確預測未來支出的性質或金額。通過有選擇性地讓渡勘探期限或重新協商開支承擔，可減少綜合實體礦產期限的開支承擔。以下詳細說明使現有物業保持良好狀況的概約最低勘探要求水平。

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Within one year	一年內	49	47
One year or later and no later than five years	一年或之後及不遲於五年	184	201
		233	248

b) Capital commitments

Commitments relating to the acquisition of equipment contracted for but not recognised as liabilities are as follows:

b) 資本承擔

與收購已訂約但未確認為負債的設備有關的承擔如下：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Within one year	一年內	-	-
		-	-

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23. EXPENDITURE COMMITMENTS (CONT'D)**23. 開支承擔(續)****c) Short-term lease expense commitments (2018: Operating lease commitments)**

Future operating lease commitments not provided for in the financial statements are as follows:

c) 短期租賃開支承擔(2018年：經營開支承擔)

並無於財務報表內撥備的未來經營租賃承擔如下：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Within one year	一年內	14	60
One year or later and no later than five years	一年或之後及不遲於五年	-	7
		14	67

d) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities are as follows:

d) 薪酬承擔

根據於報告日期存續的長期僱傭合約支付薪金及其他薪酬的承擔(但未確認為負債)如下：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
Within one year	一年內	321	321
		321	321

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of Directors and Executives referred to in note 16 Directors and Executive Officers Remuneration that are not recognised as liabilities and are not included in the Directors' or Executives' remuneration.

披露為薪酬承擔的金額包括附註16董事及行政人員薪酬提及的董事及行政人員服務合約產生的承擔(以上的薪酬未確認為負債且未計入董事或行政人員薪酬)。

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24. FINANCIAL INSTRUMENTS

24. 金融工具

a) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and commodity price risk), credit risk, liquidity risk, and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks, where considered appropriate, to minimise potential adverse effects on financial performance without limiting the Group's potential upside.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to foreign currency and gold price risk and assessments of market forecasts for foreign exchange and gold prices. Liquidity risk is measured through the development of rolling future cash flow forecasts at various gold prices and foreign exchange rates.

Risk management is carried out by executive management with guidance from the Audit and Risk Management Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management, including guidance on specific areas, such as mitigating commodity price, foreign exchange, interest rate and credit risks, by using derivative financial instruments.

The Consolidated Entity also has a risk management program to manage its financial exposures that includes, but is not limited to, the use of derivative products, principally forward gold sales and foreign currency contracts. The Company does not enter financial instruments, including derivative financial instruments, for trade or speculative purposes.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in economic derivatives, hedging coverage of foreign currency and gold, credit allowances, future cash flow forecast projections and financial instruments if considered necessary.

b) Instruments recognised at amounts other than fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements at amortised cost represents their respective net fair values.

a) 金融風險管理政策及目標

本集團的業務使本集團面對多種財務風險：市場風險(包括貨幣風險及商品價格風險)、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求(如認為適當)在不限制本集團潛在增長的基礎上盡力減輕對財務表現的潛在不利影響。

本集團採用不同方法來計量及管控其面對的各類風險，包括監察所面對的外幣及黃金價格風險水平，以及評估市場對外匯及黃金價格的預測，並通過按不同黃金價格及外匯匯率建立未來滾存現金流量預測而計量流動資金風險。

執行管理層根據董事會批准的政策在審核及風險管理委員會的指導下開展風險管理工作。董事會亦通過使用衍生金融工具定期為整體風險管理提供指導，包括對減低商品價格、外匯、利率及信貸風險等具體領域的指導。

綜合實體亦設有一項風險管理計劃以管理其金融風險，包括但不限於使用衍生產品(主要為遠期黃金銷售及外匯合約)。本公司並無為貿易或投機用途而訂立金融工具(包括衍生金融工具)。

董事會承擔找出並控制財務風險的主要責任。董事會就管控下列各類風險而審視並協定的政策如下(包括設定經濟衍生工具交易限額、外幣和黃金對沖範圍、信貸撥備、未來現金流量預測及金融工具(如有必要))。

b) 按金額(公允價值除外)確認的工具

按攤銷成本在財務報表記錄的金融資產及金融負債的賬面值為彼等各自的公允價值淨值。

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24. FINANCIAL INSTRUMENTS (CONT'D)

24. 金融工具(續)

c) Fair values for instruments recognised at fair value

The fair values of the financial instruments as well as methods used to estimate the fair market value are summarised in the table below.

c) 按公允價值確認的工具的公允價值

金融工具的公允價值以及用於估計公允市場價值的方法概述於下表中。

		As at 31 December 2019 於2019年12月31日				As at 31 December 2018 於2018年12月31日			
		Valuation technique-		Valuation technique-	Total	Valuation technique-		Valuation technique-	Total
		Quoted market price (level 1)	market observable inputs (level 2)	non-market observable inputs (level 3)		Quoted market price (level 1)	market observable inputs (level 2)	non-market observable inputs (level 3)	
		估值方法— 市場可觀察 輸入數據 (第一級) (第二級) (第三級)			估值方法— 非市場 可觀察 輸入數據 (第三級)	估值方法— 市場可觀察 輸入數據 (第一級) (第二級) (第三級)			估值方法— 非市場 可觀察 輸入數據 (第三級)
		AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元	AUS\$'000 千澳元
Trade receivables at fair value through profit or loss	按公允價值計入損益的貿易應收款項	-	3,786	-	3,786	-	749	-	749

For financial instruments not quoted in active markets, the Group uses a valuation technique such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs (Level 2).

Trade receivables relate to concentrate sales that are still subject to price adjustments where the final consideration to be received will be determined based on prevailing London Metals Exchange (LME) metal prices at the final settlement date. Sales that are still subject to price adjustments at balance sheet date are fair valued by applying a discounted cash flow model incorporating credit risk and forward pricing to estimate the present value of the final settlement price using the LME forward metals prices at balance date.

There were no transfers between Level 1 and Level 2 during the year.

就並無於活躍市場報價的金融工具而言，本集團採用估值方法，如現值方法、與存在可觀察市場價格的相似工具及市場參與者使用的其他相關模型比較。該等估值方法使用可觀察及不可觀察的市場輸入數據(第二級)。

貿易應收款項與仍可調整價格的精礦銷售有關，將收取的最終代價將根據倫敦金屬交易所於最終結算日現行的金屬價格釐定。對於結算日仍可調整價格的銷售，則使用結算日倫敦金屬交易所遠期金屬價格乃透過應用包含信貸風險及遠期定價的折現現金流量模型估計其最終結算價格的現值，按公允價值入賬。

年內第一級與第二級之間並無任何轉撥。

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24. FINANCIAL INSTRUMENTS (CONT'D)

24. 金融工具(續)

d) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position.

Credit risk is managed on a Group basis. Credit risk predominantly arises from cash, cash equivalents, derivative financial instruments, deposits with banks and financial institutions and receivables.

While the Group has policies in place to ensure that sales of its products are made to customers with an appropriate credit history, the Group does have a concentration of credit risk in relation to its gold concentrate sales in Finland due to dependence for a significant volume of its sales revenues on one buyer. There is generally a six-week delay between shipment of gold concentrate and payment from a gold concentrate customer. The Company reduces its credit risk in relation to gold concentrate receivables in Finland by insuring 90% of the nominal value of an assigned or internal invoice with a reputable high credit quality Nordic financial institution.

However, as invoices are raised at the end of each month and shipments occur frequently throughout the month, there is credit exposure to the smelting company for the value of one month of shipments as insurance coverage commences when an invoice is raised. Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to Board approval.

In relation to managing other potential credit risk exposures, the Group has in place policies that aim to ensure that derivative counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to any one financial institution is limited as far as is considered commercially appropriate.

d) 信貸風險

信貸風險指倘若對手方未履行訂約事項則將確認的虧損。本集團於報告日期面臨的與各類金融資產相關的最大信貸風險為綜合財務狀況表所示資產的賬面值。

信貸風險乃按集團基準進行管理。信貸風險主要產生自現金、現金等價物、衍生金融工具、銀行及金融機構存款以及應收款項。

儘管本集團已制定政策確保產品銷售予具有合適信貸記錄的客戶，惟因本集團有一大部分銷售收益依賴一名買家，致令本集團就芬蘭的金精礦銷售面臨信貸集中風險。金精礦出貨至金精礦客戶付款之間一般會有六週的滯後期。本公司通過向聲譽良好且信譽及質量較高的北歐金融機構投購指定或內部發票90%名義價值的保險，來降低其與芬蘭金精礦應收款項相關的信貸風險。

然而，由於發票於每個月底開具，而整個月內會多次裝運貨物，由於開具發票時保險方告生效，因此面臨冶煉公司的信貸風險(額度為一個月的出貨價值)。信貸風險進一步發生在給予若干人士的財務擔保方面。該等擔保僅在特殊情況下提供，並須經董事會批准。

在管理其他潛在信貸風險方面，本集團已制定相關政策，旨在確保衍生工具交易對手及現金交易僅限於高信貸質素金融機構，而且所面臨的任何一家金融機構的信貸風險額度均受到商業上認為合適的限制。

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截至2019年12月31日止年度

24. FINANCIAL INSTRUMENTS (CONT'D)

24. 金融工具(續)

d) Credit risk (Cont'd)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

d) 信貸風險(續)

未逾期亦未減值的金融資產的信貸質素可參考外部信貸評級(如有)或有關對手方違約率的歷史信息進行評估:

		2019 2019年 AU\$'000 千澳元	2018 2019年 AU\$'000 千澳元
Cash and cash equivalents	現金及現金等價物		
<i>Counterparties with external credit ratings</i>	<i>有外部信貸評級的對手方</i>		
AA-	AA-	8,182	10,905
A	A	-	-
Total cash and cash equivalents	現金及現金等價物總額	8,182	10,905
Trade and other receivables	貿易及其他應收款項		
<i>Counterparties with external credit ratings</i>	<i>有外部信貸評級的對手方</i>		
AAA	AAA	532	86
AA-	AA-	2	390
A+	A+	-	-
A-	A-	-	-
<i>Counterparties without external credit ratings</i>	<i>無外部信貸評級的對手方</i>		
Counterparties with no defaults in the past	過往並無違約的對手方	5,415	3,514
Total trade and other receivables	貿易及其他應收款項總額	5,949	3,990
For the purposes of determining credit exposures on receivables, receivable amounts that have been factored are evaluated against the credit rating of the factoring bank, where the factored amount is insured.			為釐定應收款項的信貸風險，已保理的應收金額按照辦理保理金額的保理銀行的信貸評級進行評估。
Environmental and other bonds	環保及其他債券		
<i>Counterparties with external credit ratings</i>	<i>有外部信貸評級的對手方</i>		
AAA	AAA	5,289	5,480
<i>Counterparties without external credit ratings</i>	<i>無外部信貸評級的對手方</i>		
Counterparties with no defaults in the past	過往並無違約的對手方	-	-
Total trade and other receivables	貿易及其他應收款項總額	5,289	5,480

for the year ended 31 December 2019

截至2019年12月31日止年度

24. FINANCIAL INSTRUMENTS (CONT'D)**24. 金融工具(續)****e) Interest Rate Risk**

At balance date, the Group had the following financial assets and liabilities exposed to interest rate risk that are not designated as cash flow hedges:

e) 利率風險

於結算日，本集團擁有以下面臨利率風險且未被指定為現金流量對沖的金融資產及負債：

	2019 2019年			Average int. rate 平均利率 %	2018 2018年			Average int. rate 平均利率 %
	Floating interest rate 浮動利率 AU\$'000 千澳元	Fixed interest rate 固定利率 AU\$'000 千澳元	Total 總計 AU\$'000 千澳元		Floating interest rate 浮動利率 AU\$'000 千澳元	Fixed interest rate 固定利率 AU\$'000 千澳元	Total 合計 AU\$'000 千澳元	
Financial assets Cash and cash equivalents								
Trade receivables – fair value through profit or loss								
Environmental bonds								
	8,182	-	8,182	0.83	10,905	-	10,905	0.97
	3,786		3,786		749		749	
	5,289	-	5,289	-	5,480	-	5,480	-
	17,257	-	17,257	0.83	17,134	-	17,134	0.97

The Group's policy is to manage its exposure to interest rate risk by holding cash in short-term, fixed and variable rate deposits with reputable high credit quality financial institutions.

本集團的政策是通過持有短期現金、在信譽良好的高信貸質素金融機構存放固定利率和可變利率存款來管理其面臨的利率風險。

The Group constantly analyses its interest rate exposure. Consideration is given to potential renewals of existing positions, alternative financing and/or the mix of fixed and variable interest rates.

本集團不斷分析其利率風險，當中會考慮現存持倉潛在重續、另行安排融資及／或混合定息及浮息利率。

f) Foreign exchange risk

As the Group sells its bullion and gold concentrate in USD and the majority of costs are denominated in Swedish Krona (SEK) and Euro (EUR), an appreciating EUR and SEK, or a weakening USD exposes the Group to risks related to movements in the USD:SEK and USD:EUR exchange rates.

f) 外匯風險

由於本集團以美元出售其金銀錠及金精礦，而大部分成本以瑞典克朗及歐元計值，因此，歐元及瑞典克朗升值，或美元貶值，均會使本集團面臨與美元兌瑞典克朗及美元兌歐元匯率變動相關的風險。

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

外匯風險來自未來的商業交易，以及以實體功能貨幣以外的貨幣計值的已確認資產及負債。可以通過進行敏感度分析來量化不同的假設匯率對本集團預測現金流量的影響來衡量風險。

for the year ended 31 December 2019

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24. FINANCIAL INSTRUMENTS (CONT'D)**24. 金融工具(續)****f) Foreign exchange risk (Cont'd)**

As part of the risk management policy of the Group, financial instruments (foreign exchange forwards) may be used from time to time to reduce exposure to unpredictable fluctuations in the USD:SEK and USD:EUR exchange rates. Within this context, programs undertaken are structured with the objective of minimising the Group's exposure to these fluctuations.

The value of any financial instruments at any point in time will, in times of volatile market conditions, show substantial variation over the short term. The facilities provided by the Group's various counterparties do not contain margin calls.

The Company and Group's financial performance is also affected by movements in AUD:SEK and AUD:EUR. In accordance with the requirements of International Financial Reporting Standards, exchange gains and losses on intercompany loans that do not form part of the Company's net investment in foreign operations are recognised in the Consolidated Statement of Profit or Loss.

For the year ended 31 December 2019, the Company did not enter or hold any foreign exchange derivatives. At balance date, the Group had the following significant exposure to foreign currencies:

f) 外匯風險(續)

作為本集團風險管理政策的一部分，本集團可能不時使用金融工具(外匯遠期合約)，以降低美元兌瑞典克朗及美元兌歐元匯率不可預測波動的風險。在此情況下，開展計劃的目標為最大限度地降低本集團面臨的該等波動的風險。

任何金融工具於任何時點的價值均會於市況波動期間出現短期大幅波動。本集團各對手方提供的融資不包括追加保證金。

本公司及本集團的財務表現亦受到澳元兌瑞典克朗及澳元兌歐元變動的影響。根據國際財務報告準則的規定，不構成本公司於海外業務淨投資一部分的集團內公司間貸款的匯兌收益及虧損在綜合損益表中確認。

截至2019年12月31日止年度，本公司並無訂立或持有任何外匯衍生工具。於結算日，本集團具有下列重大外幣風險：

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
USD exposure	美元風險		
<i>Entity with Euro functional currency</i>	<i>以歐元作為功能貨幣的實體</i>		
Cash and cash equivalents	現金及現金等價物	4,636	20
Trade receivables	貿易應收款項	7,592	1,395
<i>Entity with AUD functional currency</i>	<i>以澳元作為功能貨幣的實體</i>		
Trade payables	貿易應付款項	-	(853)
<i>Entity with SEK functional currency</i>	<i>以瑞典克朗作為功能貨幣的實體</i>		
Cash and cash equivalents	現金及現金等價物	364	19
Trade receivables	貿易應收款項	452	1,233
Trade payables	貿易應付款項	(4,068)	(1,210)
Net USD Exposure	美元風險淨額	8,976	604

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截至2019年12月31日止年度

24. FINANCIAL INSTRUMENTS (CONT'D)

24. 金融工具(續)

f) Foreign exchange risk (Cont'd)

f) 外匯風險(續)

		2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
EUR exposure	歐元風險		
<i>Entity with AUD functional currency</i>	<i>以澳元作為功能貨幣的實體</i>		
Cash and cash equivalents	現金及現金等價物	10	-
Trade payables	貿易應付款項	(4)	-
Intercompany loan	集團內公司間貸款	22,360	25,273
<i>Entity with SEK functional currency</i>	<i>以瑞典克朗作為功能貨幣的實體</i>		
Cash and cash equivalents	現金及現金等價物	-	4
Trade payables	貿易應付款項	(14)	-
Net EUR Exposure	歐元風險淨額	<u>22,352</u>	<u>25,277</u>
AUD exposure	澳元風險		
<i>Entity with EUR functional currency</i>	<i>以歐元作為功能貨幣的實體</i>		
Cash and cash equivalents	現金及現金等價物	1	1
Trade receivables	貿易應收款項	359	358
Net AUD Exposure	澳元風險淨額	<u>360</u>	<u>359</u>
SEK exposure	瑞典克朗風險		
<i>Entities with AUD functional currency</i>	<i>以澳元作為功能貨幣的實體</i>		
Trade payables	貿易應付款項	-	(63)
Net SEK Exposure	瑞典克朗風險淨額	<u>-</u>	<u>(63)</u>
HKD exposure	港元風險		
<i>Entities with AUD functional currency</i>	<i>以澳元作為功能貨幣的實體</i>		
Trade payables	貿易應付款項	(134)	(533)
Interest bearing liabilities	計息負債	(3,293)	(3,249)
Net HKD Exposure	港元風險淨額	<u>(3,427)</u>	<u>(3,782)</u>

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24. FINANCIAL INSTRUMENTS (CONT'D)

g) Commodity price risk

The Group is exposed to movements in the gold price. As part of the risk management policy of the Group, a variety of financial instruments (such as gold forwards and gold call options) are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context the programs undertaken are structured with the objective of maximising the Group's revenue from gold sales, but in any event, limiting derivative commitments to no more than 50% of the Group's gold Reserves. The value of these financial instruments at any point in time will, in times of volatile market conditions, show substantial variation over the short term.

The Group is exposed to commodity price volatility on the sale of metal in concentrate products such as copper and gold, which are priced on, or benchmarked to, open market exchanges, specifically the London Metal Exchange (LME). The exposure is outlined as trade receivables – fair value through profit or loss in note 5.

For the year ended 31 December 2019, the Company did not enter or hold any commodity derivatives.

h) Sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk and foreign exchange risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit and equity would have been affected as shown. The analysis has been performed on the same basis for 2019.

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24. 金融工具(續)

g) 商品價格風險

本集團面臨金價變動的風險。作為本集團風險管理政策的一部分，本集團不時使用各種金融工具(如黃金遠期合約及黃金認購期權)，以降低項目壽命收益流中不可預測波動的風險。在此情況下，開展計劃的目標為最大限度地提高本集團黃金銷售收益，但無論如何限制衍生產品承擔不超過本集團黃金儲備的50%。該等金融工具於任何時點的價值均會於市況波動期間短期大幅波動。

本集團於出售銅及金等金屬精礦產品時面臨商品價格波動的風險，該等產品根據公開市場交易所(尤其是倫敦金屬交易所(LME))或以其為基準而定價。有關風險概述於附註5內貿易應收款項—於損益按公允價值計量。

截至2019年12月31日止年度，本公司並無訂立或持有任何商品衍生工具。

h) 敏感度分析

下列表格概述本集團金融資產及負債對利率風險、外匯風險的敏感度。如表中所示，倘有關變量變動，所有其他變量維持不變，除稅後溢利及權益會受到影響(如以下所示)。於2019年按相同基準進行分析。

for the year ended 31 December 2019

截至2019年12月31日止年度

24. FINANCIAL INSTRUMENTS (CONT'D)**24. 金融工具(續)****h) Sensitivity analysis (Cont'd)**

31 December 2019

h) 敏感度分析(續)

2019年12月31日

	Note 附註	Interest rate risk -0.25% 利率風險-0.25%		Interest rate risk +0.25% 利率風險+0.25%	
		Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元	Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元
Financial assets					
Cash and cash equivalents	1	(20)	(20)	20	20
Trade receivables – fair value through profit or loss	5	(9)	(9)	8	8
Government bonds	4	(13)	(13)	13	13
Total (decrease)/increase		(42)	(42)	41	41

31 December 2018

2018年12月31日

	Note 附註	Interest rate risk -0.25% 利率風險-0.25%		Interest rate risk +0.25% 利率風險+0.25%	
		Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元	Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元
Financial assets					
Cash and cash equivalents	1	(27)	(27)	27	27
Trade receivables – fair value through profit or loss	5	(2)	(2)	2	2
Government bonds	4	(14)	(14)	14	14
Total (decrease)/increase		(43)	(43)	43	43

for the year ended 31 December 2019

24. FINANCIAL INSTRUMENTS (CONT'D)

h) Sensitivity analysis (Cont'd)

31 December 2019

	Note 附註	Foreign exchange -10% 外匯-10%		Foreign exchange +10% 外匯+10%	
		Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元	Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元
Financial assets					
Cash and cash equivalents	1	501	501	(501)	(501)
Trade and other receivables	2	804	804	(804)	(804)
Intercompany loans	3	1,961	1,961	(1,961)	(1,961)
Financial liabilities					
Interest bearing liabilities		(329)	(329)	329	329
Total increase/(decrease)		2,937	2,937	(2,937)	(2,937)

31 December 2018

	Note 附註	Foreign exchange -10% 外匯-10%		Foreign exchange +10% 外匯+10%	
		Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元	Profit 溢利 AU\$'000 千澳元	Equity 權益 AU\$'000 千澳元
Financial assets					
Cash and cash equivalents	1	128	128	(128)	(128)
Trade and other receivables	2	976	976	(976)	(976)
Intercompany loans	3	3,593	3,593	(3,593)	(3,593)
Financial liabilities					
Interest bearing liabilities		(52)	(52)	52	52
Total increase/(decrease)		4,645	4,645	(4,645)	(4,645)

- Cash and cash equivalents include deposits at call at floating and short-term fixed interest rates.
- Trade receivables include AU\$4.2 million (2018: AU\$2.6 million) of gold concentrate and gold doré receivables denominated in USD. Subsequent to year end, the Company received payment for all USD denominated gold concentrate and doré trade receivables.
- Intercompany loans are denominated in AUD, SEK and EUR. Though these loans are eliminated upon consolidation, changes in the value of the loans due to movements in exchange rates will influence the consolidated result, since exchange gains or losses on intercompany loans that do not form part of a reporting entity's net investment in a foreign operation are recognised in the Consolidated Statement of Profit or Loss.
- Interest bearing environmental cash bonds that have historically been deposited with Swedish and Finnish government authorities.

截至2019年12月31日止年度

24. 金融工具(續)

h) 敏感度分析(續)

2019年12月31日

2018年12月31日

- 現金及現金等價物包括按浮動利率及短期固定利率計息的通知存款。
- 貿易應收款項包括以美元計值的金精礦及合質金應收款項4.2百萬澳元(2018年: 2.6百萬澳元)。於年末後, 本公司收到所有以美元計值的金精礦及合質金貿易應收款項的付款。
- 集團內公司間貸款以澳元、瑞典克朗及歐元計值。儘管該等貸款於綜合賬目時被撇銷, 但由於匯率變動引致的貸款價值變動將對綜合業績產生影響, 因為不構成申報實體於海外業務淨投資一部分的集團內公司間貸款的匯兌收益或虧損在綜合損益表中確認。
- 過往存放於瑞典及芬蘭政府機構的計息環保現金債券。

for the year ended 31 December 2019

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24. FINANCIAL INSTRUMENTS (CONT'D)**24. 金融工具(續)****i) Liquidity risk**

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and equity raisings.

The contractual maturities of the Group's financial liabilities are as follows:

Within one year	一年內
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年的期間

Management and the Board monitor the Group's liquidity reserve on the basis of expected cash flow. The information that is prepared by senior management and reviewed by the Board includes:

- annual cash flow budgets;
- two-year cash flow forecasts; and
- monthly rolling cash flow forecasts.

i) 流動資金風險

流動資金風險來自本集團的金融負債以及本集團隨後履行義務償還其到期金融負債的能力。

綜合實體的目標為通過使用銀行貸款及股本集資使資金的連續性和靈活性保持平衡。

本集團金融負債的合約到期日如下：

	2019 2019年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元
	7,320	6,516
	6,555	4,249
	13,875	10,765

管理層及董事會根據預期現金流量監控本集團的流動資金儲備。由高級管理層編製並由董事會審閱的資料包括：

- 年度現金流量預算；
- 兩年現金流量預測；及
- 每月滾存現金流量預測。

for the year ended 31 December 2019

25. SIGNIFICANT EVENTS AFTER PERIOD END

On 22 January 2020, the Company made a voluntary prepayment towards its Loan Facility of HK\$18,063,577 (including interest payable to that date) representing the portion of the Loan Facility repayable in Hong Kong dollars. At the date of this report, the Company has AU\$9.0 million in undrawn funds available. There have been no other drawdowns since balance date.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation.

As at the date of this Annual Report, the pandemic, together with the various Government measures so far introduced, have not significantly disrupted the Group's operations. However, the scale and duration of possible future Government measures, and their impact on the Group's operations and financial situation, necessarily remains uncertain. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of COVID-19 on the Group at this time.

The Consolidated Financial Statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to the Consolidated Financial Statements as at 31 December 2019 for the impacts of COVID-19.

截至2019年12月31日止年度

25. 期末後重大事項

於2020年1月22日，本公司已就其貸款融資自願作出預付款項18,063,577港元(包括截至該日期的應付利息)(代表貸款融資應以港元結付的部分)。於本報告日期，本公司有未提取的可用資金9.0百萬澳元。自結算日期起，概無其他提款。

於2020年3月，世界衛生組織宣佈2019冠狀病毒疫情爆發為大流行病。

於本年報日期，該大流行病以及至今採取的各種政府措施並未嚴重擾亂本集團的營運。然而，未來可能採取的政府措施的規模及持續時間，以及其對本集團的營運及財務狀況的影響仍屬不確定。在此情況下，我們認為目前無法就2019冠狀病毒疫情對本集團的潛在影響進行定量或定性估算。

綜合財務報表乃根據2019年12月31日存在的條件並考慮該日期之後發生的該等事件(提供報告期末存在條件的證據)而編製。由於2019冠狀病毒疫情的爆發在2019年12月31日之後發生，因此其影響被視為於報告期後產生的情況的指標性事件，故此，概無就2019冠狀病毒疫情的影響對於2019年12月31日的綜合財務報表作出調整。

for the year ended 31 December 2019

截至2019年12月31日止年度

26. PARENT ENTITY DISCLOSURE**26. 母公司實體披露**

		2019	2018
		2019年	2018年
		AU\$'000	AU\$'000
		千澳元	千澳元
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	33	9,273
Trade and other receivables	貿易及其他應收款項	83	60
Other assets	其他資產	36	56
TOTAL CURRENT ASSETS	流動資產總值	152	9,389
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	213	2
Right-of-use asset	使用權資產	201	-
Investments in subsidiaries	於附屬公司的投資	-	-
Intercompany loans	集團內公司間貸款	11,389	7,635
TOTAL NON-CURRENT ASSETS	非流動資產總值	11,803	7,637
TOTAL ASSETS	資產總值	11,955	17,026
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	557	4,795
Provisions	撥備	353	115
Interest bearing liabilities	計息負債	64	23
TOTAL CURRENT LIABILITIES	流動負債總額	974	4,933
NON-CURRENT LIABILITIES	非流動負債		
Provisions	撥備	122	86
Interest bearing liabilities	計息負債	6,454	4,249
TOTAL NON-CURRENT LIABILITIES	非流動負債總額	6,576	4,335
TOTAL LIABILITIES	負債總額	7,550	9,268
NET ASSETS	資產淨值	4,405	7,758
EQUITY	權益		
Contributed equity	實繳股本	133,991	133,991
Reserves	儲備	2,068	2,068
Accumulated losses	累計虧損	(131,654)	(128,301)
TOTAL SHARE HOLDERS EQUITY	股東權益總額	4,405	7,758

for the year ended 31 December 2019

截至2019年12月31日止年度

26. PARENT ENTITY DISCLOSURE (CONT'D)

26. 母公司實體披露(續)

		Convertible Equity	Accumulated Losses	Contributed Note Premium Reserve 可轉換票據 溢價儲備	Total Equity
		實繳股本 AU\$'000 千澳元	累計虧損 AU\$'000 千澳元	AU\$'000 千澳元	權益總額 AU\$'000 千澳元
At 1 January 2018	於2018年1月1日	119,992	(111,971)	2,068	10,089
Loss for the period	期內虧損	-	(16,330)	-	(16,330)
Other comprehensive loss	其他全面虧損	-	-	-	-
Total comprehensive loss for the period	期內全面虧損總額	-	(16,330)	-	(16,330)
Transactions with owners in their capacity as owners: Issue of shares net of costs	與擁有人(以其擁有人身份)的交易: 發行股份(扣除成本)	13,999	-	-	13,999
At 31 December 2018	於2018年12月31日	133,991	(128,301)	2,068	7,758
		Contributed Equity	Accumulated Losses	Convertible Note Premium Reserve 可轉換票據 溢價儲備	Total Equity
		實繳股本 AU\$'000 千澳元	累計虧損 AU\$'000 千澳元	AU\$'000 千澳元	權益總額 AU\$'000 千澳元
At 1 January 2019	於2019年1月1日	133,991	(128,301)	2,068	7,758
Loss for the period	期內虧損	-	(3,353)	-	(3,353)
Other comprehensive loss	其他全面虧損	-	-	-	-
Total comprehensive loss for the period	期內全面虧損總額	-	(3,353)	-	(3,353)
Transactions with owners in their capacity as owners: At 31 December 2019	與擁有人(以其擁有人身份)的交易: 於2019年12月31日	133,991	(131,654)	2,068	4,405

The results and the assets and liabilities of the Group for the past five financial years, as extracted from the Group's published Consolidated Financial Statements, are set out below:

本集團於最近五個財政年度的業績以及資產及負債(摘錄自本集團已刊發之綜合財務報表)載列如下:

		Year ended 31 December 截至12月31日止年度				
		2015 2015年 AU\$'000 千澳元	2016 2016年 AU\$'000 千澳元	2017 2017年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Results	業績					
Revenue	收益	76,836	55,039	41,270	37,850	53,073
Profit for the year	年內溢利	2,563	5,363	(583)	(9,531)	6,311
Attributable to: Owners of the Company	以下人士應佔: 本公司擁有人	2,563	5,363	(583)	(9,531)	6,311
Basic earnings per share	每股基本盈利	2.89	6.04	(0.66)	(9.90)	4.55
		As at 31 December 於12月31日				
		2015 2015年 AU\$'000 千澳元	2016 2016年 AU\$'000 千澳元	2017 2017年 AU\$'000 千澳元	2018 2018年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Assets and liabilities	資產及負債					
Total assets	資產總值	51,292	50,432	50,349	62,750	78,633
Total liabilities	負債總額	(24,449)	(19,617)	(18,990)	(25,303)	(35,269)
Total equity	權益總額					
Equity attributable to owners of the Company	本公司擁有人應佔權益	26,843	30,815	31,359	37,447	43,364

Project 項目	ID 編號	Tenement's Name 權證名稱	Type 類型	Held at 31 December 2019 % 於2019年 12月31日 持有比例 %	Area ha 面積公頃
SWEDEN					
瑞典					
Svartliden		Svartlidengruvan K nr 1	EC 勘探特許	100	87.54
	2006:111	Ekorrleden nr 2	EP 勘探許可證	100	455.39
Fäboliden		Fäboliden K nr 1	EC 勘探特許	100	122.00
	2016:75	Fäboliden nr 11	EP 勘探許可證	100	836.26
	2017:27	Fäboliden nr 83	EP 勘探許可證	100	1,006.72
FINLAND					
芬蘭					
Orivesi	2676	Orivesi	MC 採礦特許	100	39.82
	ML2013:0006	Sarvisuo 1-2	ELA 探礦許可申請	100	41.10
	ML2015:0026	Sarvisuo 3	EL 探礦許可	100	56.56
Jokisivu	7244	Jokisivu	MC 採礦特許	100	48.32
	KL2015:0005	Jokisivu 2	MC 採礦特許	100	21.30
	KL2018:0010	Jokisivu 3	MC 採礦特許	100	8.97
	ML2012:0112	Jokisivu 4-5	EL 探礦許可	100	85.76
	ML2017:0131	Jokisivu 7-8	EL 探礦許可	100	18.60
Vammala	1895	Stormi	MC 採礦特許	100	157.53
Kaapelinkulma	K7094	Kaapelinkulma	MC 採礦特許	100	65.10



龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED
龍 資 源 有 限 公 司*