



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

2020

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 Bank

AUDITOR

Ernst & Young, Perth

LEGAL ADVISER

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

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN AUSTRALIA

Unit 202, Level 2
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South Perth
Western Australia 6151
Australia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

25th Floor
Neich Tower
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Wanchai, Hong Kong

AUSTRALIAN PRINCIPAL SHARE REGISTRAR

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Melbourne
Victoria 3067
Australia

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712 – 1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

JOINT COMPANY SECRETARIES

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

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 2020. The year has produced considerable challenges for the Company as a result of the impact of COVID 19 and travel restrictions and other difficulties arising from the effects of the pandemic.

Notwithstanding these issues it is pleasing that the Company has been able to deliver an increased profit.

During the year, the Company completed the test-mining operation at Fäboliden, and the processing of the ore progressed more or less in line with expectations. We are now waiting on a Court Hearing date regarding the granting of the environmental permit for the full-scale mining at Fäboliden. With the current delays in obtaining Court Hearing dates and absent any further delays, we anticipate the earliest potential timeframe for the commencement of full-scale mining is 2022.

In Finland, both Jokisivu and Kaapelinkulma performed satisfactorily. We are continuing to work with the authorities and the previous operator of the Mine, Outokumpu, to seek a resolution as to a safe procedure for the isolation or removal of waste from an old stope at Orivesi.

It is now clear that the authorities in both Finland and Sweden will impose cash bond requirements for the extension of all mining permits. Accordingly, the Company will have to fund substantial bonds. The final amounts are not yet determined.

I would like to express my sincere thanks to our Directors and loyal staff for these efforts in a difficult year. I also thank our shareholders for their ongoing support.

Arthur G. Dew
Chairman

Hong Kong, 25 March 2021

MINERAL RESOURCES AND ORE RESERVES ANNUAL STATEMENT

The estimates for Mineral Resources and Ore Reserves as at 31 December 2020 were disclosed to the HKEx 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 2021 – Resource and Reserve Estimates Updated for Dragon Mining’s Nordic Production Centres**

The statement of Mineral Resources for the Company totals 14,000 kt grading 3.3 g/t gold for 1,500 kozs as at 31 December 2020, inclusive of Ore Reserves. This represents a 1% decrease in tonnes and a 2% increase in ounces when compared to the Company’s total Mineral Resource as at 31 December 2019.

The Company’s total Proved and Probable Ore Reserves as at 31 December 2020 are 3,900 kt grading 2.7 g/t gold for 330 kozs. This represents a 15% increase in tonnes and 7% increase in ounces, when compared to the total Ore Reserve as at 31 December 2019.

ESTIMATION GOVERNANCE STATEMENT

Dragon Mining Limited 龍資源有限公司* (“Dragon Mining” or the “Company”) have ensured that the Mineral Resource and Ore Reserve estimates are subject to good governance arrangements and internal controls. The Mineral Resources and Ore Reserves were 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 Company’s mining projects in 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 2020. 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 ("VPC") – Southern Finland												
Jokisivu Gold Mine												
Kujankallio	490	5.0	79	940	3.4	100	140	2.9	13	1,600	3.8	190
Arpola	150	4.2	20	500	4.4	71	390	4.4	55	1,000	4.4	150
Stockpiles	–	–	–	69	2.1	5	–	–	–	69	2.1	5
Total	640	4.8	100	1,500	3.6	180	530	4.0	67	2,700	4.0	340
Kaapelinkulma Gold Mine												
North	–	–	–	12	2.3	1	54	2.8	5	66	2.7	6
South	26	2.3	2	60	3.4	7	120	2.4	9	210	2.7	18
Stockpiles	–	–	–	8	2.9	1	–	–	–	8	2.9	1
Total	26	2.3	2	79	3.2	8	170	2.6	14	280	2.7	24
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
Total	93	5.0	15	110	5.9	21	71	4.8	11	270	5.3	46
VPC Total	760	4.8	120	1,700	3.8	210	770	3.7	93	3,200	4.0	410
Svartliden Production Centre ("SPC") – Northern Sweden												
Fäboliden Gold Mine												
Inside RF 120% Shell	100	3.4	11	3,000	2.9	280	620	2.4	48	3,700	2.8	340
Outside RF 120% Shell	–	–	–	1,300	3.0	130	5,200	3.4	560	6,500	3.3	690
Stockpiles	–	–	–	28	1.8	2	–	–	–	28	1.8	2
Total	100	3.4	11	4,300	2.9	410	5,800	3.3	610	10,000	3.1	1,000
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	220	3.4	24	4,600	3.0	440	5,900	3.3	620	11,000	3.1	1,100
Company Total	980	4.5	140	6,300	3.2	650	6,700	3.3	710	14,000	3.3	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 are reported on a dry in-situ basis.

RF – Revenue Factor

Reporting Cut-off Grades

Jokisivu Gold Mine – 1.3 g/t gold

Based on operating costs, mining and processing recoveries from Jokisivu actuals and a gold price of US\$1,890 per troy ounce extrapolated for the potential economic extraction of the resource at a level approximating 120% of an average consensus forecast gold price of US\$1,575 per troy ounce that was generated from annual consensus gold forecasts over the mine life period.

Kaapelinkulma Gold Mine – 0.7 g/t gold

Based on operating costs, mining and processing recoveries from Kaapelinkulma actuals and a gold price of US\$2,250 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\$1,880 per troy ounce.

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 troy ounce. Details of this Mineral Resource were released to the HKEx on the 27 March 2020 – Resources and Reserves Updated Dragon Mining's Nordic Production Centres.

Fäboliden Gold Mine – 1.1 g/t gold for material inside the RF 120% Pit Shell and 2.0 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\$1,740 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\$1,450 per troy ounce.

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 troy ounce. 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 2020.

	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)	490	2.5	40	1,300	2.3	93	1,800	2.3	130
Kaapelinkulma (OP)	-	-	-	21	4.1	3	21	4.1	3
Svartliden Production Centre									
Fäboliden (OP)	110	3.0	11	2,000	2.9	190	2,100	2.9	200
Company Total	600	2.6	51	3,300	2.7	280	3,900	2.7	330

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.

Ore Reserve estimates are reported on a dry tonne basis.

Jokisivu Gold Mine – The economic in-situ stope ore cut-off grade is based on a variable gold price ranging from US\$1,699 per troy ounce gold in the short term to US\$1,443 per troy ounce gold in the long term that was generated from annual consensus gold forecasts over the mine life period, a EUR:USD exchange rate of 1.19, process recovery of 87%, mining factors and costs.

Kaapelinkulma Gold Mine – The in-situ ROM cut-off grade is 1.1 g/t gold is based on a short term consensus forecast gold price of US\$1,880 per troy ounce, a EUR:USD exchange rate of 1.19, process recovery of 83%, mining factors and costs.

Fäboliden Gold Mine – The in-situ Ore cut-off grade is 1.36 g/t gold is based on a long term consensus forecast gold price of US\$1,450 per troy ounce, a USD:SEK exchange rate of 8.72, 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 Fäboliden Gold Mine was previously released to the HKEx on 16 March 2021 – Resource and Reserve Estimates Updated for Dragon Mining's Nordic Production Centres. This document can be found at www.hkex.com.hk (Stock Code: 1712). 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 16 March 2021 release.

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

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on the 16 March 2021, and the assumptions and technical parameters underpinning the estimates in the 16 March 2021 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 2020 presented in this report have not been materially modified and are consistent with the 16 March 2021 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 Orivesi Gold Mine was previously released to the HKEx on the 27 March 2020 – Resources and Reserves Updated for Dragon Mining's Nordic Projects. This document can be found at www.hkex.com.hk (Stock Code: 1712). 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 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 the 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 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. This document can be found at www.asx.com.au (Code: DRA). It fairly represents information and supporting documentation that was compiled or supervised by Mr. Jeremy Clark who was a full-time employee of RPM Global Asia Limited and a Registered Member of the Australasian Institute of Mining and Metallurgy at the time of the report in 2017. 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 release.

RESOURCES AND RESERVES STATEMENT (CONT'D)

Competent Persons Statements (Cont'd)

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resources as reported on the 28 February 2017, and the assumptions and technical parameters underpinning the estimates in the 28 February 2017 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 2016 presented in this report have not been materially modified and are consistent with the 28 February 2017 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 Ore Reserves for the Jokisivu Gold Mine and the Kaapelinkulma Gold Mine is based on information compiled by Mr. Richard Tyrrell, who is a Professional Member of the Australasian Institute of Mining and Metallurgy, and is an employee of RPM Advisory Services Pty Limited. Mr Richard Tyrrell has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which, he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr. Richard Tyrrell 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 Ore Reserves for the Fäboliden Gold Mine is based on information compiled and reviewed by Mr. John Hearne, who is a Chartered Professional and Fellow of the Australasian Institute of Mining and Metallurgy, and is an employee of RPM. Mr John Hearne has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr. John Hearne 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 mines and processing facilities in Finland and Sweden. In Finland, the Vammala Production Centre (“Vammala”) consists of a conventional 300,000 tonnes per annum crushing, milling and flotation plant (“Vammala Plant”), the Jokisivu Gold Mine (“Jokisivu”), the Kaapelinkulma Gold Mine (“Kaapelinkulma”) and the Orivesi Gold Mine (“Orivesi”) which ceased production in June 2019. 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 tonnes per annum carbon-in-leach processing plant (“Svartliden Plant”), the closed Svartliden Gold Mine (mining completed in 2013) and the Fäboliden Gold Mine (“Fäboliden”) where test-mining was completed in September 2020.

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

COVID-19 Pandemic

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

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

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

No adjustments have been made to the Group's result as at 31 December 2020 for the impacts of COVID-19. However, the scale and duration of possible future Government measures, vaccine rollout, and their impact on the Group's operations and financial situation, necessarily remains uncertain.

Safety Performance

The Group continues to focus on driving an improved safety culture across all its operations and finished the period with a 12-month rolling lost time injury ("LTI") frequency rate, per million work hours of 12.81 (2019: 4.02) with 3 LTI recorded at the Group's Finnish operations during the period (2019: 1 LTI). Vammala, Jokisivu and Kaapelinkulma have recorded 80, 144, and 1,461 LTI free days, respectively. In Sweden, Svartliden recorded 1,734 days LTI free and Fäboliden 874 days LTI free.

OPERATIONS OVERVIEW (CONT'D)

Finland Operations

Vammala Plant

During the year ended 31 December 2020, the Vammala Plant treated 316,237 tonnes of ore with a grade of 2.8 g/t gold and achieved a process recovery of 85.2% to produce 23,934 ounces of gold in concentrate. Gold production decreased by 7.7% compared to 2019 because of the cessation of mining higher grade ore tonnes from Orivesi. Vammala mill feed was sourced from Jokisivu and Kaapelinkulma with a small number of remaining tonnes from Orivesi processed in January 2020.

- 261,002 tonnes of ore from Jokisivu at a grade of 2.7 g/t gold;
- 53,821 tonnes of ore from Kaapelinkulma at a grade of 3.1 g/t gold; and
- 1,414 tonnes of ore from Orivesi stockpiles at a grade of 3.2 g/t gold.

	Vammala Production Centre	
	2020	2019
Ore Mined (tonnes)	341,270	314,752
Mined Grade (g/t gold)	2.8	3.0
Ore Milled (tonnes)	316,237	303,713
Head Grade (g/t gold)	2.8	3.1
Process Recovery (%)	85.2%	86.8%
Gold Production (oz)	23,934	25,938

Jokisivu Gold Mine

Production tonnes from Jokisivu were sourced from the Main Zone of the Kujankallio deposit and from the Arvola deposit. Total ore mined from Jokisivu was 288,641 tonnes at 2.7 g/t gold; 152,040 tonnes of ore came from ore stopes (2019: 157,283 tonnes) and the remaining 136,601 tonnes (2019: 99,493 tonnes) came from ore development. Gold production for the period was 19,338 ounces of gold (2019: 18,156 ounces of gold). The increase in mined and milled tonnes from Jokisivu compensated for the lower head grade and process recovery to deliver consistent gold production over the period.

	Jokisivu Gold Mine	
	2020	2019
Ore Mined (tonnes)	288,641	256,706
Mined Grade (g/t gold)	2.7	2.9
Ore Milled (tonnes)	261,002	243,961

Development of the Jokisivu decline progressed 527 metres from the 500m level to the 570m level.

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

Production at Kaapelinkulma came from open-pit mining with 52,629 tonnes of ore (2019: 28,499 tonnes) grading 3.1 g/t gold mined and the removal of 456,385 tonnes of waste rock (2019: 371,312 tonnes). Stripping costs incurred during the development phase of Kaapelinkulma are capitalised as part of the depreciable cost of building, developing and constructing the mine. These capitalised costs are depreciated over the life of the mine based on units of production.

	Kaapelinkulma Gold Mine	
	2020	2019
Ore Mined (tonnes)	52,629	28,499
Waste Rock (tonnes)	456,385	371,312
Strip Ratio	9:1	13:1
Mined Grade (g/t gold)	3.1	3.0

Orivesi Gold Mine

Mining at Orivesi ceased in June 2019. Production during the year came from the remaining stockpile of 1,414 ore tonnes which were milled in January 2020. 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.

Sweden Operations*Svartliden Production Centre*

The Svartliden Production Centre ("Svartliden") is in northern Sweden, approximately 750 kilometres by road 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 2020, the Svartliden Plant continued to operate at below break-even 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 8 weeks in October and November, when only ore from the Fäboliden test mine was processed.

OPERATIONS OVERVIEW (CONT'D)**Sweden Operations (Cont'd)***Svartliden Production Centre (Cont'd)*

	Svartliden Production Centre	
	2020	2019
Ore milled (tonnes)	39,581	60,393
Head grade (g/t gold)	2.7	2.6
Ore process recovery (%)	80.0%	77.3%
Gold production from ore (oz)	2,712	4,094
Vammala flotation concentrate milled (tonnes)	3,825	3,433
Concentrate process recovery (%)	94.9%	93.9%
Head grade (g/t gold)	143.5	163.5
Gold production concentrate (oz)	16,743	17,093
Total gold production (oz)	19,455	20,997

During the year, the majority of Vammala flotation concentrate was processed at the Svartliden Plant, except for 8 weeks during October and November 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 by road southeast of the Svartliden Plant. In November 2017, The Company was granted an Environmental Permit for test-mining by the County Administration Board ("CAB") which gained legal force in May 2018. In accordance with the Environmental Permit conditions, the Company recommenced test-mining activities at Fäboliden on 11 June 2020. The Company mined and transported 39,591 tonnes of ore at 2.7 g/t of gold with mining and ore transport to Svartliden completed in September 2020. The processing of Fäboliden ore at the Svartliden Plant recommenced in October 2020 and was completed by November 2020.

	Fäboliden Gold Mine	
	2020	2019
Ore mined and transported (tonnes)	39,591	68,530
Waste rock (tonnes)	41,479	184,043
Strip ratio	0.9:1	2.7:1
Mined grade (g/t gold)	2.7	2.9

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. All capitalised costs that related only to test-mining have been fully written off.

The Company has continued to advance the approval of its environmental permit application and anticipates the soonest date for a hearing in the Swedish Land and Environmental Court is Autumn 2021 (Northern Hemisphere), and the commencement of full-scale mining in 2022.

OPERATIONS OVERVIEW (CONT'D)

Employees

The total head count of the Group as at 31 December 2020 was 73 (2019: 85). Total staff costs including Directors emoluments amounted to AU\$9.3 million (2019: AU\$10.3 million) reflecting the lower staff numbers. The Group reviews remuneration packages from time to time. The stipends of Directors were reviewed and approved by the Remuneration Committee on 21 November 2020. 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. 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. The Group's responses to the COVID-19 pandemic are set out on page 12 of this Annual Report.

Environment, and Social and Governance

The Company is very clear on the need to earn the respect and support of the communities in which it operates by working in a socially responsible manner, and by demonstrating a tangible commitment to environmental sustainability.

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
- systematically improve the planning, execution, and monitoring of its environmental performance.

The Company is committed to operating in a way which 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.

OPERATIONS OVERVIEW (CONT'D)

Environment, and Social and Governance (Cont'd)

The Board has overall responsibility for the Company's strategy and reporting in respect of Environmental, Social and Governance 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, and the Company's external Auditor, the Board considers that such systems are commensurate and operating effectively. 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. The Company's Environmental, Social and Governance Report is available on the designated website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> and the Company's website at <http://www.irasia.com/listco/hk/dragonmining/index.htm> and www.dragonmining.com.

Operational Risks

The Group's response to the COVID-19 pandemic including identifying and responding to Operations risk is included under the Operations Overview on page 12 of this Annual Report.

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 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 stoppage or closure of an operating mine; delays to production schedules and disruption to operations; with material 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") considering evolving scientific knowledge and technology, management practices and community expectations.

The Company ensures 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)

- *Permitting*

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

The application for a full-scale mining Permit for Fäboliden was submitted to the Land and Environmental Court in July 2018. If the Company faces significant delay in obtaining environmental approval for full-scale mining, it could materially and adversely affect the Company's profitability. Such delays would likely require the Company to re-evaluate the continued operation of Svartliden. At the date of this Annual Report, the Company is not aware of any reason for any delay caused as a result of the COVID-19 pandemic. The Environmental Review on pages 32 to 37 provides updates on rehabilitation and status of permitting at the Company's Finnish and Swedish operations.

- *Production*

Any delay or failure to commence full-scale mining at Fäboliden in accordance with the current timetable may adversely impact the Company's results for 2021.

The process recovery rate and production costs are dependent on many technical assumptions and factors, including 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 but not limited to tonnage, grade and process recovery. Plant breakdown or availability may also affect the operation.

- *Social and Political*

The Group 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, and with potential adverse effects on the political climate generally.

The Company is exposed to other risks which include, but are not limited to, cyber-attack, political and economic instability, and natural disaster, all of which could have varying degrees of impact on the Group and its operating activities. Where available and appropriate to do so, the Board will seek to minimise exposure through the use of insurance, while actively monitoring the Group's ongoing exposure as a whole.

FINANCIAL REVIEW

The Group's operations returned a net profit of AU\$10.5 million for the year ended 31 December 2020 (2019: net profit of AU\$6.3 million) despite the Group's operations in Sweden being carried at below break-even. The pandemic, together with the various Government measures so far introduced, to date have not significantly disrupted the Group's operations. No adjustments have been made to the Group's result as at 31 December 2020 for the impacts of COVID-19.

Revenue from Customers

The increase in revenue for the year reflected the following factors:

- Stronger USD gold spot prices were realised during 2020, ranging from a low of US\$1,533/oz to a high of US\$2,066/oz, and averaging US\$1,769/oz (2019: US\$1,403/oz); and
- The Group sold 28,035 ounces of gold during 2020 (2019: 25,958 ounces of gold) to deliver revenue from customers of AU\$69.3 million (2019: AU\$53.1 million), a revenue increase of 30.5%. The increase in ounces of gold sold corresponds to a reduction in the gold inventory brought forward from 2019.

Cost of Sales

Cost of sales in 2020 increased by 22.2% to AU\$51.6 million compared to cost of sales in 2019 of AU\$42.2 million. The increase in cost of sales is proportionate to the increase in revenue during the year. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. Cost of sales includes mining, processing, other production activities and depreciation as follows:

	2020	2019	% change
Gold sold (oz)	28,035	25,958	8.0%
Gold produced (oz)	26,645	25,938	2.7%
Cost of sales including inventory movements	2020	2019	% change
	AU\$'000	AU\$'000	
Mining costs (i), (ii)	19,706	20,931	(5.9%)
Processing costs (iii)	21,240	4,440	378.4%
Other production costs	1,243	1,272	(2.3%)
Gold inventory movements (iv)	507	7,012	(92.8%)
Depreciation (v)	7,882	6,766	16.5%
Rehabilitation costs (vi)	1,021	1,787	(42.2%)
Total	51,599	42,208	22.2%

FINANCIAL REVIEW (CONT'D)

Cost of Sales (Cont'd)

- (i) In Finland, the Group mined 341,270 tonnes of ore at an average cost of AU\$63.07 per tonne of ore from its Jokisivu and Kaapelinkulma Gold Mines (2019: 314,752 tonnes of ore at an average cost of AU\$62.17 per tonne of ore).
- (ii) In Sweden, the Group mined and transported 39,591 tonnes of ore at an average cost of AU\$26.92 per tonne from its Fäboliden Gold Mine (2019: 68,530 tonnes of ore at an average cost of AU\$11.45 per tonne). Test-mining activities were completed in September 2020 at which point mining ceased in accordance with the test-mining permit conditions.
- (iii) In Finland, the Groups Vammala Plant processed 316,237 tonnes of ore at an average cost of AU\$28.77 per tonne. In 2019, processing costs were significantly reduced by a material build-up of gold inventory caused by the stockpiling of Orivesi ore at Vammala and longer leaching times for the Orivesi high-grade ore at Svartliden.
- (iv) Fluctuations in inventory levels and value are a normal part of the Groups business operations which stem from the timing of gold pours, shipments, grade and ore source impacting leaching and residence times, and inventory valuations.
- (v) Depreciation is incurred on a unit of production basis and is aligned to mined or milled tonnes dependent on the class of asset. All capitalised costs related to the test-mining at Fäboliden have been fully written off.
- (vi) Mining at Orivesi ceased in June 2019. As a result, movements in the Orivesi rehabilitation provision are recognised through cost of sales.

Gross Profit

The 30.5% increase in revenue compared to the 22.2% increase in cost of sales delivered a gross profit for the year of AU\$17.7 million (2019: AU\$10.9 million) and gross profit ratio of 25.5% (2019: 20.5%).

Management and Administration and Other Expenses

Other expenses include the cost of evaluation assets written off as part of the Group's regular review of capitalised exploration and evaluation costs.

Working Capital, Liquidity and Gearing Ratio

At 31 December 2020, the Group had net assets of AU\$53.5 million (2019: AU\$43.4 million); a working capital surplus of AU\$27.6 million (2019: surplus AU\$21.4 million); and a closing market capitalisation of AU\$56.3 million or HK\$336.0 million (2019: AU\$44.3 million or HK\$241.6 million).

The Group had AU\$14.4 million in cash and cash equivalents (2019: AU\$8.2 million) and funded its activities through cash inflows from operations.

As at 31 December 2020, the Company's gearing ratio was 6.3% (2019: 15.2%), calculated by dividing total borrowings by total equity.

FINANCIAL REVIEW (CONT'D)

Interest Bearing Liabilities – AU\$12 Million Unsecured Loan Facility with AP Finance Limited

The Company has an 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 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.

Financial Risks

The following is a summary of the Company’s financial risk management policies, the full details of which are provided in note 23 of the Consolidated Financial Report.

- *Foreign Exchange*

The Company sells its bullion and gold concentrate in USD. Most of its costs are denominated in SEK and EUR 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. No hedging of foreign exchange exposure was used during the period.

- *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 present the Company has no plans to hedge commodity price risk.

- *Liquidity*

The Company is exposed to liquidity risk through its financial liabilities and its obligation to make payments on its financial liabilities as and when they fall due. The Company maintains a balance in its approach to funding through the use of debt and/or 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 Annual 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 2020 and 31 December 2019.

Contingent Liabilities

As at 31 December 2020, the Group has disclosed two contingent liabilities at note 21 of the Consolidated Financial Statements.

Company Strategy

The Company is principally 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 operate responsibly taking into account the interests of all stakeholders including its staff, contractors, and the public including civic groups, together with the environment and the general amenity of its areas of operation. It aims 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 Group's newest operations at Fäboliden, 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 AGM to be held on 21 May 2021, the registers of members of the Company in Hong Kong and Australia will be closed from Monday, 17 May 2021 to Friday, 21 May 2021, 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 Limited at Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne VIC 3067, Australia for registration no later than 4:30 p.m. on Friday, 14 May 2021 (Hong Kong time); or (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, 14 May 2021 (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.

Purchase, Sale or Redemption of the Company's Listed Securities

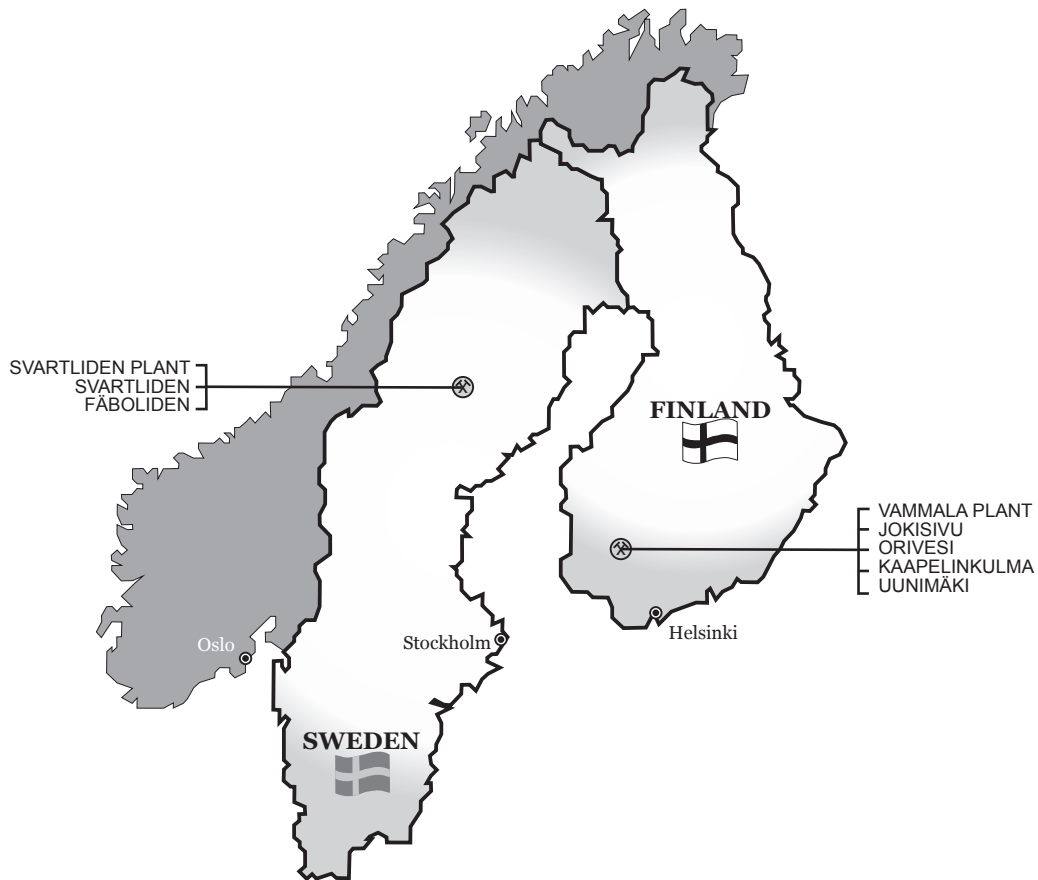
During the year ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

Pre-Emptive Rights

There are no provisions for pre-emptive rights in the Company's Constitution, or in the Corporations Act in Australia where the Company is registered, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

ADVANCED PROJECTS AND EXPLORATION REVIEW

The Company is an established Nordic gold producer that holds a portfolio of projects within the highly prospective Fennoscandian Shield. Since entering the Nordic Region in 2000, the Company has successfully brought four gold mines into full scale production, generating in excess of 750,000 ounces of gold over the past 16 years. This has been achieved by way of a commitment by the Company to actively explore its project holding, with an objective to maintain the Company's annual production profile over the years of operation and into the foreseeable future.



Project Location

During 2020, the Company maintained a high level of activity on its key projects with a series of drilling campaigns completed at the Jokisivu Gold Mine ("Jokisivu") and the Kaapelinkulma Gold Mine ("Kaapelinkulma") and active campaigns on the project site of the closed Orivesi Gold Mine ("Orivesi") and Fäboliden Gold Mine ("Fäboliden") at the end of 2020.

In Finland, 167 diamond core drill holes were completed over the course of the year totalling 20,083 metres (2019 – 90 diamond core holes for 11,035 metres). Whilst in Sweden, an infill diamond core drilling program is underway, with 19 holes, 2,037 metres completed by the end of the year (2019 – 57 reverse circulation drill holes and 53 diamond core drill collectively totalling 3,211 metres).

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

In addition to drilling, the Company also recommenced early-stage exploration activities over the project site at Orivesi, with the undertaking of a geochemical survey and review of available historical geophysical datasets. Whilst the Company also completed a Scoping Study (the "Scoping Study"), a preliminary technical and economic study that was initiated for the purpose of assessing the viability of undertaking underground mining at Fäboliden, at the conclusion of open-pit mining.

The information in this Annual Report that relates to exploration activities has been extracted from the following announcements that were released to the Stock Exchange of Hong Kong Limited ("HKEx") on:

- 27 February 2020 – Update on Exploration Activities Undertaken in Southern Finland;
- 9 June 2020 – Exploration Activities Continue to Advance in Southern Finland;
- 23 June 2020 – Fäboliden Underground Scoping Study Commences;
- 2 September 2020 – Drilling Continues to Define Extensions of the Jokisivu Gold Deposits;
- 16 October 2020 – Scoping Study Highlights Potential for Fäboliden Underground Mine; and
- 6 January 2021 – Drilling Campaigns Advance on Dragon Mining's Finnish and Swedish Projects.

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

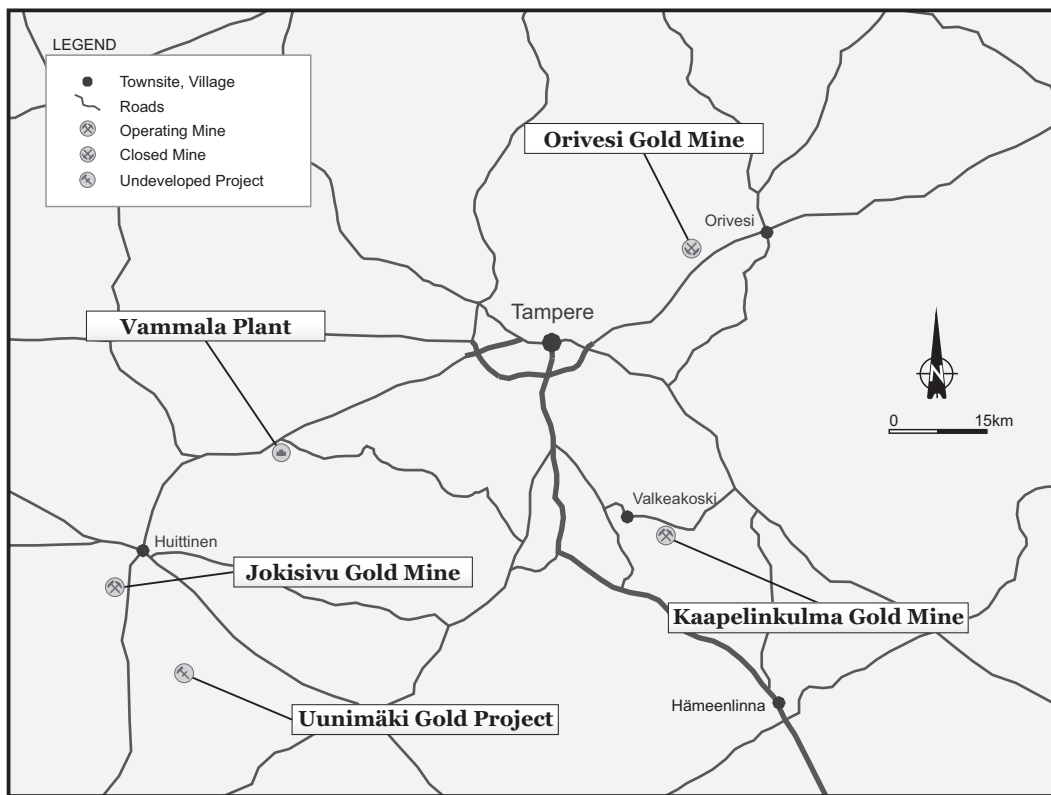
The information in this Annual Report that relates to Exploration Results were previously released to the HKEx on the 27 February 2020, 9 June 2020, 23 June 2020, 2 September 2020, 16 October 2020 and 6 January 2021. They fairly represent information and supporting documentation that was compiled or supervised by Mr. Neale Edwards. Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, is a full-time employee of Dragon 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 Exploration Results presented in this Annual Report have not been materially modified and are consistent with the 27 February 2020, 9 June 2020, 23 June 2020, 2 September 2020, 16 October 2020 and 6 January 2021 releases. Mr. Neale Edwards has provided written consent approving the use of previously reported Exploration Results in this Annual Report in the form and context in which they appear.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results as reported on the 27 February 2020, 9 June 2020, 23 June 2020, 2 September 2020, 16 October 2020 and 6 January 2021, and the assumptions and technical parameters underpinning the Exploration Results continue to apply and have not materially changed.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Finland

In southern Finland, approximately 165 kilometres northwest of the Finnish capital Helsinki, the Company holds a series of projects that collectively form the Vammala Production Centre encompassing 3,502 hectares. This Centre comprises the centrally located Vammala Plant, a 300,000 tonnes per annum conventional crushing, milling and flotation facility, the operational Jokisivu and Kaapelinkulma gold mines, Orivesi where mining ceased in 2019 and the Uunimäki Gold Project (“Uunimäki”).



Vammala Production Centre

Jokisivu Gold Mine

At Jokisivu, 129 underground diamond core drill holes were completed over ten campaigns during the year for an advance of 14,942.75 metres (2019 – 90 holes, 11,034.90 metres). These campaigns included:

- a 13 hole, 1,502.80 metre underground diamond core campaign completed from the 495m level targeting the Kujankallio Main Zone and Kujankallio Hinge Zone (“Campaign 1”);
- a 5 hole, 548.60 metre underground diamond core campaign drilled from the 470m level directed at the Kujankallio Hinge Zone (“Campaign 2”);

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Finland (Cont'd)

Jokisivu Gold Mine (Cont'd)

- a 16 hole, 2,810.75 metre underground diamond core campaign from the 510m level targeting the Kujankallio Main Zone between the 525m and 565m levels ("Campaign 3");
- a 20 hole, 2,228.15 metre underground diamond core campaign drilled from the 170m and 190m levels directed at the Kujankallio Main Zone and Kujankallio Hinge Zone ("Campaign 4");
- a 22 hole, 1,803.00 metre underground diamond core campaign drilled from the 170m level directed at the Arpola Footwall Zones between the 135m and 220m levels ("Campaign 5");
- a 18 hole, 2,128.20 metre underground diamond core campaign targeting the Arpola Hanging Wall Zone between the 155m and 230m levels ("Campaign 6");
- a 10 hole, 1,301.30 metre underground diamond core campaign targeted the Arpola Hanging Wall Zone between the 120m and 175m levels ("Campaign 7");
- a single hole, 130.10 metre underground diamond core campaign directed at the Arpola Osmo Zone between the 160m and 170m levels ("Campaign 8");
- a 12 hole, 1,454.95 metre underground diamond core campaign that targeted the Arpola Footwall Zone from the 205m level ("Campaign 9"); and
- a 12 hole, 1,034.90 metre underground diamond campaign that targeted the Arpola Footwall Zone between the 100m and 145m levels ("Campaign 10").

The drilling campaigns that targeted the Kujankallio deposit (Campaign 1 to Campaign 4) returned a series of significant intercepts above 1 g/t gold, including the high-grade highlights 2.50 metres @ 33.46 g/t gold, 3.55 metres @ 21.53 g/t gold, 3.65 metres @ 20.39 g/t gold and 3.45 metres @ 19.20 g/t gold. Results aligned well with expectations, extending known mineralisation associated with the Kujankallio Main Zone to the 560m level and mineralisation associated with the Kujankallio Hinge Zone to the 590m level. Further drilling of these extensions is needed to better define the geometry of the mineralised zones in preparation for future mining studies.

Six drilling campaigns (Campaign 5 to Campaign 10) targeted the Footwall and Hanging Wall positions of the Arpola deposit. Final results have been received for Campaigns 5 to 8, yielding a series of significant intercepts above 1 g/t gold, including the higher-grade 2.00 metres @ 57.54 g/t gold, 10.40 metres @ 21.39 g/t gold, 5.55 metres @ 78.15 g/t gold, 4.70 metres @ 21.92 g/t gold and 3.05 metres @ 30.04 g/t gold. The results have better defined the extent and geometry of the areas targeted with drilling, highlighting the presence of moderate to high-grade gold mineralisation close to existing underground development. Final results for Campaigns 9 and 10 were still pending at the end of the year.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)**Finland (Cont'd)***Jokisivu Gold Mine (Cont'd)*

Drilling has now recommenced at Jokisivu, on the first of a series of campaigns in 2021, directed at the extensions of the Kujankallio Main Zone and Kujankallio Hinge Zone, below the current level of underground development.

During the year, the Company also executed an Asset Sale Agreement (“Agreement”) with Australian Securities Exchange (“ASX”) listed Sunstone Metals Limited (“Sunstone”) to acquire the Exploration Permit application (ML2018:0082), which fully surrounds Dragon Mining’s Jokisivu project area. In accordance with the terms of the Agreement, Dragon Mining paid Sunstone AU\$75,000 upon execution of the Agreement. A further payment of AU\$75,000 is payable by Dragon Mining upon the earlier of:

- 5 Business Days after the grant of the Exploration Permit; or
- 6 months from the date of the Agreement.

The acquisition secures the possible down plunge depth extensions of the Kujankallio and Arpola gold deposits at Jokisivu, which are interpreted to continue onto the Exploration Permit application area.

Kaapelinkulma Gold Mine

At Kaapelinkulma, drilling resumed during early 2020 on a 28-hole, 2,757.25 metre campaign of diamond core drilling primarily directed at the northern gold deposit, 300 metres north of open-pit mining operation at Kaapelinkulma. Twenty-five holes of the 28-hole campaign were designed to better determine the extent and geometry of the known zones of mineralisation at the northern deposit, whilst 3 holes of the 28-hole campaign were directed at examining the depth extensions of the southern deposit. Results from the campaign yielded a number of significant intercepts greater than 1 g/t gold.

Drilling has now been completed on a second campaign of diamond core drilling at Kaapelinkulma. This 8-hole, 2,061.50 metre campaign targeted the down plunge extensions of the northern and southern gold deposits, as well as further examining a second diorite body, the host of the gold bearing quartz veins at Kaapelinkulma, below the southern gold deposit. Results from the 8-hole campaign were still pending at the end of the year.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Finland (Cont'd)

Orivesi Gold Mine

Following the cessation of mining at Orivesi during 2019, the Company embarked on a campaign of early-stage exploration to evaluate the merit of the Company's core project holding, in areas away from the Orivesi mine. Two programs were completed during the year, including a high-level review of available historic airborne and ground geophysical datasets and a base of till/top of bedrock geochemical survey.

The geophysical review was undertaken by independent geophysical consultants Resource Potentials in Perth, Western Australia and was the first integrated study of geophysical datasets to be carried out across the wider Orivesi area. The review resulted in the identification of a series of geophysical anomalies east of the Orivesi mine site, through to the Koukkujärvi copper-zinc mineral occurrence.

The base of till/top of bedrock geochemical survey was carried out over the western part of the Orivesi Mining Concession area on a nominal grid base of 50m by 50m. The results of low-level gold and multi-element analysis on till and rock samples collected have confirmed and better delineated areas of geochemical gold anomalism that were previously identified from the broader geochemical survey undertaken during the early 1990's. Gold values ranged up to 61ppb gold and correlated well with key pathfinder elements.

The success of the new geochemical survey, together with the review of the results from the 1990's geochemical program outside the Company's core project holding at Orivesi, have allowed a number of gold anomalous zones north and west of the Orivesi mine to be outlined.

The Company recommenced drilling at the site of Orivesi at the end of the year following up the results of the completed early-stage exploration activities. The reconnaissance diamond core drilling campaign targeted the defined geochemical anomalism at the western end of the Mining Concession and a zone of geophysical anomalism at the eastern end of the Mining Concession. The drilling phase of the 15-hole campaign was completed in early 2021.

Uunimäki Gold Project

The Company applied for a new Exploration Licence encompassing the Uunimäki gold occurrence in southern Finland during 2020.

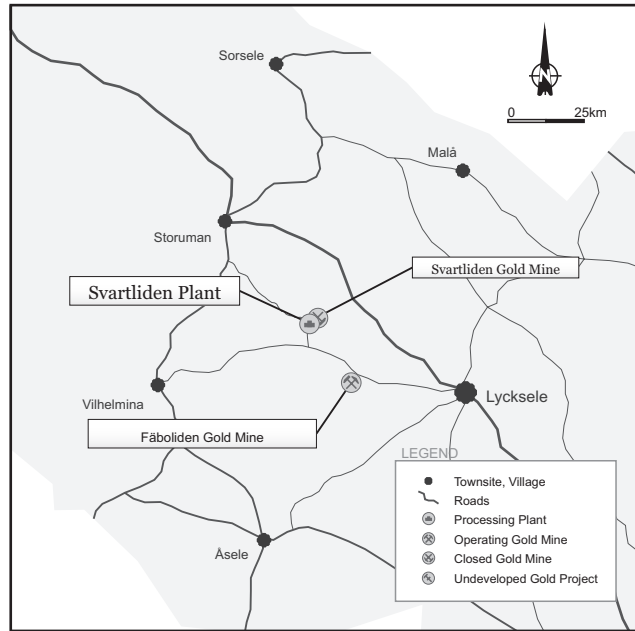
Uunimäki represents an advanced gold opportunity that has previously been subjected to diamond core drilling (36 holes, 3,424 metres) and other exploratory activities including ground geophysical surveys and geochemical till surveys by the Geological Survey of Finland.

Upon the Exploration Licence being granted and becoming legally valid, the Company will look to determine if the identified zones of higher-grade gold mineralisation within the Uunimäki mineralised system occur at tonnage levels that could potentially be amenable to mining, and processing at the Company's Vammala Plant.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)

Sweden

In northern Sweden, the Company holds 1,046 hectares of tenure that collectively is known as the Svartliden Production Centre. Located approximately 750 kilometres by road north of Stockholm, this Centre includes the Svartliden Plant, a 300,000 tonne per annum conventional comminution and carbon in leach ("CIL") plant, the Fäboliden Gold Mine ("Fäboliden") and the closed Svartliden Gold Mine ("Svartliden").



Svartliden Production Centre

Fäboliden Gold Mine

The Company resumed drilling at Fäboliden in late 2020 with the undertaking of a diamond core drilling campaign. The campaign has been designed to improve the drill density in the northern part of the deposit in readiness for future mining studies. Nineteen holes of the 32-hole campaign had been completed by the end of the year, with drilling expected to be completed in early 2021.

A positive result was returned from the Fäboliden Underground Scoping Study (the "Scoping Study"), a preliminary technical and economic study that was initiated for the purpose of assessing the viability of undertaking underground mining at Fäboliden, at the conclusion of open-pit mining.

The Scoping Study was undertaken by independent mining consultants RPM Advisory Services Pty Ltd ("RPM") in Perth, Western Australia and was based on the development of an underground operation at Fäboliden, to provide 300,000 tonnes of ore annually for processing through the CIL facility at Svartliden ("Svartliden Plant"). It was underpinned by the Fäboliden Mineral Resource as at 31 December 2019 and completed to a +/- 35% level of accuracy.

ADVANCED PROJECTS AND EXPLORATION REVIEW (CONT'D)**Sweden (Cont'd)***Fäboliden Gold Mine (Cont'd)*

The key production and financial results delivered by the Scoping Study include:

- 15 year underground operating life generating a total run-of-mine ("ROM") tonnes and grade of 4,410 kt grading 2.97 g/t gold at a 2.5 g/t gold in-situ stoping cut-off grade;
- average annual production of 23 kozs of gold, based on a production rate of 300 ktpa and 82% process recovery through the Company's CIL facility at Svartliden;
- estimated start-up capital cost of US\$15.1 million and a total life-of-mine ("LOM") capital cost of US\$77.8 million;
- net cash flow approximating US\$72 million based on a long term consensus gold price of US\$1,437 per ounce and a USD:SEK exchange rate of 9.66 and EUR:USD exchange rate of 1.09;
- estimated total operating cost of US\$78.65 per ROM tonne;
- estimated net present value ("NPV") at 10% of US\$24 million and internal rate of return ("IRR") of 27%; and
- payback period of 5.4 years.

The Scoping Study demonstrated that Fäboliden has the potential for a viable underground operation that warrants a commitment from the Company to advance to the next stage of evaluation. Dragon will now look to enhance the results of the Scoping Study through a series of drilling campaigns that will be designed to upgrade the Mineral Resource below the planned open-pit, in preparation for more detailed underground mining studies.

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 its requirements under those regulations and is not aware of any breach of such requirements as they apply to the Company, except where indicated below.

Finland

Vammala Production Centre

On 12 March 2020, AVI issued a new environmental permit enabling Vammala to process 300,000 tpa of ore including from Kaapelinkulma. The permit contains some new crushing conditions which the Company has appealed to the Administrative Court of Vaasa ("Court") on 20 April 2020. Between September and November 2020, the Company responded to various appeals, statements, and opinions. The Company can continue to operate under its existing permit conditions until a decision is handed down.

In April 2020, the ELY Centre instructed the Company to implement further dust prevention measures around the Vammala tailings area due to complaints from locals. A dust monitoring unit and weather station have been installed in the tailings area and two units in the yards of nearby neighbours. The Company can now monitor the amount of dust, wind speed and wind direction in real-time from an online service. The Company plans to widen the water spraying in conjunction with the use of lime to reduce the level of dusting in these areas.

During the year, an external contractor was selected to complete the Miljoonaoja ditch project. The project involved the separation of natural water from the Vammala mill water cycle. The project was included in the Company's Vammala Environmental Permit application and reduces the need for run-off of the Mill drainage waters. The project was completed during September 2020 and is operating as intended.

On 17 June 2020, an inspection of the Vammala site was undertaken by the ELY Centre. As a result, the Company submitted an environmental risk assessment and risk mitigation strategy to ELY on 28 August 2020.

On 9 September 2020, the 5-yearly inspection of the Vammala tailings dam was conducted by external consultant Ramboll Oy in the presence of The ELY Centre. The Company with the help of Ramboll Oy, is in the process of updating its environmental health and risk assessment to include the tailings dam. The update is expected to be completed by 31 March 2021.

ENVIRONMENTAL REVIEW (CONT'D)

Finland (Cont'd)

Vammala Production Centre (Cont'd)

On 22 September 2020, the Centre for Economic Development, Transport and the Environment ("the ELY Centre") accepted the Company's request to process 300,000 tonnes of ore per annum, an increase from 200,000 tpa, under its existing permit on the basis that it accepted the increase in ore production does not have a material adverse environmental impact.

A chemical safety inspection was held in Vammala on 18 November 2020 by the Pirkanmaa fire department. The inspection has determined the need for updates to the chemical risk assessment documentation.

The Forest Management Association's forestry plan for the vicinity of the Vammala mill was completed in late 2020. The plan includes actions for the forests in the Vammala site area for the next 10 years.

Orivesi Gold Mine

In June 2019, the Supreme Administrative Court upheld the Regional State Administrative Agency's ("AVI") rejection of the Orivesi Environmental Permit. In December 2019, a Closure Plan for the mine was submitted to AVI for approval. In May 2020, AVI requested supplementary information which the Company submitted in June 2020. In November 2020, AVI issued a request for further supplementary information with requests of a technical nature. Accordingly, the Company has engaged Envineer Oy to assist with its responses.

In August 2020, all the underground mine infrastructure was demolished and on 17 August 2020, representatives of the Finnish Safety and Chemicals Agency ("Tukes") carried out an inspection and confirmed that the work had been carried out satisfactorily.

As part of the Closure Plan, local consultants, Envineer Oy, were engaged to prepare a research plan to clean and remediate any soil contaminated areas including maintenance and storage areas, fuel tank storage locations, settling ponds and any roads previously exposed to sulphide containing waste rock. The research plan was completed on 17 September 2020 submitted to the ELY Centre who, on 5 October 2020, conducted a site visit and resulted in the plan obtaining approval on 6 November 2020. On 30 November 2020, soil contamination studies were carried out at Orivesi over two days. Results from the studies will be available in early 2021, at which point Envineer Oy will prepare a remediation plan for the Company.

In October 2018, the Pirkanmaa Centre for Economic Development, Transport and the Environment ("PIR ELY") requested further information from the Company on the presence of waste material stored between the 66m and 85m levels. The bulk of the material was deposited before the Company purchased the mine in 2003 and recommenced mining in 2007. On 6 March 2020, the Company submitted a risk assessment to PIR ELY based on the results of the four drill holes and water samples taken from the stope and other parts of the mine. The risk assessment confirmed there is no need to remove the material due to its non-hazardous environmental impact. Additionally, the risk assessment confirmed the safe removal of the material is also not possible. Considering these factors, the Company applied for a retrospective environmental permit.

ENVIRONMENTAL REVIEW (CONT'D)

Finland (Cont'd)

Orivesi Gold Mine (Cont'd)

In May 2020, PIR ELY conducted its annual inspection of the Orivesi site and in July 2020, imposed a compulsion order that required the Company to investigate the composition of the waste. The purpose being to ensure the findings from the initial risk assessment are representative of the total waste. The Company submitted a work plan to PIR ELY on 1 September 2020 and 24 November 2020. On 11 December 2020, the Company responded to a further supplementary request from PIR ELY. The Company is continuing to investigate the safety and technical aspects of emptying the stope.

The Company has simultaneously lodged an appeal with the Vaasa Administrative Court regarding the compulsion. The Administrative Court has requested further information and the Company is preparing its responses. The Company has also engaged lawyers, Castren and Snellman to provide a legal opinion.

Jokisivu Gold Mine

The work to update the Jokisivu Waste Management Plan was finalised by Envineer Oy in August 2020. The work formed the basis for an application to update the environmental permit submitted to AVI in late 2019. The update was required because of the new Jokisivu 2 and Jokisivu 3 Mining Concessions and the need to extend the waste rock area. In recognition of the change in the environmental qualities of some waste rock from inert to potentially acid forming, the update includes new surface settling ponds and the development of additional water treatment measures. The updated Water Management Plan was submitted to the ELY Centre for approval on 7 August 2020. On 2 November 2020, during an exercise of mapping the tree nests of the flying squirrel near the ditch that is proposed to run toward the new settling ponds, ELY identified three potential tree nests but determined the construction works in the Water Management Plan were not expected to have any impact. The Water Management Plan was subsequently approved with construction works due to complete sometime between March and September 2021.

The environmental permit requires annual noise measurements to be taken. These measurements were taken on 17 November 2020, the same time as waste rock crushing. Measurements were taken in the mining area and in the yards of the nearby neighbours. Measurement results indicated that the noise levels at the mine site are below the permissible limit value of 55 dB at all measuring points. The report has been submitted to the ELY Centre.

Radon measurements at the Jokisivu mine were taken on 29 September 2020, by Radiation Safety Authority (STUK) and a final report of the measurements was received. According to the measurements, the radon concentration is low in those places where ventilation is good. Adequate ventilation at working sites must be ensured at all times.

A radiation exposure assessment report was completed, and the report was sent to Radiation Safety Authority (STUK) on 16 November 2020. In accordance with radiation legislation, concentrations of natural radioactive substances, particularly uranium and thorium in ore and waste rocks must be reported. The natural radioactive substances in the waters of the mining area must be studied.

ENVIRONMENTAL REVIEW (CONT'D)

Finland (Cont'd)

Kaapelinkulma Gold Mine

An appeal originally received by AVI in June 2017 and rejected by them in November 2017, was then appealed to the Vaasa Administrative Court, who dismissed it 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. The appellants subsequently sought leave to appeal to the Supreme Administrative Court but were rejected.

In July 2019, PIR ELY rejected an appeal from the Finnish Nature Conservation Association's of Valkeakoski for the initiation of an administrative coercion related to operations at the Kaapelinkulma mine, in respect to the Nature Conservation Act. The secondary claims raised and the remainder of the appeal, including a claim for costs, were rejected by the Hämeenlinna Administrative Court.

On 29 September 2020, the Company received a letter from the Vaasa Administrative Court advising that opponents have appealed PIR ELY's decision because the PIR ELY did not impose a compulsion order on Kaapelinkulma in 2019. Opponents believe that noise levels are too high in the Natural area. The Company submitted a response to Vaasa Administrative Court on 19 October 2020.

The Kaapelinkulma Closure Plan was finalised by Envineer Oy on 4 September 2020. Water samples were taken from the ditches around the waste rock area and aggregate samples taken from the waste rock area, for laboratory testing. Results from this work will provide a basis for suitable future risk assessments and closure measures. During January 2021, minor updates were made before the Closure Plan was submitted to ELY on 28 January 2021.

In April 2020, a water sample from the last measuring well was taken with 22 mg/l of contained solids which exceeded the permit limit of 20mg/l. This matter and resulting preventative actions were reported to PIR ELY.

The counting of the woodland brown butterfly in the Kaapelinkulma area was completed on 12 July 2020 and according to calculations, the number of butterflies is approximately the same as the previous years.

A plan for the continuing operations at Kaapelinkulma was compiled for review by PIR ELY and used to determine whether operations can continue under the existing permit. PIR ELY considers that mining from a second open pit is substantial and indicated that it will require a new Environmental Permit. Preparation of the environmental amendment application has commenced in conjunction with Envineer Oy.

ENVIRONMENTAL REVIEW (CONT'D)

Sweden

Svartliden Rehabilitation Plan (U3)

The Company has previously announced that work to update the Svartliden Rehabilitation Plan ("Closure Plan") was submitted to the Swedish Land and Environmental Court ("Court") in April 2017. In May 2018, the Company updated the Closure Plan cost assessment and its responses to comments received from the Environmental Protection Agency ("EPA") and the County Administrative Board ("CAB"), both of whom considered the Closure Plan and the proposed closure bond as insufficient. From 24 to 26 April 2019, the Closure Plan, U1 and U2 investigations were heard by Court ("Hearing") and on 3 September 2019, delivered its rulings on each of the matters.

On 18 November 2019, the Company lodged an appeal in the Environmental Court of Appeal ("Court of Appeal") against the following rulings by the Court:

- the amount of additional collateral security being requested by the Court;
- the permit conditions during the closure phase; and
- restrictions that would prevent the CAB from incrementally returning the Company's security bond as rehabilitation work is progressed.

On 22 February 2021, the Company submitted its responses to statements issued by the CAB, EPA and Vapsten Sami village to the Environmental Court of Appeal and is currently awaiting notification from the Court of Appeal of a hearing date.

Svartliden Conditions of Tailings Depositions (U1)

In September 2019, the Court approved the Company's permit application to deposit tailings into the Svartliden open-pit to +441 meters above sea level, subject to the Company's other permit conditions, which excludes the deposition of tailings from full-scale mining at Fäboliden. As a result, the Company is applying to change the permit conditions to include the deposition of tailings from full-scale mining at Fäboliden. During the year, the Company engaged in consultation with stakeholders and is expected to complete and submit its Environmental Impact Assessment to the Swedish Land and Environmental Court during 2021. An exact timeframe is not yet known.

The Company has a separate permit allowing tailings from the Fäboliden test mining to be deposited into the Svartliden open-pit.

ENVIRONMENTAL REVIEW (CONT'D)

Sweden (Cont'd)

Svartliden Permit Conditions (U2)

In April 2018, the Company submitted to the Court an additional investigation report proposing changes to the final permit conditions for the clarification pond discharge limits. In July 2018, the CAB provided its comments which disagreed with the Company's proposals. In October 2018, the Company responded with investigations and calculations that showed the proposed changes did not pose any further risk to the environment.

On 3 September 2019, the Court provided additional rulings on clarification pond discharge limits that remained consistent with the current permit conditions.

On 16 December 2019, the Environmental Court of Appeal granted the Company leave to appeal the Court's rulings on the clarification pond discharge limits. The Company submitted its appeal on 18 November 2019.

On 22 February 2021, the Company submitted its responses to statements issued by the CAB, EPA and Vapsten Sami village to the Environmental Court of Appeal and is currently awaiting notification from the Court of Appeal of a hearing date.

Fäboliden Environmental Permit

On 1 December 2017, the Company was granted an Environmental Permit to conduct test mining activities at Fäboliden. The Company's test mining operations were completed during September 2020 whereby all test-mining activities ceased as per the Environmental Permit.

The Company is actively pursuing environmental approval of its application for full-scale mining activities at Fäboliden which was submitted to the Swedish Land and Environmental Court (the "Court") in July 2018. On 4 April 2020, the application was publicly announced, and the Company submitted its responses to statements issued by the CAB and other stakeholders on 5 March 2021.

While the application process was initially expected to have concluded by early 2021, the Company anticipates the soonest date for its application to be heard by the Court is Autumn 2021 (Northern Hemisphere) and the commencement of full-scale mining is in 2022.

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

Mr Arthur G Dew, aged 79, 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) 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 Limited (ASX: TIA). Mr. Dew retired from the positions of the Chairman and a Non-Executive Director of Allied Properties (H.K.) Limited (a company previously listed on The Stock Exchange of Hong Kong Limited until 26 November 2020) with effect from 1 January 2021.

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 59, 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 appointed Executive Director of ASX listed company Metals X Limited (ASX: MLX) on 10 July 2020 (previously Non-Executive Director). Mr Smith is 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 Elementos Limited (ASX: ELT) (appointed 24 January 2020).

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

Mr Wong Tai Chun Mark, aged 56, 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 company 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 (ASX: TIA). He is also Director of Allied Properties (H.K.) Limited, a company previously listed on The Stock Exchange of Hong Kong Limited until 26 November 2020.

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

Ms Lam Lai, aged 41, 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, MAICD (appointed 19 May 2015)

Mr Carlisle C Procter, aged 80, 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, both in Australia and overseas. 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 57, 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) and Viva China Holdings Limited (Stock Code: 8032). 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. Besides, he ceased to be an Independent Non-Executive Director of China Huiyuan Juice Group Limited (Stock Code: 1886) after its delisting on the Main Board of The Stock Exchange of Hong Kong Limited on 18 January 2021.

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 50, 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 45, 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 obligations and financial reporting. Mr Broughton has over 15 years' experience with financial operations of listed 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 54, 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 56, joined the Company on 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 43, 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 40, joined the Company in 2004. He has over 19 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-scale 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 43, 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 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 Jakko Larkomaa, aged 50, 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 65, is the company secretary of ASX listed company Tanami Gold NL (ASX:TAM) appointed in July 2013. She was the company secretary of BARD1 Life Sciences Limited from November 2001 to 28 November 2020. Ms. Collinson had previously served as company secretary of the Company when its shares were still being listed on the ASX (ASX:DRA) from July 2007 to February 2013. Ms. Collinson previously 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, age 66, 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 2020 and the Independent Auditor’s Report thereon.

1. REGISTRATION AND LISTING

The Company was registered in Western 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 2020 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/Chief Executive Officer	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 re-appointment. Accordingly, it was determined by the Board that Mr Arthur G Dew and Mr Pak Wai Keung Martin shall retire by rotation at the Annual General Meeting (“AGM”) and, being eligible, would offer themselves for re-election at the AGM.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Director biographies are set out on pages 38 to 40 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.

5. DIRECTORS' MEETINGS

The details of Director attendance at Board and Committee meetings is included in the Corporate Governance Report on page 56.

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

As at 31 December 2020, 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules, 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 2020.

Save as disclosed above, at 31 December 2020, 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.

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

During the year ended 31 December 2020, neither the Company, nor any of its subsidiaries, had purchased, sold, or redeemed any of the Company's listed shares.

9. 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 2020.

10. 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 years ended 31 December 2020 or 31 December 2019.

11. 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 2020.

12. 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.

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.

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

As at 31 December 2020, 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) 31,881,727	22.96%
Lee Seng Hui	Interest of a Controlled Corporation	Long	^(a) 31,881,727	22.96%
Lee Su Hwei	Interest of a Controlled Corporation	Long	^(a) 31,881,727	22.96%
Minty Hongkong Limited	Interest of a Controlled Corporation	Long	^(a) 31,881,727	22.96%
Allied Group Limited ("AGL")	Interest of a Controlled Corporation	Long	^(b) 31,881,727	22.96%
Allied Properties (H.K.) Limited ("APL")	Interest of a Controlled Corporation	Long	^(b) 31,881,727	22.96%
Allied Properties Overseas Limited ("APOL")	Interest of a Controlled Corporation	Long	^(b) 31,881,727	22.96%
Allied Properties Resources Limited ("APRL")	Beneficial Owner	Long	^(b) 31,881,727	22.96%
Hon Kwok Lung	Interest of a Controlled Corporation	Long	^(c) 40,475,899	29.15%
Sincere View International Ltd.	Beneficial Owner	Long	^(c) 40,475,899	29.15%
Lam Suk Ying	Interest of Spouse	Long	^(d) 40,475,899	29.15%

13. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONT'D)

- 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 wholly-owned companies (including Minty Hongkong Limited), controlled approximately 74.96% of the total number of issued shares of 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 APRL for the purpose of SFO.
- b) The interests in 31,881,727 shares of the Company was held by APRL, a wholly-owned subsidiary of APOL which in turn is a wholly-owned subsidiary of APL. AGL directly and indirectly (through Capscore Limited, Citiwealth Investment Limited and Sunhill Investments Limited, all being direct wholly-owned subsidiaries of AGL) owned in aggregate 100% of the total number of issued shares of APL. Each of AGL, APL and APOL was therefore deemed to have an interest in the shares in which APRL was interested for the purpose of SFO.
- c) 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 SFO.
- d) 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.
- e) The calculation is based on the total number of 138,840,613 shares in issue as 31 December 2020.

14. RESULTS AND BUSINESS REVIEW

The results of the Company for the year ended 31 December 2020 are set out in the Consolidated Financial Statements on pages 141 to 145 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 11 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 227 of the Annual Report.

15. REMUNERATION POLICY

The Board recognises that the Company's performance depends upon the quality of its Directors and Executives. To achieve its financial and operating activities, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Company embodies the following principles in its remuneration framework:

- Provides competitive rewards to attract high calibre Executives;
- Structures remuneration at a level that reflects the Executive's duties, accountabilities and is competitive within Australia, Sweden, Finland and Hong Kong;
- Benchmarks remuneration against appropriate industry groups; and
- Aligns Executive incentive rewards with the creation of value for shareholders.

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. REMUNERATION AND SERVICE CONTRACTS

16.1 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 note 16 to the Consolidated Financial Statements.

16.2 Service Contracts and Appointment Letters

Compensation and other terms of employment for the Company's Executive Directors and other KMP are formalised in contracts of employment. The major provisions of each of the agreements relating to compensation are set out below.

Mr Brett R Smith – Executive Director

Mr Smith has a contract of employment with the Company dated 31 March 2014 and is employed on a fixed term of 2 years as Executive Director, ending 5 November 2022. The contract specifies the duties and obligations to be fulfilled by the Executive Director. The arrangement can be terminated by either party by providing six month's written notice, which based on current remuneration rates would amount to a termination payment of AU\$160,350.

16. REMUNERATION AND SERVICE CONTRACTS (CONT'D)

16.2 Service Contracts and Appointment Letters (Cont'd)

Mr Neale Edwards – Chief Geologist

Mr Edwards commenced employment on 19 August 1996 and does not have an employment contract.

Mr Daniel Broughton – Chief Financial Officer

Mr Broughton commenced employment on 8 September 2014 and does not have an employment contract.

Each of the Non-Executive Directors has entered into an appointment letter with the Company for a term of two years which may only be terminated in accordance with the provisions of the respective appointment letter or by (i) the Company giving to any Non-Executive Director not less than three months' prior notice in writing or (ii) any Non-Executive Director giving to the Company not less than three months' prior notice in writing.

Each of the Independent Non-Executive Directors has entered into an appointment letter with the Company for a term of two years which may only be terminated in accordance with the provisions of the respective appointment letter or by (i) the Company giving to any Independent Non-Executive Director not less than one month's prior notice in writing or (ii) any Independent Non-Executive Director giving to the Company not less than one month's prior notice in writing.

Save as disclosed herein, none of the Directors had any interests in any business which competes or is likely to compete, directly or indirectly, with the business of the Company.

17. RESERVES AND DISTRIBUTABLE RESERVES

Movements in the reserves of the Company during the year are set out in note 14 and 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 Australian Corporations Act 2001 as at 31 December 2020 (as at 31 December 2019: Nil).

18. 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.

19. 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

- With effect from 1 January 2021, Mr Dew retired as Chairman and Non-Executive Director of Allied Properties (H.K.) Limited, a company formerly listed on The Stock Exchange of Hong Kong Limited.

Independent Non-Executive Director – Mr Pak Wai Keung Martin

- Mr Pak ceased to be an Independent Non-Executive Director of China Huiyuan Juice Group Limited after its delisting on the Main Board of The Stock Exchange of Hong Kong Limited on 18 January 2021.

20. 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.

21. DEED OF NON-COMPETITION

Each of Mr Smith, Mr Dew, Mr Procter, and Mr Wong (collectively the “Covenantors”) 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.

22. 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 75.4% (2019: 89.1%). 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.

23. 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.

24. 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 55 to 68.

25. RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 19 to the Consolidated Financial Statements. The related party transactions did not constitute connected transactions or are exempted connected transactions under the Listing Rules.

26. 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).

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.

27. DIVIDENDS

No dividend has been paid or declared and no dividend has been recommended by the Directors for the year ended 31 December 2020 (2019: Nil).

28. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

(i) Repayment of Loan Facility

On 6 January 2021, the Company made a voluntary prepayment of AU\$3.01 million (including interest payable to that date) to repay the balance remaining on its Loan Facility. The Loan has a redraw facility and is available until 30 June 2022.

(ii) Placement of shares

Pursuant to the placing agreement (the "Placing Agreement") dated 7 January 2021 entered into between the Company and the placing agent, a maximum of 21,000,000 ordinary shares in the share capital of the Company (the "Shares") would be issued at HKD2.05 per Share (the "Placing Price") to the placees (the "Placement").

The Placing Price represented (i) a premium of approximately 2.50% over the closing price of HK\$2.00 per Share as quoted on the Stock Exchange on 7 January 2021; and (ii) a discount of approximately 9.61% to the average closing price of approximately HK\$2.268 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement. As announced by the Company, all the conditions of the Placement had been fulfilled and the completion took place on 22 January 2021. A total of 20,000,000 Shares were issued on 22 January 2021.

28. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE (CONT'D)

To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, the placees (and their respective ultimate beneficial owners, if applicable) are third parties independent of the Company and its connected persons. Details of the Placement were disclosed in the Company's announcements dated 7 January 2021 and 22 January 2021. The net proceeds of the Placement was approximately AU\$6.62 million (or equivalent to HK\$39.74 million). The net Placing Price, after deducting such fees, costs, and expenses, is therefore approximately AU\$0.33 per Share (or equivalent to HK\$1.99 per Share) under the Placement. The Company would apply the entire net proceeds from the Placement for payment of the additional environment bond, the timing of which is ultimately determined by the relevant authority but is anticipated to be within 12-months from the Placement completion date.

29. 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.

29. AUDIT AND NON-AUDIT SERVICES (CONT'D)

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

	2020 AU\$	2019 AU\$
Remuneration of Ernst & Young (Australia) for:		
– auditing or reviewing accounts	158,500	163,193
– tax consulting	33,000	44,869
	191,500	208,062
Remuneration of Ernst & Young (other than Australia) for:		
– auditing or reviewing accounts	84,697	93,432
	84,697	93,432

30. RE-APPOINTMENT OF AUDITOR

The Consolidated Financial Statements for the year ended 31 December 2020 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.

Ernst & Young, Perth, the auditor of the Company, is a non-Hong Kong audit firm which has obtained approval from the Financial Reporting Council as a recognized public interest entity (“PIE”) auditor to conduct PIE engagement for the Company.

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

Hong Kong, 25 March 2021

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 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 2020. 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
Independent Non-Executive Directors:	Carlisle Caldow 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 38 to 42. 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 2020 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. 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 2020 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 ¹	N/A	N/A	1/1
Non-Executive Directors:					
Arthur George Dew (<i>Chairman</i>)	4/4	2/2 ¹	N/A	1/1	1/1
Lam Lai	4/4	2/2 ¹	N/A	N/A	1/1
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	1/1
Poon Yan Wai	4/4	2/2	1/1	N/A	1/1

1. 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 re-appointment (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 ensures 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 (<i>Chief Executive Officer</i>)	✓	✓
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 on-going obligations to be observed by a director pursuant to the Australian Corporations 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 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 2020 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 on 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 at the cost of the Company according to the Company's policy if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

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 re-appointment 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 re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

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 2020 and up to the date of this report, 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 2020 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 2021 AGM;
- (ii) reviewed the structure, size, composition and diversity of the Board and assessed the independence of each INED; and
- (iii) reviewed and recommended to the Board's approval the renewal of appointment letters of Directors.

In considering the re-appointment 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.

BOARD COMMITTEES (CONT'D)

Remuneration Committee

The Remuneration Committee was established effective on 5 November 2018 and currently consists of three members, including Mr Carlisle Caldwell 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 at the cost of the Company according to the Company's policy if considered necessary. The major 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. During the year ended 31 December 2020 and up to the date of this report, one Remuneration Committee meeting was held and the attendance of each member is set out in the section headed "The Board" of this report.

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during the year ended 31 December 2020. During the year ended 31 December 2020 and up to the date of this report, the Remuneration Committee performed the works as summarized 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 2020 and the increment in the remuneration for the year 2021 of Directors and senior management; and
- (v) recommended for the Board's approval the renewal of appointment letters setting out the remuneration of directors.

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts or appointment letters as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 16 to the Consolidated Financial Statements. 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 notes 15 and 16 of the Directors' Report on pages 48 to 49.

BOARD COMMITTEES (CONT'D)**Remuneration Committee (Cont'd)**

The remuneration of the members of the senior management (including the Executive Director) by band for the year ended 31 December 2020 is set out below:

Remuneration bands (AU\$)	Number of Persons
100,001 to 150,000	1
200,001 to 250,000	3
250,001 to 300,000	2
300,001 to 350,000	1
600,001 to 650,000	1

Audit and Risk Management Committee

The Audit and Risk Management Committee was established effective on 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 Caldwell 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 at the cost of the Company according to the Company's policy if considered necessary. The major roles and functions of the Audit and Risk Management Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Audit and Risk Management Committee shall meet at least twice a year in accordance with its terms of reference. During the year ended 31 December 2020, 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 2020 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 2019 and the interim results review for the six months ended 30 June 2020 of the Group;
- (iii) reviewed and recommended for the Board's approval the financial report for the year ended 31 December 2019 and the interim financial report for the six months ended 30 June 2020 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

During the year ended 31 December 2020, there were two Company Secretaries namely, Ms Pauline Collinson and Mr Lo Tai On. All Directors have access to the advice and services of the Company Secretaries. The Company Secretaries report to the Chairman on board governance matters, and are 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 are representatives from external secretarial services providers. The primary contact person of the Company with the Company Secretaries is Mr Daniel Karl Broughton, the Chief Financial Officer of the Group. The 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 daily 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 2020 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 135 to 140.

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 2020, 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 23 to the Consolidated Financial Statements and under the "Operational Risks" and "Financial Risks" sections contained in the Management Discussion and Analysis on page 17 and 21 respectively.

ACCOUNTABILITY AND AUDIT (CONT'D)

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 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 2020. These will be reviewed again in 2021, and periodically thereafter.

Policy on Disclosure of Inside Information

The Board adopted the Policy on the Disclosure of Inside Information ("Policy") effective on 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 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.

The Board reviews the Policy on Disclosure of Inside Information on an annual basis.

External Auditors' Remuneration

The remuneration paid to the Group's external auditors during the year is set out in note 29 of the Directors' Report on page 53 and 54.

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 chairman 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.

During the year, the 2020 AGM was held on 21 May 2020. The attendance records of the Directors at the general meeting are set out in the section headed "The Board" of this report. Due to COVID-19 restrictions, Directors based outside of Hong Kong attended the AGM by conference telephone. The representative of the Company's external auditor participated in the 2020 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 28 clear days and 20 clear business days before the meeting and to be sent at least 28 clear days and 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.

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 Australian Corporations Act and Constitution, where applicable.

COMMUNICATION WITH SHAREHOLDERS (CONT'D)

The Board updated its shareholders' communication policy in December 2020. 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 in Hong Kong; and Computershare Investor Services Pty Limited, the principal share registrar in Australia, for any questions about their shareholdings.

The Board reviews the Shareholders Communication Policy on an annual basis.

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 reviews the Dividend Policy on an annual basis.

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, 25 March 2021



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Independent auditor's report to the members of Dragon Mining Limited

(incorporated in Australia with limited liability)

獨立核數師報告

(於澳洲註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Dragon Mining Limited (the Company) and its subsidiaries (the Group) set out on pages 141 to 226, which comprise the consolidated statement of financial position as at 31 December 2020, 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.

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 2020, 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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 consolidated financial statements* 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.

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

意見

我們已審計列載於第141至226頁的龍資源有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2020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。

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2020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》的披露規定妥為編製。

意見的基礎

我們已根據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「核數師對綜合財務報表審計的責任」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。

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 judgement, 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.

Carrying value of inventories**Why significant
為何重要**

As disclosed in Note 6, the Group held inventories as at 31 December 2020 of AU\$16.114 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 basis 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2020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16.114百萬澳元。

存貨是一項重要資產，在確定適當的成本計算基礎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來進行處理，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「核數師對綜合財務報表審計的責任」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。

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 the costs, assumptions and methodologies used in the model for ore and concentrate stockpiles, and gold-in-circuit.

We selected a sample of raw materials and stores 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.

We assessed the adequacy of the Group's disclosures in Note 6 – Inventories.

我們了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，包括有關礦石及精礦庫存以及流通中的黃金的模型中使用的成本、假設和方法。

我們選擇了一個原材料樣本並儲存存貨項目，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。

我們評估 貴集團於附註6—存貨的披露是否充足。

KEY AUDIT MATTERS (CONT'D)

關鍵審計事項(續)

Recognition and measurement of rehabilitation provisions 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\$19.189 million as at 31 December 2020 relating to the mine sites and processing facilities in Sweden and Finland.

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.

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.

We assessed the Group's calculation of the rehabilitation cost estimates and obtained evidence to support material movements during the year.

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

We assessed the accuracy of the calculations used to determine the rehabilitation provision including the economic assumptions applied.

We assessed the adequacy of the Group's disclosures relating to the recognition and measurement of rehabilitation provisions in Note 12 - Provisions.

如附註12所披露，於2020年12月31日，貴集團計提的復墾準備金合共為19.189百萬澳元，用於瑞典和芬蘭的礦場和加工設施。

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

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，並釐定將未來成本貼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。

我們評估了貴集團對復墾成本估計的計算，並獲得在本年發生重大變動的憑證。

我們評估了編製成本估計及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，包括已應用的經濟假設。

我們評估 貴集團於附註12—撥備中對有關復墾撥備的確認及計量的披露是否充足。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the 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.

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 disclosure requirements of 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 CONSOLIDATED FINANCIAL STATEMENTS

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.

刊載於年報內的其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，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了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。

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》的披露規定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。

核數師對綜合財務報表審計的責任

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。

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

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.

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

- 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.

核數師對綜合財務報表審計的責任(續)

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。

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：

- 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、瞞造、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。
- 了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 CONSOLIDATED FINANCIAL STATEMENTS (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 and Risk Management 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 and Risk Management 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management 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, Western Australia
25 March 2021

核數師對綜合財務報表審計的責任(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，我們與審計及風險管理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。

我們還向審計及風險管理委員會提交聲明，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，為消除威脅而採取的行動或所應用的防範措施。

從與審核及風險管理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
西澳洲珀斯
2021年3月25日

Consolidated Statement of Profit or Loss

For the year ended 31 December 2020

綜合損益表

截至2020年12月31日止年度

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		Note	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
		附註		
Revenue from customers	客戶收益	20	69,255	53,073
Cost of sales	銷售成本	2(a)	(51,599)	(42,208)
Gross profit	毛利		17,656	10,865
Other revenue	其他收益	2(b)	12	73
Other income	其他收入	2(c)	314	1,136
Exploration expenditure	勘探支出		(626)	(60)
Management and administration expenses	管理及行政開支	2(d)	(4,269)	(4,914)
Exploration written off	勘探撇銷	2(d)	(2,381)	–
Operating expenses	營運開支	2(d)	(175)	(83)
Finance costs	財務成本	2(e)	(133)	(210)
Foreign exchange gain/(loss)	外匯溢利/(虧損)		111	(496)
Profit before tax	除稅前溢利		10,509	6,311
Income tax expense	所得稅開支	3	(316)	–
Profit after income tax	除所得稅後溢利		10,193	6,311
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 per share	每股基本盈利	18	7.34	4.55
Diluted earnings per share	每股攤薄盈利	18	7.34	4.55

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Profit after income tax (brought forward)	除所得稅後溢利 (承前)	10,193	6,311
Other comprehensive income	其他全面收入		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>	<i>將於其後期間重新分類至損益的其他全面收入：</i>		
Exchange differences on translation of foreign operations	換算海外業務時的匯兌差額	(79)	(394)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)	將於其後期間重新分類至損益的其他全面虧損淨額 (稅後淨額)	(79)	(394)
Total comprehensive income for the period	期內全面收入總額	10,114	5,917
Profit attributable to:	以下人士應佔溢利：		
Members of Dragon	龍資源股東	10,193	6,311
		10,193	6,311
Total comprehensive income attributable to:	以下人士應佔全面收入總額：		
Members of Dragon	龍資源股東	10,114	5,917
		10,114	5,917

Consolidated Statement of Financial Position

As at 31 December 2020

綜合財務狀況表

於2020年12月31日

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		Note 附註	2020 2020年 AU\$'000 千澳元	2019 2019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	14,352	8,182
Trade and other receivables	貿易及其他應收款項	5	6,278	5,949
Inventories	存貨	6	16,114	16,684
Other assets	其他資產	7	209	163
TOTAL CURRENT ASSETS	流動資產總值		36,953	30,978
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	38,534	33,347
Mineral exploration and evaluation costs	礦產勘探及評估成本	9	3,989	8,699
Right-of-use assets	使用權資產	10	377	320
Other assets	其他資產	7	5,544	5,289
TOTAL NON-CURRENT ASSETS	非流動資產總值		48,444	47,655
TOTAL ASSETS	資產總值		85,397	78,633
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	11	6,548	7,049
Provisions	撥備	12	2,351	2,263
Interest bearing liabilities	計息負債	13	147	65
Other liabilities	其他負債		321	226
Current tax liability	即期稅項負債	3	303	–
TOTAL CURRENT LIABILITIES	流動負債總額		9,670	9,603
NON-CURRENT LIABILITIES	非流動負債			
Provisions	撥備	12	19,025	19,114
Interest bearing liabilities	計息負債	13	3,217	6,535
Other liabilities	其他負債		7	17
TOTAL NON-CURRENT LIABILITIES	非流動負債總額		22,249	25,666
TOTAL LIABILITIES	負債總額		31,919	35,269
NET ASSETS	資產淨值		53,478	43,364
EQUITY	權益			
Contributed equity	實繳股本	14	133,991	133,991
Reserves	儲備	15	(496)	(417)
Accumulated losses	累計虧損		(80,017)	(90,210)
TOTAL EQUITY	權益總額		53,478	43,364

Arthur G Dew
狄亞法
Director
董事

Brett R Smith
Director
董事

Consolidated Statement of Changes in Equity

For the year Ended 31 December 2020

綜合權益變動表

截至2020年12月31日止年度

		Contributed Equity	Accumulated Losses	Foreign Currency Reserve	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	外幣儲備 AU\$'000 千澳元	可轉換票據 溢價儲備 AU\$'000 千澳元	非控股權益 的權益 儲備購買 AU\$'000 千澳元	權益總額 AU\$'000 千澳元
At 1 January 2019	於2019年1月1日	133,991	(96,521)	(3,160)	2,068	1,069	37,447
Profit after income tax for the period	期內除所得稅後溢利	-	6,311	-	-	-	6,311
Other comprehensive income	其他全面收入	-	-	(394)	-	-	(394)
Total comprehensive profit for the period	期內全面溢利總額	-	6,311	(394)	-	-	5,917
At 31 December 2019	於2019年12月31日	133,991	(90,210)	(3,554)	2,068	1,069	43,364
At 1 January 2020	於2020年1月1日	133,991	(90,210)	(3,554)	2,068	1,069	43,364
Profit after income tax for the period	期內除所得稅後溢利	-	10,193	-	-	-	10,193
Other comprehensive income	其他全面收入	-	-	(79)	-	-	(79)
Total comprehensive profit for the period	期內全面溢利總額	-	10,193	(79)	-	-	10,114
At 31 December 2020	於2020年12月31日	133,991	(80,017)	(3,633)	2,068	1,069	53,478

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

綜合現金流量表

截至2020年12月31日止年度

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			2020 2020年 AU\$'000 千澳元	2019 2019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		68,539	53,196
Payments to suppliers and employees	向供應商及僱員付款		(47,056)	(45,345)
Payments for mineral exploration	就礦產勘探付款		(567)	(59)
Interest received	已收利息		12	66
Interest paid	利息開支		(154)	(237)
Net cash from operating activities	經營活動所得現金淨額	4	20,774	7,621
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		(3,632)	(6,983)
Proceeds from sale of property, plant and equipment	銷售物業、廠房及設備所得款項	2(c)	2	1,113
Payments for development activities	就開發活動付款		(7,667)	(6,431)
Payment of bonds	債券付款		(23)	-
Refund of bonds	債券退款		-	17
Net cash used in investing activities	投資活動所用現金淨額		(11,320)	(12,284)
Cash flows from financing activities	融資活動現金流量			
Lease liability payments	租賃負債付款		(101)	(30)
Repayment of loan facility	償還貸款		(3,000)	-
Drawdown from loan facility	提取貸款		-	2,000
Net cash (used in)/from financing activities	融資活動(所用)/所得現金淨額		(3,101)	1,970
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		6,353	(2,693)
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物		8,182	10,905
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		(183)	(30)
Cash and cash equivalents at the end of the period	期末現金及現金等價物	4	14,352	8,182

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 Investments Commission. The Company is domiciled in Australia and its registered office is located at Unit 202, Level 2, 39 Mends Street, South Perth, Western Australia 6151 Australia.

The Consolidated Financial Statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on 25 March 2021.

The Consolidated Financial Statements of the Company for the year ended 31 December 2020, 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 名稱	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	–	100%	Dormant 暫無業務
Dragon Mining Investments Pty Ltd	澳洲 2008年12月18日			
Dragon Mining (Sweden) AB	Sweden 27 April 1993	SEK 100,000 100,000瑞典克朗	100%	Gold Production 黃金生產
Dragon Mining (Sweden) AB	瑞典 1993年4月27日			
Viking Gold & Prospecting AB	Sweden 3 April 1996	SEK 100,000 100,000瑞典克朗	100%	Dormant 暫無業務
Viking Gold & Prospecting AB	瑞典 1996年4月3日			
Dragon Mining Oy	Finland 24 March 1993	EUR 100,000 100,000歐元	100%	Gold Production 黃金生產
Dragon Mining Oy	芬蘭 1993年3月24日			
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, Level 2, 39 Mends Street, South Perth, Western Australia 6151 Australia。

截至2020年12月31日止年度的綜合財務報表，已根據董事日期為2021年3月25日的決議案獲准刊發。

本公司截至2020年12月31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：

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 2020 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 2020 and during, 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 2020 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.

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.

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2020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2020年1月1日開始的會計期間內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相關期間內貫徹應用。採納於2020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業績並無重大影響。本集團的會計政策已作出適當更新以反映新訂準則。

綜合財務報表乃使用歷史成本法編製，惟若干金融工具按公平值計量。該等綜合財務報表以澳元(「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。

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

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.

1. 公司資料及主要會計政策概要(續)

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。

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.

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益、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平值；
- 確認已收取代價的公平值；
- 於綜合損益表內確認任何盈餘或虧絀；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。

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

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.

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).

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.

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.

1. 公司資料及主要會計政策概要(續)

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。

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,本集團已符合其履約責任及控制權轉移。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。

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) 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。

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

e) Income Taxes (Cont'd)

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.

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.

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。

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。

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

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.

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.

1. 公司資料及主要會計政策概要(續)

e) 所得稅(續)

遞延所得稅資產的賬面值於各報告日期予以審閱。若不再可能有足夠應課稅溢利用以抵扣遞延所得稅資產的全部或部分，則扣減遞延所得稅資產賬面值。

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。

f) 商品及服務稅(「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商品及服務稅的金額列賬。

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。

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

f) Goods and Services Tax ("GST") (Cont'd)

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.

1. 公司資料及主要會計政策概要(續)

f) 商品及服務稅(「商品及服務稅」)(續)

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盈虧，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。以外幣按公平值計量的非貨幣項目使用釐定公平值之日的匯率進行換算。換算按公平值計量的非貨幣項目產生的損益按確認該項目公平值變動損益的方式處理。

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

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.

1. 公司資料及主要會計政策概要(續)

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;
- 收益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,收益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貸時,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平值調整,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。

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.

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及其他應收款項按公平值計量。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平值計量。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。精礦應收款項公平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計息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計量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定，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風險並無大幅增加，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。

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

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.

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(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，支出資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」)法於其使用年期內攤銷。當礦山／組成部分被委託並按管理層的意圖準備就緒時，開發剝採成本的資本化將終止。

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

j) Deferred Waste (Cont'd)

Stripping costs incurred in the production phase create two benefits:

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

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.

1. 公司資料及主要會計政策概要(續)

j) 遞延廢料(續)

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。

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的攤銷費用。

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

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.

Plant and equipment

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

1. 公司資料及主要會計政策概要(續)

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。使用生產單位法攤銷成本(對每個礦產資源進行單獨計算)。

生產單位法導致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。

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。

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

k) Property, Plant and Equipment (Cont'd)

Plant and equipment (Cont'd)

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.

1. 公司資料及主要會計政策概要(續)

k) 物業、廠房及設備(續)

廠房及設備(續)

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。

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

1) 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.

1. 公司資料及主要會計政策概要(續)

1) 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狀態。

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損益，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）。

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

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 Cash Flows, 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.

1. 公司資料及主要會計政策概要(續)

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平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貼現率,將估計未來現金流量貼現為現值。

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

n) Impairment (Cont'd)

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.

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 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.

1. 公司資料及主要會計政策概要(續)

n) 減值(續)

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。

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)。

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

p) Provisions (Cont'd)

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.

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.

1. 公司資料及主要會計政策概要(續)

p) 撥備(續)

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貼現率貼現未來預期現金流量的方式撥備。

倘使用貼現法，隨著時間過去而增加的撥備確認為財務成本。

q) 計息負債

所有貸款及借款初始按公平值(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貼現。

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

r) Employee Benefits (Cont'd)

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.

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.

1. 公司資料及主要會計政策概要(續)

r) 僱員福利(續)

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。

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構物、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貼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。

貼現對撥備影響的解除乃於綜合損益表內確認為融資成本。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(「每股盈利」)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)。

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

t) Earnings Per Share (Cont'd)

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.

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. There were no borrowing costs eligible for capitalisation during the year (2019: 3.9%).

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.

1. 公司資料及主要會計政策概要(續)

t) 每股盈利(續)

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)。

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。年內並無合資格撥充資本的借款成本(2019年：3.9%)。

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。

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

v) Segment Reporting (Cont'd)

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

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.

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 23.

1. 公司資料及主要會計政策概要(續)

v) 分部報告(續)

根據提供給主要經營決策者(即執行管理團隊)的資料確定經營分部。

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平值確認。

發行新股份或購股權直接產生的遞增成本於權益內確認為所得款項的減少(扣除稅項)。

x) 公平值

本集團於各報告日期按公平值計量金融工具(如衍生工具)。按攤銷成本計量的金融工具的公平值於附註23中披露。

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

x) Fair Value (Cont'd)

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 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

1. 公司資料及主要會計政策概要(續)

x) 公平值(續)

公平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。公平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。

資產或負債的公平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平值的估值方法，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。

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

- 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(對公平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(對公平值計量而言屬重要的最低層級輸入數據不可觀察)

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.

1. 公司資料及主要會計政策概要(續)

x) 公平值(續)

就按經常性基準於財務報表以公平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(基於對公平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約責任的時間點)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。管理層認為所確認收益累計金額重大撥回不大可能因含量及重量的差異而發生。

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

y) Significant Accounting Judgements (Cont'd) *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.

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.

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.

1. 公司資料及主要會計政策概要(續)

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

本集團將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)。

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制化)，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。

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。

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

y) Significant Accounting Judgements (Cont'd) *Production start date (Cont'd)*

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.

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.

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:

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)*

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。用以識別生產開始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。

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/攤銷於此時開始。

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，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：

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

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

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 2020, 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.

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.

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)

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2020年12月31日，本集團的資源及儲備有所增加。報告儲量及資源估計的變動會透過折舊影響物業、廠房及設備的賬面值、復墾、恢復及拆除責任撥備、確認遞延稅項資產以及於全面收益表內扣除之折舊及攤銷金額。然而，將未來影響予以量化不可行。

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。

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

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

Mine rehabilitation provisions (Cont'd)

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 Svartliden and Orivesi are expected to commence in 2022, once all necessary approvals have been obtained.

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.

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 Groups control, or present obligations that arise from past events but are not recognised because:

- (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.

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 21.

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)

礦山復墾撥備(續)

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，以及貼現率變動。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。於報告日期的撥備指本集團對所需未來復墾成本現值的最佳估計。一旦獲得所有必要批文，預計與 Svartliden 及 Orivesi 有關的復墾活動將於 2022 年開始。

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。

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) 經濟利益不大可能需要流出以清償該責任；或
- (b) 有關金額無法準確計量。

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 21 披露於年底識別的或然負債。

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

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

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.

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 8 for further discussion of the current year impairment trigger assessment.

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)

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平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貼現率；及
- 未來法律變動及／或環境許可證。

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平值減出售成本法(分類為公平值層級第三級)釐定。用於釐定公平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8。

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

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

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 un-recouped 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.

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)

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僅者)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。

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 2020 and are outlined below:

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective January 2021)

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated annual financial statements of the Group as it does not have any interest rate hedge relationships.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (effective 1 January 2022)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

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2020年12月31日止期間尚未採納該等準則，該等準則概述如下：

利率基準改革—第二階段—國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號(修訂本)(自2021年1月起生效)

國際財務報告準則第9號及國際會計準則第39號金融工具：確認及計量的修訂提供多項減免，適用於直接受利率基準改革影響的所有對沖關係。倘改革導致對沖項目或對沖工具的基準現金流量的時間及／或金額存在不確定性，則對沖關係會受到影響。由於本集團並無任何利率對沖關係，故該等修訂對本集團的綜合年度財務報表並無影響。

物業、廠房及設備：擬定用途前的所得款項—國際會計準則第16號(修訂本)(自2022年1月1日起生效)

該修訂禁止實體從物業、廠房及設備(物業、廠房及設備)項目的成本中扣除於該資產達致其能夠以管理層擬定的方式營運所需的位置及條件的期間出售所生產項目的任何所得款項。相反，實體於損益確認出售該等項目的所得款項及生產該等項目的成本。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。

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

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

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities – (effective 1 January 2022)

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

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(續)

虧損性合約—履行合約的成本—國際會計準則第37號(修訂本)撥備、或然負債及或然資產(自2022年1月1日起生效)

於2020年5月，國際會計準則理事會頒佈國際會計準則第37號(修訂本)，訂明實體於評估合約是否繁重或錄得虧損時需要計入的成本。該等修訂應用「直接相關成本法」。與提供貨品或服務的合約直接相關的成本包括增量成本(如直接勞工及材料成本)及與合約活動直接相關的成本(如用於履行合約的設備折舊以及合約管理及監督成本)分配。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9號金融工具—終止確認金融負債的「10%」測試中的費用—(自2022年1月1日起生效)

該修訂釐清實體於評估一項新訂或經修訂金融負債的條款是否與原有金融負債的條款存在重大差異時包括的費用。該等費用僅包括借款人與貸款人之間支付或收取的費用，包括借款人或貸款人代表另一方支付或收取的費用。國際會計準則第39號並無建議類似修訂。

實體將修訂應用於在實體首次應用修訂的年度報告期初或之後修訂或交換的金融負債。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。

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

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

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective 1 January 2022)

The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (effective 1 January 2022)

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The Group has considered the impact on its Consolidated Financial Statements and assessed that the effect of the new standard will be minimal.

AIP IAS 41 Agriculture – Taxation in Fair Value Measurements (effective 1 January 2022)

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

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(續)

提述概念框架—國際財務報告準則第3號(修訂本)(自2022年1月1日起生效)

該等修訂旨在以2018年3月發佈的現有版本(概念框架)取代國際會計準則理事會的概念框架(1989年框架)的先前版本的提述,而不會大幅改變其規定。該等修訂對國際財務報告準則第3號的確認原則增加一個例外情況,以避免出現因負債及或然負債而產生的潛在「第2日」收益或虧損,而該等負債及或然負債將屬於國際會計準則第37號撥備、或然負債及或然資產或國際財務報告詮釋委員會第21號徵費(倘單獨產生)的範圍內。該例外情況要求實體分別應用國際會計準則第37號或國際財務報告詮釋委員會第21號的標準,而非概念框架,以釐定於收購日期是否存在現有責任。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。

AIP國際財務報告準則第1號首次採納國際財務報告準則—附屬公司作為首次採納者(自2022年1月1日起生效)

該修訂允許選擇應用國際財務報告準則第1號第D16(a)段的附屬公司使用母公司報告的金額(基於母公司過渡至國際財務報告準則的日期)計量累計換算差額。此修訂亦適用於選擇應用國際財務報告準則第1號第D16(a)段的聯營公司或合營企業。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。

AIP國際會計準則第41號農業—公平值計量中的稅項(自2022年1月1日起生效)

該修訂取消國際會計準則第41號第22段有關實體於計量國際會計準則第41號範圍內的資產公平值時不包括稅項現金流量的規定。

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

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

IFRS 17 – Insurance Contracts (effective 1 January 2023)

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.

IAS 1 current and non-current classification (effective 1 January 2023)

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.

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.

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

The Group has adopted all new and amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are relevant to the Group and effective as at 1 January 2020.

The adoptions of these new and amended Accounting Standards and Interpretations did not impact the accounting policies or the financial statements of the Group.

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(續)

國際財務報告準則第17號—保險合約(自2023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。

國際會計準則第1號流動及非流動分類(自2023年1月1日起生效)

於2020年1月23日，國際會計準則理事會(國際會計準則理事會或理事會)頒佈國際會計準則第1號財務報表的呈列第69至76段的修訂(該等修訂)，訂明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。

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

bb) 採納新訂及經修訂會計準則及詮釋的會計政策變動

本集團已採納國際會計準則理事會所頒佈與本集團相關並於2020年1月1日生效的所有新訂及經修訂會計準則及詮釋。

採納該等新訂及經修訂會計準則及詮釋對本集團之會計政策或財務報表並無影響。

2. OTHER REVENUE, INCOME AND EXPENSES

2. 其他收益、收入及開支

		2020 2020年 AU\$'000 千澳元	2019 2019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)	42,696	33,655
Depreciation of mine properties, plant and equipment	礦場物業、廠房及設備折舊	7,882	6,766
Rehabilitation costs	復墾成本	1,021	1,787
		51,599	42,208
<i>Cost of production net of inventory movements</i>	<i>生產成本(扣除存貨變動)</i>		
Mining	採礦	19,706	20,931
Processing	選礦	21,240	4,440
Other production activities	其他生產活動	1,243	1,272
Gold inventory movements	黃金存貨變動	507	7,012
		42,696	33,655
Cost of production net of inventory movements	生產成本(扣除存貨變動)	42,696	33,655
(b) Other revenue	(b) 其他收益		
Finance revenue and interest	融資收益及利息	6	66
Rent and sundry revenue	租金及雜項收入	6	7
		12	73
(c) Other income	(c) 其他收入		
Sale of property, plant and equipment	銷售物業、廠房及設備	2	1,136
Other	其他	312	-
		314	1,136
(d) Operating expenses	(d) 經營開支		
Management and administration expenses	管理及行政開支	4,269	4,914
Evaluation assets written off	撇銷評估資產	2,381	-
Depreciation of non-mine site assets	非礦山場地資產折舊	175	83
		6,825	4,997
(e) Finance costs	(e) 財務成本		
Interest	利息	116	193
Other	其他	17	17
		133	210

2. OTHER REVENUE, INCOME AND EXPENSES (CONT'D) 2. 其他收益、收入及開支(續)

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
(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	7,530	8,321
Defined contribution superannuation expense	界定供款退休金開支	1,002	1,239
Other employee benefits	其他僱員福利	734	748
		9,266	10,308
Wages and salaries included in:	計入以下各項的工資及薪金：		
Cost of sales	銷售成本	7,138	7,767
Management and administration expenses	管理及行政開支	2,128	2,541
		9,266	10,308

3. INCOME TAX

3. 所得稅

		2020 2020年 AU\$'000 千澳元	2019 2019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	534	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	(218)	(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	316	-
(b) Amounts charged or credited directly to equity	(b) 直接扣除自或計入權益的金額		
Deferred income tax related to items charged/(credited) directly to equity	與直接扣除自/(計入)權益的項目有關的遞延所得稅	-	-

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:

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Accounting profit before income tax	除所得稅前會計溢利	10,509	6,311
At the Group's statutory income tax rate of 30% in Australia (2019: 30%)	按本集團於澳洲的法定所得稅稅率30% (2019年: 30%)	3,153	1,893
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	(1,698)	(792)
Other	其他	(843)	(858)
Previously unrecognised tax losses utilised/recognised	動用/確認過往未確認稅項虧損	(1,009)	(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)	713	1,836
Aggregate income tax expense	所得稅開支總額	316	-

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：

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Accounting profit before income tax	除所得稅前會計溢利	10,509	6,311
At the Group's statutory income tax rate of 30% in Australia (2019: 30%)	按本集團於澳洲的法定所得稅稅率30% (2019年: 30%)	3,153	1,893
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	(1,698)	(792)
Other	其他	(843)	(858)
Previously unrecognised tax losses utilised/recognised	動用/確認過往未確認稅項虧損	(1,009)	(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)	713	1,836
Aggregate income tax expense	所得稅開支總額	316	-

3. INCOME TAX (CONT'D)

3. 所得稅(續)

		2020 2020年 AU\$'000 千澳元	2019 2019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 (excluding tax losses)</i>	<i>遞延稅項資產(稅項虧損除外)</i>		
Leave entitlements	休假權利	92	142
Rehabilitation provision	復墾撥備	2,165	1,553
Share issue and listing costs	股份發行及上市成本	728	1,210
Mine properties, property, plant and equipment	礦場物業、物業、廠房及設備	733	788
Exploration costs	勘探成本	188	738
Accruals	應計費用	33	50
Temporary differences not recognised	未確認的暫時差額	(3,078)	(4,353)
Set off deferred tax liabilities pursuant to set off provisions	根據抵銷條款抵銷遞延稅項負債	(861)	(128)
Deferred income tax assets	遞延所得稅資產	-	-
<i>Deferred tax liabilities</i>	<i>遞延稅項負債</i>		
Mine properties, property, plant and equipment	礦場物業、物業、廠房及設備	(140)	(128)
Set off deferred tax liabilities pursuant to set off provisions	根據抵銷條款抵銷遞延稅項負債	140	128
Deferred income tax liabilities	遞延所得稅負債	-	-

(e) Tax Losses

The Group has tax losses of approximately AU\$16.9 million in Australia (2019: AU\$11.1 million) and approximately AU\$26.8 million in Sweden (2019: AU\$26.0 million) that are available indefinitely for offsetting against future taxable profits of the jurisdictions in which the losses arose. The Australian tax consolidated group has available capital losses amounting to AU\$2.6 million (2019: AU\$2.6 million). The Group fully utilised its tax losses in Finland during the year (2019: AU\$4.5 million tax losses were carried forward).

(e) 稅項虧損

本集團於澳洲及瑞典分別有稅項虧損約16.9百萬澳元(2019年:11.1百萬澳元)及約26.8百萬澳元(2019年:26.0百萬澳元),可無限期用作抵銷產生虧損的司法權區的未來應課稅溢利。澳洲稅項合併集團的可用資本虧損為2.6百萬澳元(2019年:2.6百萬澳元)。本集團於年內悉數動用其於芬蘭的稅項虧損(2019年:結轉4.5百萬澳元稅項虧損)。

3. INCOME TAX (CONT'D)

(e) Tax Losses (Cont'd)

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.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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 2020, there are no tax consolidation adjustments (2019: 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.

3. 所得稅(續)

(e) 稅項虧損(續)

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變現利益的能力造成不利影響的變動。

並無就該等虧損確認遞延稅項資產，原因為該等虧損未必可用於抵銷本集團其他公司的應課稅溢利，該等虧損乃來自已虧損一段時間的附屬公司，且近期並無其他稅務規劃機會或其他可收回性證據。

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2020年12月31日止年度，並無進行綜合計稅調整（2019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。

4. CASH AND CASH EQUIVALENTS

4. 現金及現金等價物

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Cash at bank and on hand	銀行及手頭現金	14,352	8,182
		14,352	8,182
(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		
Net profit/(loss) after tax	除稅後淨溢利／(虧損)	10,193	6,311
<i>Adjustments for:</i>	<i>就以下項目作出調整：</i>		
Depreciation and amortisation	折舊及攤銷	8,057	6,849
Exploration write-off	勘探撇銷	2,381	-
Capitalised interest on qualifying assets	合資格資產的資本化利息	-	(146)
Net foreign exchange loss/(gain)	外匯虧損／(收益)淨額	658	(108)
<i>Changes in operating assets and liabilities</i>	<i>營運資產及負債的變動</i>		
Increase in receivables	應收款項增加	(1,030)	(2,902)
(Increase)/decrease in other assets	其他資產(增加)／減少	(48)	360
Decrease/(increase) in inventories	存貨減少／(增加)	909	(6,891)
(Decrease)/increase in trade creditors	應付貿易賬款(減少)／增加	(1,181)	1,881
Increase in provisions	撥備增加	835	2,267
Net operating cash flows	經營現金流量淨額	20,774	7,621
(b) Reconciliation of liabilities from financing activities	(b) 融資活動負債對賬		
Opening balance – 1 January	期初結餘—1月1日	6,600	4,000
<i>Cash flow:</i>	<i>現金流量：</i>		
Proceeds from borrowings	借款所得款項	-	2,000
Repayment of borrowings	償還借款	(3,000)	-
Repayment of lease liabilities	償還租賃負債	(101)	(30)
<i>Non-cash changes:</i>	<i>非現金變動：</i>		
Additions to lease liabilities	添置租賃負債	461	337
Foreign exchange adjustments on borrowings and lease liabilities	借款及租賃負債外匯調整	(596)	293
Balance at period end	期末結餘	3,364	6,600

5. TRADE AND OTHER RECEIVABLES

5. 貿易及其他應收款項

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Trade receivables – fair value through profit or loss (i)	貿易應收款項—於損益按公平值計值(i)	4,153	3,786
Trade receivables – amortised cost (ii)	貿易應收款項—攤銷成本(ii)	866	495
Other receivables (iii)	其他應收款項(iii)	1,259	1,668
		6,278	5,949

(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.

The Group's exposure to credit risk and interest rate risk are disclosed in note 23(d) and 23(e).

(i) 與視乎報價期定價的精礦銷售相關的貿易應收款項，按公平值於損益確認。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。

本集團面臨的信貸風險及利率風險於附註23(d)及23(e)披露。

5. TRADE AND OTHER RECEIVABLES (CONT'D)**Ageing Analysis**

An aged analysis of the trade debtors as at the end of the reporting period, based on invoice date, is as follows:

Amounts not yet due	尚未到期的金額
Within 1 month	一個月內
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 receivables	貿易應收款項
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5. 貿易及其他應收款項(續)**賬齡分析**

於報告期末，按發票日期計算的應付貿易賬款的賬齡分析如下：

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
	4,153	2,899
	856	1,382
	7	-
	-	-
	3	-
	5,019	4,281

6. INVENTORIES

Ore and concentrate stockpiles – at cost	礦石及精礦庫存—按成本
Gold in circuit valued – at cost	流通中的黃金—按成本
Raw materials and stores – at cost	原材料及儲備—按成本

6. 存貨

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
	7,261	9,875
	8,003	5,896
	850	913
	16,114	16,684

7. OTHER ASSETS

Current
Prepayments

Non-current
Environmental and other bonds
at amortised cost

流動
預付款項

非流動
按攤銷成本計量的環保及
其他債券

7. 其他資產

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
	209	163
	5,544	5,289

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 and interest rate risk is disclosed in note 23(d) and 23(e).

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及利率風險於附註23(d)及23(e)披露。

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Land	土地		
Gross carrying amount – at cost	按成本計值的賬面總值	1,377	1,362
Buildings	樓宇		
Gross carrying amount – at cost	按成本計值的賬面總值	2,580	2,548
Less accumulated depreciation and impairment	減累計折舊及減值	(2,185)	(2,052)
Net carrying amount	賬面淨值	395	496
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	36,083	34,231
Less accumulated depreciation and impairment	減累計折舊及減值	(33,448)	(31,862)
Net carrying amount	賬面淨值	2,635	2,369
Mine Properties	礦場物業		
Gross carrying amount – at cost	按成本計值的賬面總值	136,247	123,978
Less accumulated amortisation and impairment	減累計攤銷及減值	(102,120)	(94,858)
Net carrying amount	賬面淨值	34,127	29,120
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	176,287	162,119
Less accumulated amortisation and impairment	減累計攤銷及減值	(137,753)	(128,772)
Net carrying amount	賬面淨值	38,534	33,347

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group has considered whether any impairment triggers exist at 31 December 2020 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 2019 and 2020 financial years. Included within Mine Properties is AU\$8.4 million (31 December 2019: AU\$16.3 million) relating to Fäboliden. During the year, the Company completed test mining at Fäboliden, all capitalised costs for Orivesi have been fully written off. The Company has continued to advance the approval of its environmental permit application ("Application"), a process which, prior to COVID-19, was anticipated to be completed by early 2021. During the year, the Company has provided supplementary investigations and responses to various statements and opinions received by the Swedish Land and Environmental Court (the "Court"). While the Application process was initially expected to have concluded by early 2021, the Company now anticipates the soonest date for its Application to be heard by the Court is Autumn 2021 (Northern Hemisphere) and the commencement of full-scale mining is in 2022.

Reconciliations:

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period:

Land	土地
Carrying amount at beginning of period	期初的賬面值
Net foreign exchange movement	外匯變動淨額
Carrying amount at end of period	期末的賬面值
Buildings	樓宇
Carrying amount at beginning of period	期初的賬面值
Additions	添置
Depreciation	折舊
Disposals	出售
Net foreign exchange movement	外匯變動淨額
Carrying amount at end of period	期末的賬面值

8. 物業、廠房及設備(續)

本集團已考慮於2020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。2019及2020財政年度並未確認減值。計入礦場物業的8.4百萬澳元(2019年12月31日：16.3百萬澳元)與Fäboliden有關。年內，本公司完成於Fäboliden的試採礦，Orivesi的所有資本化成本已悉數撇銷。本公司繼續推進其環境許可證申請(「申請」)的審批。於COVID-19之前，預期將於2021年初完成。年內，本公司已就瑞典土地與環境法院(「法院」)收到的各種陳述及意見提供補充調查及回應。儘管申請程序初步預期於2021年初完成，本公司現時預期法院最早將於2021年秋季(北半球)聆訊其申請，並最早於2022年開始全面開採。

對賬：

報告期初及期末物業、廠房及設備賬面值的對賬：

	2020	2019
	2020年	2019年
	AU\$'000	AU\$'000
	千澳元	千澳元
	1,362	1,390
	15	(28)
	1,377	1,362
	496	642
	7	-
	(110)	(113)
	-	(24)
	2	(9)
	395	496

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

8. 物業、廠房及設備(續)

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Property, plant and equipment	物業、廠房及設備		
Carrying amount at beginning of period	期初的賬面值	2,369	2,026
Additions	添置	1,391	1,605
Reclassification of right-of-use assets	重新分類使用權資產	(64)	-
Depreciation	折舊	(1,111)	(1,102)
Net foreign exchange movement	外匯變動淨額	50	(160)
		<u>2,635</u>	<u>2,369</u>
Mine properties	礦場物業		
Carrying amount at beginning of period	期初的賬面值	29,120	22,455
Additions	添置	1,060	9,100
Capitalisation of borrowing costs	借款成本的資本化	-	146
Reclassification of evaluation costs	來自評估成本的重新分類	11,037	3,136
Depreciation	折舊	(6,733)	(5,609)
Net foreign exchange movement	外匯變動淨額	(357)	(108)
		<u>34,127</u>	<u>29,120</u>

9. EXPLORATION AND EVALUATION COSTS

9. 勘探及評估成本

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Balance at beginning of financial period	財政期間初的結餘	8,699	5,333
Additions	添置	8,713	6,808
Exploration write-off	勘探撤銷	(2,381)	-
Reclassification to mine properties	重新分類至礦場物業	(11,037)	(3,136)
Net foreign exchange movement	外匯變動淨額	(5)	(306)
		<u>3,989</u>	<u>8,699</u>
Total mineral exploration and evaluation expenditure	礦產勘探及評估開支總額	<u>3,989</u>	<u>8,699</u>

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.

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，或另行通過出售權益區域收回。

10. RIGHT-OF-USE ASSETS

Gross carrying amount – at cost	賬面總值—按成本
Less accumulated depreciation and impairment	減累計折舊及減值
Net carrying amount	賬面淨值

Reconciliations

Reconciliations of the carrying amounts of right-of use asset classes at the beginning and end of the reporting period:

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
Depreciation	折舊
Net foreign exchange movement	外匯變動淨額
Carrying amount at end of period	期末的賬面值
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
Additions	添置
Depreciation	折舊
Net foreign exchange movement	外匯變動淨額
Carrying amount at end of period	期末的賬面值

The Group's lease liabilities are presented in note 13.

10. 使用權資產

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
504	344
(127)	(24)
377	320

對賬

報告期初及期末使用權資產類別賬面值的對賬：

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
202	–
81	205
(62)	(3)
1	–
222	202
118	43
74	97
(41)	(21)
4	(1)
155	118

本集團的租賃負債於附註13呈列。

11. TRADE AND OTHER PAYABLES**11. 貿易及其他應付款項**

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Trade payables and accruals	貿易應付款項及應計費用	6,548	7,049

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:

賬齡分析

於報告期末，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：

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Within 1 month	一個月內	6,544	6,959
1 to 2 months	一至兩個月	1	33
2 to 3 months	兩至三個月	3	25
Over 3 months	超過三個月	-	32
Trade payables and accruals	貿易應付款項及應計費用	6,548	7,049

12. PROVISIONS**12. 撥備**

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Current	流動		
Employee entitlements	僱員權益	1,839	2,263
Rehabilitation	復墾	313	-
Other	其他	199	-
		2,351	2,263
Non-current	非流動		
Employee entitlements	僱員權益	149	122
Rehabilitation	復墾	18,876	18,992
		19,025	19,114
<i>Rehabilitation movement</i>	<i>復墾變動</i>		
Balance at 1 January	於1月1日的結餘	18,992	12,531
Additions	添置	26	6,768
Rehabilitation borrowing discount unwound	未回轉復墾借款貼現	-	-
Net foreign exchange movement	外匯變動淨額	171	(307)
Balance at 31 December	於12月31日的結餘	19,189	18,992

12. PROVISIONS (CONT'D)

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 2020 was 0% (2019: 0%) and in Sweden was 0% (2019: 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.

As at the date of this report, there have been no changes to the acid forming characteristics of the non-acid forming waste rock area included in the Group's Svartliden Closure Plan. On 18 November 2019, the Company submitted its appeal to the Environmental Court of Appeal challenging, amongst other things, the additional security required by the Land and Environmental Court for an engineered cover to the entire waste rock area. The Company is awaiting notification of a hearing date from the Land and Environmental Court of Appeal. A contingent liability in relation to the Groups Svartliden rehabilitation provision has been disclosed at note 21.

The Group continues to complete progressive rehabilitation at all its sites. Rehabilitation expected to be undertaken in the subsequent reporting period has been recognised as a current liability.

12. 撥備 (續)

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貼現。2020年芬蘭所用的貼現率為0%（2019年：0%），瑞典為0%（2019年：0%）。相關期間內復墾撥備的添置包括於報告期末所確認並無相關採礦資產的責任。

於本報告日期，本集團的Svartliden封礦計劃所列入的非酸性廢岩區的酸性形成特徵並無任何變動。於2019年11月18日，本公司向環境上訴法院提出上訴，質疑（其中包括）土地及環境法院要求就整個廢岩區域的改造覆蓋提供額外抵押。本公司正等待土地及環境上訴法院之聆訊日期通知。有關本集團Svartliden復墾撥備的或然負債已於附註21披露。

本集團繼續在其所有礦場完成逐步復墾。預期將於其後報告期進行的復墾已確認為流動負債。

13. INTEREST BEARING LIABILITIES

13. 計息負債

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Current	流動		
Lease liabilities	租賃負債	147	65
Non-current	非流動		
Loan principal	貸款本金	3,000	6,000
Revaluation of Hong Kong Dollar denominated drawdowns	對港元列值提取的重估	-	293
Lease liabilities	租賃負債	217	242
		3,217	6,535

The Group's right-of-use lease assets are presented at note 10.

本集團的使用權租賃資產載於附註10。

As at 31 December 2020:	於2020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 Australian Dollar denominated drawdowns	AP Finance Limited 澳元列值提取	4%	30 Jun 2022 2022年 6月30日	-	3,000
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 Australian Dollar denominated drawdowns	AP Finance Limited 澳元列值提取	4%	30 Jun 2021 2021年 6月30日	-	3,000
Hong Kong Dollar denominated drawdowns	港元列值提取	4%	30 Jun 2021 2021年 6月30日	17,961	3,293

The Group has an unsecured Loan Facility with AP Finance Limited ("Loan Facility") for the Australian Dollars ("AUD") equivalent of AU\$12.0 million. The Group has AU\$9.0 million in undrawn Loan Facility funds available.

本集團有來自AP Finance Limited澳元(「澳元」)等值12.0百萬澳元的無抵押貸款融資(「貸款融資」)。本集團有9.0百萬澳元的未提取可用貸款融資資金。

On 19 November 2020, the Company extended the Loan Facility availability period from 31 December 2021 to 30 June 2022; all other terms and conditions remained unchanged.

於2020年11月19日，本公司將可獲得貸款融資的期限由2021年12月31日延長至2022年6月30日；所有其他條款及條件維持不變。

Refer to Subsequent Events note 24(i) for changes to the Loan Facility after year end.

有關年末後貸款融資的變動，請參閱其後事項附註24(i)。

14. CONTRIBUTED EQUITY

		2020 2020年	2019 2019年	2020 2020年	2019 2019年
Share capital	股本	Number of Shares 股份數目		AU\$'000 千澳元	AU\$'000 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

		AU\$'000 千澳元	No. of Shares 股份數目
At 1 January 2020	於2020年1月1日	133,991	138,840,613
Balance at 31 December 2020	於2020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.

No dividend for the years ended 31 December 2020 and 2019 was declared or paid by the Company. In addition, the Board resolved not to propose any final dividend for the year ended 31 December 2020.

Refer to Subsequent Events note 24(ii) for changes in share capital after year end.

14. 實繳股本**已發行股本變動**

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。

本公司並無就截至2020年及2019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2020年12月31日止年度宣派任何末期股息。

有關年末後股本的變動，請參閱其後事項附註24(ii)。

15. RESERVES

		2020 2020年	2019 2019年
		AU\$'000 千澳元	AU\$'000 千澳元
Foreign currency translation reserve	外幣匯兌儲備	(3,633)	(3,554)
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
		(496)	(417)

Foreign currency translation reserve summary

This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

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.

15. 儲備**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。

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。

15. RESERVES (CONT'D)**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.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES**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 Director and Chairman of the Board (appointed 7 February 2014) 非執行董事兼董事會主席(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)

15. 儲備(續)**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。

16. 主要管理人員披露**a) 主要管理人員詳情**

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部分披露董事及行政人員年內薪酬如下：

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

b) Compensation of Key Management Personnel
Key Management Personnel

Short-term	短期
Long-term	長期
Post-employment	退休後
Total	總計

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.

Five Highest Paid Employees

The five highest paid employees during the year included one Director and four specified employees, for both 2020 and 2019 years.

16. 主要管理人員披露(續)

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

2020	2019
2020年	2019年
AU\$	AU\$
澳元	澳元
1,261,264	1,507,621
49,166	61,954
105,133	134,526
1,415,563	1,704,101

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。

五位最高薪酬僱員

於2020年及2019年，年內五位最高薪酬僱員包括一名董事及四名指定僱員。

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)**b) Compensation of Key Management Personnel (Cont'd)**

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:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Performance related bonuses	業績相關花紅
Pension scheme contributions	退休金計劃供款
Total	總計

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:

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
HK\$1,500,001-HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001-HK\$2,500,000	2,000,001港元至2,500,000港元
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

16. 主要管理人員披露(續)**b) 主要管理人員薪酬(續)**

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**

2020	2019
2020年	2019年
AU\$	AU\$
澳元	澳元
991,162	963,862
–	26,432
173,472	206,687
1,164,634	1,196,981

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**

2020	2019
2020年	2019年
–	–
–	2
4	2
–	–
–	–
–	–
4	4

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)

16. 主要管理人員披露(續)

c) Directors' and Executive Officers' Remuneration

c) 董事及高級行政人員薪酬

			Short-Term 短期		Other Long-Term Benefits 其他長期福利		Post- Employment 退休後	Total Emoluments	Proportion of Remuneration Performance Related 表現相關 薪酬的比例
			Salary & Fees	Bonuses	Annual Leave Accrued	Long Service Leave Accrued	Super- annuation Benefits		
			AUD 澳元	AUD 澳元	AUD 澳元	AUD 澳元	AUD 澳元	AUD 澳元	AUD AUD AUD 澳元 %
			薪資及袍金	花紅	應計年假	應計長期 服務假期	養老金 福利	薪酬總額	薪酬的比例
			AUD 澳元	AUD 澳元	AUD 澳元	AUD 澳元	AUD 澳元	AUD AUD AUD 澳元 %	%
<i>In dollars</i> 以澳元呈列									
Directors	董事								
Mr Arthur G Dew (Non-Executive Director and Chairman of the Board)	狄亞法先生(非執行董事兼 董事會主席)	2020年 2019年	90,000 90,000	- -	- -	- -	8,550 8,550	98,550 98,550	- -
Mr Brett R Smith (Executive Director)	Brett R Smith先生 (執行董事)	2020年 2019年	343,715 345,419	200,000 509,195	5,411 3,707	11,262 10,833	49,467 81,188	609,855 950,342	33% 54%
Ms Lam Lai (Non-Executive Director)	林黎女士 (非執行董事)	2020年 2019年	71,589 31,547	- -	- -	- -	- -	71,589 31,547	- -
Mr Carlisle C Proctor (Independent Non-Executive Director)	Carlisle C Procter先生 (獨立非執行董事)	2020年 2019年	40,000 40,000	- -	- -	- -	3,800 3,800	43,800 43,800	- -
Mr. Poon Yan Wai (Independent Non-Executive Director)	潘仁偉先生 (獨立非執行董事)	2020年 2019年	30,000 30,000	- -	- -	- -	- -	30,000 30,000	- -
Mr. Pak Wai Keung Martin (Independent Non-Executive Director)	白偉強先生 (獨立非執行董事)	2020年 2019年	30,000 30,000	- -	- -	- -	- -	30,000 30,000	- -
Mr Mark Wong (Alternate Director)	王大鈞先生 (替任董事)	2020年 2019年	- -	- -	- -	- -	- -	- -	- -
Total all specified Directors	所有指定董事總計	2020年 2019年	605,304 566,966	200,000 509,195	5,411 3,707	11,262 10,833	61,817 93,538	883,794 1,184,239	24% 43%
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)	2020年 2019年	214,698 214,698	- -	19,030 19,030	4,123 4,082	20,396 20,396	258,247 258,206	- -
Mr Daniel K Broughton (Chief Financial Officer)	Daniel K Broughton先生 (首席財務官)	2020年 2019年	241,262 216,762	- -	(127) 19,214	9,467 5,088	22,920 20,592	273,522 261,656	- -
Total all named Executives	所有列明行政人員總計	2020年 2019年	455,960 431,460	- -	18,903 38,244	13,590 9,170	43,316 40,988	531,769 519,862	- -
Total all specified Directors and Executives	所有指定董事及 行政人員總計	2020年 2019年	1,061,264 998,426	200,000 509,195	24,314 41,951	24,852 20,003	105,133 134,526	1,415,563 1,704,101	14% 30%

Notes:

- 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.
- 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.

附註:

- 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。
- 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。

16. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT'D)**c) Directors' and Executive Officers' Remuneration (Cont'd)**

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.

The Non-Executive Director and Independent Non-Executive Directors' remuneration shown above are for their services as Directors of the Company.

There was no arrangement under which a Director waived or agreed to waive any emoluments during the reporting period.

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

17. REMUNERATION OF AUDITORS

The Auditor of Dragon is Ernst & Young,

Recognised Public Interest Entity Auditor:

Remuneration of Ernst & Young (Australia) for:
– auditing or reviewing accounts
– tax consulting

Remuneration of Ernst & Young (other than Australia) for:
– auditing or reviewing accounts

安永會計師事務所就以下服務的薪酬(澳洲):
– 審計或審閱賬目
– 稅務諮詢

安永會計師事務所就以下服務的薪酬(澳洲以外地區):
– 審計或審閱賬目

16. 主要管理人員披露(續)**c) 董事及高級行政人員薪酬(續)**

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。

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。

報告期內概無有關董事放棄或同意放棄任何酬金的安排。

擬於股東週年大會上膺選連任的董事概無與本公司訂立不可由本公司於一年內免付賠償(法定賠償除外)予以終止的服務合約。

17. 核數師薪酬

龍資源的核數師為安永會計師事務所，

認可公眾利益實體核數師：

	2020	2019
	2020年	2019年
	AU\$	AU\$
	澳元	澳元
	158,500	163,193
	33,000	44,869
	191,500	208,062
	84,697	93,432
	84,697	93,432

18. 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:

18. 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)計算。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益及股份數據：

		2020 2020年	2019 2019年
Basic earnings per share	每股基本盈利		
Profit used in calculation of basic earnings per share (AU\$'000)	用於計算每股基本盈利的溢利(千澳元)	10,193	6,311
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	用於計算每股基本盈利的期內已發行普通股的加權平均數	138,840,613	138,840,613
Basic earnings per share (cents)	每股基本盈利(分)	7.34	4.55
Diluted earnings per share	每股攤薄盈利		
Profit used in calculation of basic earnings per share (AU\$'000)	用於計算每股基本盈利的溢利(千澳元)	10,193	6,311
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	用於計算每股基本盈利的期內已發行普通股的加權平均數	138,840,613	138,840,613
Number of potential ordinary shares that are not dilutive and hence not included in calculation of diluted earnings 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 per share (cents)	每股攤薄盈利(分)	7.34	4.55

19. RELATED PARTY TRANSACTIONS**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	
			2020 %	2019 %
			2020年 %	2019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 (Dragon Mining Limited) ¹	Hong Kong	Ordinary	100	100
龍資源有限公司	香港	普通股		

¹ For translation purposes

19. 關連人士交易**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：

¹ 僅供翻譯用途

19. RELATED PARTY TRANSACTIONS (CONT'D)**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 is the Chief Financial Officer of ASX listed gold explorer Tanami Gold NL ("Tanami") and provides Chief Financial Officer Services ("CFO Services") to ASX listed base metals mining and exploration company, Metals X Limited ("Metals X"). The Company provides administrative services to Tanami and Metals X including offering the use of certain space in the Company office premise located in Perth, Australia as its registered office to Tanami. Tanami is a company of which Messer's Dew, Smith and Procter, the Company's Non-Executive Director and Chairman, Executive Director and Independent Non-Executive Director, respectively, are also Non-Executive Directors. The provision of services commenced from 8 September 2014.

19. 關連人士交易(續)**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) 除擔任本公司首席財務官外，DK Broughton先生為於澳洲證券交易所上市的黃金勘探公司Tanami Gold NL（「Tanami」）的首席財務官，並為於澳洲證券交易所上市的基本金屬開採及勘探公司Metals X Limited（「Metals X」）提供首席財務官服務（「首席財務官服務」）。本公司向Tanami及Metals X提供行政服務，包括向Tanami提供本公司位於澳洲珀斯的辦公室物業的若干空間作為其註冊辦事處。本公司非執行董事兼主席狄亞法先生、本公司執行董事Smith先生及本公司獨立非執行董事Procter先生亦同時為Tanami的非執行董事。有關服務自2014年9月8日開始提供。

19. RELATED PARTY TRANSACTIONS (CONT'D)**b) Transactions with related parties (Cont'd)**

During the year, the Company charged Tanami AU\$100,000 (2019: AU\$100,000) for CFO Services of which nil was outstanding at 31 December 2020 (2019: nil). On 10 July 2020, Mr Smith was appointed Executive Director of Metals X (previously Non-Executive Director). The provision of services commenced from 1 December 2020. During the year, the Company charged Metals X AU\$10,000 for CFO Services of which AU\$8,333 was outstanding at 31 December 2020.

Entity with significant influence over the Group

As at 31 December 2020, 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 (“APL”) (a company formerly listed on The Stock Exchange of Hong Kong Limited and a wholly owned subsidiary of Allied Group Limited), owns 31,881,727 (2019: 25,487,855) ordinary shares of the Company for an interest of 22.96% (2019: 18.35%). The Company also has an unsecured AU\$12 million loan facility with AP Finance Limited (“Loan Facility”), a subsidiary of APL. 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 2022. Refer to note 13 Interest Bearing Liabilities for further information.
- (ii) Sincere View International Ltd. owns 40,475,899 (2019: 27,500,899) ordinary shares of the Company for an interest of 29.15% (2019: 19.81%).

19. 關連人士交易(續)**b) 與關連人士的交易(續)**

年內，本公司就首席財務官服務向Tanami收取100,000澳元(2019年：100,000澳元)，其中於2020年12月31日的未支付費用為零(2019年：零)。於2020年7月10日，Smith先生獲委任為Metals X之執行董事(原為非執行董事)。自2020年12月1日起開始提供服務。年內，本公司就首席財務官服務向Metals X收取10,000澳元，其中8,333澳元於2020年12月31日尚未收取。

對本集團有重大影響的實體

於2020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(「聯合地產」，一間先前於香港聯合交易所有限公司上市的公司，並為聯合集團有限公司的全資附屬公司)的全資附屬公司Allied Properties Resources Limited(「APRL」)擁有本公司31,881,727股(2019年：25,487,855股)普通股(即22.96%(2019年：18.35%)權益)。本公司亦與聯合地產的附屬公司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)按年利率4.0厘計算的利息，有關利息於到期時支付；及(ii)貸款期限至2022年6月30日為止。有關進一步資料，請參閱附註13計息負債。
- (ii) Sincere View International Ltd.擁有本公司40,475,899股(2019年：27,500,899股)普通股(即29.15%權益)(2019年：19.81%權益)。

20. 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 Jokisivu, Kaapelinkulma and Orivesi 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.

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.

20. 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Jokisivu、Kaapelinkulma及Orivesi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。

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。

20. SEGMENT INFORMATION (CONT'D)

20. 分部資料(續)

		Sweden 瑞典 2020 2020年 AU\$'000 千澳元	Finland 芬蘭 2020 2020年 AU\$'000 千澳元	Unallocated 未分配 2020 2020年 AU\$'000 千澳元	Total 總計 2020 2020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	48,368	20,887	-	69,255
Inter-segment sales	分部間銷售	-	39,254	-	39,254
Elimination of inter-segment revenue	抵銷分部間收益	-	-	(39,254)	(39,254)
Total revenue	收益總額	48,368	60,141	(39,254)	69,255
Other revenue	其他收益				
Interest revenue	利息收益	-	6	-	6
Sundry revenue	雜項收益	-	6	-	6
Total other revenue	其他收益總額	-	12	-	12
Unallocated interest expense	未分配利息開支	-	-	116	116
Total interest expense	利息開支總額	-	-	116	116
Depreciation and amortisation	折舊及攤銷	713	7,298	-	8,011
Unallocated depreciation and amortisation	未分配折舊及攤銷	-	-	46	46
Exploration expenditure written off	勘探支出撇銷	-	2,381	-	2,381
		713	9,679	46	10,438
Segment result	分部業績				
Pre-tax segment result	除稅前分部業績	(577)	11,363	-	10,786
Income tax expense	所得稅開支	-	(316)	-	(316)
Post-tax segment result	除稅後分部業績	(577)	11,047	-	10,470
Unallocated items:	未分配項目：				
Corporate interest revenue	公司利息收益				100
Corporate costs	公司成本				(2,149)
Finance costs	財務成本				(121)
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				1,893
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				10,193
		Sweden 瑞典 2020 2020年 AU\$'000 千澳元	Finland 芬蘭 2020 2020年 AU\$'000 千澳元	Australia 澳洲 2020 2020年 AU\$'000 千澳元	Total 總計 2020 2020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	1,239	24,928	22,277	48,444

20. SEGMENT INFORMATION (CONT'D)

20. 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	Unallocated 未分配 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)	(31,885)
Total revenue	收益總額	41,360	43,598	(31,885)	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	51
Total other revenue	其他收益總額	6	16	51	73
Segment interest expense	分部利息開支	1	–	–	1
Unallocated interest expense	未分配利息開支	–	–	192	192
Total interest expense	利息開支總額	1	–	192	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	5
		1,354	5,490	5	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
		Sweden 瑞典 2019 2019年 AU\$'000 千澳元	Finland 芬蘭 2019 2019年 AU\$'000 千澳元	Australia 澳洲 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

21. CONTINGENT ASSETS AND LIABILITIES**(i) Hanhimaa 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 Hanhimaa 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 Hanhimaa Gold Project is an early stage exploration project as at 31 December 2020 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% 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) Aurion Royalty

The Group has a right to a 3% NSR on future mineral production from Aurion Resources Limited with respect to the Kutuvuoma and Silassekä Gold Projects in northern Finland. The Group is also entitled to receive a bonus payment upon the defining of one million ounces of gold equivalent material categorised as Measured and Indicated and for every additional one million ounces of gold equivalent material categorised as Measured and Indicated.

21. 或然資產及負債**(i) Hanhimaa權利金**

本集團就Agnico Eagle Mines Limited(「Agnico Eagle」)於芬蘭北部Hanhimaa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2020年12月31日，Hanhimaa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) Aurion權利金

本集團就 Aurion Resources Limited於芬蘭北部 Kutuvuoma及Silassekä黃金項目的未來礦物生產擁有淨冶煉回報 3% 的權利。本集團亦有權就界定分類為探明及推斷的1百萬盎司黃金等值材料及分類為探明及推斷的另外每1百萬盎司黃金等值材料收取紅股付款。

21. CONTINGENT ASSETS AND LIABILITIES (CONT'D)

(iv) 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.

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.

21. 或然資產及負債(續)

(iv) 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。

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。

21. CONTINGENT ASSETS AND LIABILITIES (CONT'D)**(iv) Svartliden Rehabilitation Provision (Cont'd)**

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.

During the year, the Company received statements and opinions issued by the CAB, EPA and the Vapsten Sami village to the Environmental Court of Appeal. On 22 February 2020, the Company submitted its responses to these statements. As at 31 December 2020, 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.

The Company is currently awaiting notification from the Environmental Court of Appeal of a hearing date.

21. 或然資產及負債(續)**(iv) Svartliden復墾撥備(續)**

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。

年內，本公司收到CAB、EPA及Vapsten Sami村向環境上訴法院發出的聲明及意見。於2020年2月22日，本公司提交其對該等聲明的回應。於2020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。

本公司目前正等待環境上訴法院有關聆訊日期的通知。

21. CONTINGENT ASSETS AND LIABILITIES (CONT'D)

(v) Orivesi Waste Material

During 2018, the Company received notice regarding the presence of waste material in the upper levels of the Orivesi Mine. As previously announced, 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 in 2019 in which 28,000 kg of mixed waste and rock from the 66m level was safely removed. 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.

On 6 March 2020, the Company submitted a risk assessment to the Pirkanmaa Centre for Economic Development, Transport and the Environment ("PIR ELY") based on the results of the four drill holes and water samples taken from the stope and other parts of the mine. The risk assessment confirmed there is no need to remove the material due to its non-hazardous environmental impact. Additionally, the risk assessment confirmed the safe removal of the material is also not possible. Considering these factors, the Company applied for a retrospective Environmental Permit. In July 2020, PIR ELY imposed a compulsion order that required the Company to investigate the composition of the waste to ensure the findings from the initial risk assessment are representative of the total waste remaining.

The Company's research plan was completed by Envineer Oy on 17 September 2020 and provided to PIR ELY, who approved the plan on 6 October 2020. Between 30 November – 1 December 2020, the Company performed surface soil contamination studies and expects the results of sampling to be received during 2021. The sample results will be used by Envineer Oy to prepare a remediation plan for the areas that need cleaning.

21. 或然資產及負債(續)

(v) Orivesi廢料

於2018年，本公司收到有關於Orivesi礦場高處存放的廢料的通知。誠如先前所公佈，本公司認為66米與85米水平之間存放的廢料在本公司於2003年購買該礦場及於2007年重啟採礦活動之前既已存放。於2019年，本公司已提交解釋說明及開始廢料移除工作前的工作流程，且本公司已自66米水平處安全地移除28,000公斤混合廢料及岩石。本公司致力安全移除或儲存任何剩餘有害廢料，並將繼續與有關各方展開磋商以確保達成該結果。

2020年3月6日，本公司根據四個鑽孔的結果及從回採及礦場其他地方採集的水樣，向Pirkanmaa經濟發展、運輸及環境中心(「PIR ELY」)提交一份風險評估。風險評估確認，由於該材料對環境無害，沒有必要移除。此外，風險評估亦確認不可能安全移除該材料。考慮到該等因素，本公司申請追溯性環境許可證。於2020年7月，PIR ELY實施強制令，要求本公司調查廢料的成分，以確保初始風險評估的結果能夠代表剩餘的全部廢料。

本公司的研究計劃於2020年9月17日由Envineer Oy完成，並提供予PIR ELY，該中心於2020年10月6日批准計劃。於2020年11月30日至12月1日期間，本公司已進行地表土壤污染研究，並預期將於2021年收到取樣結果。Envineer Oy將使用樣本結果為需要清潔的區域制定補救計劃。

21. CONTINGENT ASSETS AND LIABILITIES (CONT'D)**(v) Orivesi Waste Material (Cont'd)**

On 30 September 2020, the Company applied for a retrospective Environmental Permit for the 66m and 85m levels waste on 30 September 2020 from The Regional State Administration Agencies ("AVI"). On 10 November 2020, AVI sent supplementary information requests which the Company responded to on 29 January 2021.

The Company has provided an amount in its accounts for future drilling and associated costs to comply with the compulsion order.

22. EXPENDITURE COMMITMENTS**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.

Within one year	一年內
One year or later and no later than five years	一年或之後及不遲於五年

21. 或然資產及負債(續)**(v) Orivesi廢料(續)**

於2020年9月30日，本公司就於2020年9月30日在66米及85米水平的廢棄物向地區國家行政機關(「AVI」)申請追溯環境許可證。於2020年11月10日，AVI發出補充資料要求，本公司於2021年1月29日作出回應。

本公司已在其賬目中為未來鑽探及相關成本撥備一筆款項，以遵守該強制令。

22. 開支承擔**a) 勘探承擔**

由於綜合實體在勘探及評估利益相關方面的業務性質使然，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權或重新協商開支承擔，可減少綜合實體礦產權利的開支承擔。以下詳細說明使現有礦權保持良好狀況的概約最低勘探要求水平。

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
34	49
129	184
163	233

22. EXPENDITURE COMMITMENTS (CONT'D)**b) Capital commitments**

Commitments relating to the acquisition of equipment contracted for but not recognised as liabilities are as follows:

Within one year 一年內

c) Short-term lease expense commitments

Future operating lease commitments not provided for in the financial statements are as follows:

Within one year 一年內

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:

Within one year 一年內

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.

22. 開支承擔(續)**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：

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
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c) 短期租賃開支承擔

並無於財務報表內撥備的未來經營租賃承擔如下：

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
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9	14
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9	14
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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：

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
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321	321
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321	321
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披露為薪酬承擔的金額包括附註16董事及高級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)。

23. FINANCIAL INSTRUMENTS**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.

23. 金融工具**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))。

23. FINANCIAL INSTRUMENTS (CONT'D)

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.

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.

23. 金融工具(續)

b) 按金額(公平值除外)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平值淨值。

c) 按公平值確認的工具的公平值

金融工具的公平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 2020 於2020年12月31日			As at 31 December 2019 於2019年12月31日				
Valuation technique-	Valuation technique-			Valuation technique-	Valuation technique-		
Quoted market price (level 1)	market observable inputs (level 2)	non-market observable inputs (level 3)	Total	Quoted market price (level 1)	market observable inputs (level 2)	non-market observable inputs (level 3)	Total
市場報價 (第一級)	估值方法一 市場可觀察 輸入數據 (第二級)	估值方法一 非市場 可觀察 輸入數據 (第三級)	總計	市場報價 (第一級)	估值方法一 市場可觀察 輸入數據 (第二級)	估值方法一 非市場 可觀察 輸入數據 (第三級)	總計
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							
	按公平值計入損益的 貿易應收款項						
-	4,153	-	4,153	-	3,786	-	3,786

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(「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貼現現金流量模型估計其最終結算價格的現值，按公平值入賬。

年內第一級與第二級之間並無任何轉撥。

23. FINANCIAL INSTRUMENTS (CONT'D)**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 turnaround 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.

23. 金融工具(續)**d) 信貸風險**

信貸風險指當對手方未能按合約履行責任所確認的虧損。本公司於報告日期就各類金融資產所面對的最高信貸風險為綜合財務狀況表所示該等資產的賬面值。

信貸風險以本集團為基準管理。信貸風險主要由現金、現金等價物、衍生金融工具、存放於銀行及金融機構的存款及應收款項產生。

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。

23. FINANCIAL INSTRUMENTS (CONT'D)

d) Credit risk (Cont'd)

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. 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:

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-
A	A
Total cash and cash equivalents	現金及現金等價物總額
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
AA-	AA-
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
Total trade and other receivables	貿易及其他應收款總額

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.

23. 金融工具(續)

d) 信貸風險(續)

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。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：

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
	14,352	8,182
	-	-
	14,352	8,182
	782	532
	-	2
	-	-
	-	-
	5,496	5,415
	6,278	5,949

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。

23. FINANCIAL INSTRUMENTS (CONT'D)

23. 金融工具(續)

d) Credit risk (Cont'd)

d) 信貸風險(續)

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
Environmental and other bonds 環境及其他保證金		
Counterparties with external credit ratings 有外部信貸評級的對手方		
AAA AAA	5,544	5,289
Counterparties without external credit ratings 無外部信貸評級的對手方		
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	<u>5,544</u>	<u>5,289</u>

e) Interest Rate Risk

e) 利率風險

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:

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：

	2020 2020年			2019 2019年				
	Floating interest rate	Fixed interest rate	Total	Average int. rate % 平均 利率%	Floating interest rate	Fixed interest rate	Total	Average int. rate % 平均 利率%
	浮動利率	固定利率	總計	利率%	浮動利率	固定利率	總計	利率%
Financial assets 金融資產								
Cash and cash equivalents 現金及現金等價物	14,352	-	14,352	-	8,182	-	8,182	0.83%
Trade receivables – fair value through profit or loss 按公平值計入損益的貿易應收款項	4,153	-	4,153	-	3,786	-	3,786	-
Environmental bonds 環保債券	5,544	-	5,544	-	5,289	-	5,289	-
	<u>24,049</u>	<u>-</u>	<u>24,049</u>	<u>-</u>	<u>17,257</u>	<u>-</u>	<u>17,257</u>	<u>-</u>
Financial liabilities 金融負債								
Interest bearing liabilities 計息負債	-	3,000	3,000	4.00%	-	6,000	6,000	4.00%
Lease liabilities 租賃負債	-	364	364	-	-	307	307	-
	<u>-</u>	<u>3,364</u>	<u>3,364</u>	<u>-</u>	<u>-</u>	<u>6,307</u>	<u>6,307</u>	<u>-</u>

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。

23. FINANCIAL INSTRUMENTS (CONT'D)**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.

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.

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.

23. 金融工具(續)**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。

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。

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。

23. FINANCIAL INSTRUMENTS (CONT'D)

23. 金融工具(續)

f) Foreign exchange risk (Cont'd)

For the year ended 31 December 2020, 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)

截至2020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：

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
USD exposure	美元風險		
<i>Entity with Euro functional currency</i>	以歐元作為功能貨幣的實體		
Cash and cash equivalents	現金及現金等價物	9,991	4,636
Trade receivables	貿易應收款項	12,480	7,592
<i>Entity with AUD functional currency</i>	以澳元作為功能貨幣的實體		
Trade payables	貿易應付款項	(9)	-
<i>Entity with SEK functional currency</i>	以瑞典克朗作為功能貨幣的實體		
Cash and cash equivalents	現金及現金等價物	74	364
Trade receivables	貿易應收款項	58	452
Trade payables	貿易應付款項	(7,571)	(4,068)
Net USD Exposure	美元風險淨額	<u>15,023</u>	<u>8,976</u>
EUR exposure	歐元風險		
<i>Entity with AUD functional currency</i>	以澳元作為功能貨幣的實體		
Cash and cash equivalents	現金及現金等價物	10	10
Trade payables	貿易應付款項	95	(4)
Intercompany loan	集團內公司間貸款	13,714	22,360
<i>Entity with SEK functional currency</i>	以瑞典克朗作為功能貨幣的實體		
Cash and cash equivalents	現金及現金等價物	2	-
Trade payables	貿易應付款項	(6)	(14)
Net EUR Exposure	歐元風險淨額	<u>13,815</u>	<u>22,352</u>
AUD exposure	澳元風險		
<i>Entity with EUR functional currency</i>	以歐元作為功能貨幣的實體		
Cash and cash equivalents	現金及現金等價物	1	1
Trade receivables	貿易應收款項	359	359
Net AUD Exposure	澳元風險淨額	<u>360</u>	<u>360</u>

23. FINANCIAL INSTRUMENTS (CONT'D)

f) Foreign exchange risk (Cont'd)

HKD exposure

*Entities with AUD functional
currency*

Trade payables
Interest bearing liabilities

Net HKD Exposure

港元風險

以澳元作為功能貨幣
的實體

貿易應付款項
計息負債

港元風險淨額

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) may be used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. For the year ended 31 December 2020, the Company did not enter or hold any commodity derivatives (31 December 2019: nil).

The Group is exposed to commodity price volatility on the sale of gold in concentrate, which is 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.

23. 金融工具(續)

f) 外匯風險(續)

2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
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(2)	(134)
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-	(3,293)
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(2)	(3,427)
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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，本集團可能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。截至2020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。(2019年12月31日：無)。

本集團於出售金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(「倫敦金屬交易所」))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—按公平值計入損益計量。

23. FINANCIAL INSTRUMENTS (CONT'D)

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 the prior year.

31 December 2020

	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	(36)	(36)	36	36
Trade receivables – fair value through profit or loss	2	(10)	(10)	10	10
Government bonds	4	(14)	(14)	14	14
Total (decrease)/increase		(60)	(60)	60	60

31 December 2019

	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	2	(9)	(9)	9	9
Government bonds	4	(13)	(13)	13	13
Total (decrease)/increase		(42)	(42)	42	42

23. 金融工具(續)

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及外匯風險的敏感度。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)。於去年按相同基準進行分析。

2020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	(36)	(36)	36	36
Trade receivables – fair value through profit or loss	2	(10)	(10)	10	10
Government bonds	4	(14)	(14)	14	14
Total (decrease)/increase		(60)	(60)	60	60

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	2	(9)	(9)	9	9
Government bonds	4	(13)	(13)	13	13
Total (decrease)/increase		(42)	(42)	42	42

23. FINANCIAL INSTRUMENTS (CONT'D)

h) Sensitivity analysis (Cont'd)
31 December 2020

	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	(1,008)	(1,008)	1,008	1,008
Trade and other receivables	2	(1,263)	(1,263)	1,263	1,263
Intercompany loans	3	(3,212)	(3,212)	3,212	3,212
Financial liabilities					
Interest bearing liabilities		59	59	(59)	(59)
Total (decrease)/increase		(5,424)	(5,424)	5,424	5,424

31 December 2019

2019年12月31日

	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 (decrease)/increase		(2,937)	(2,937)	2,937	2,937

1. Cash and cash equivalents include deposits at call at floating and short-term fixed interest rates.

1. 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。

23. FINANCIAL INSTRUMENTS (CONT'D)

h) Sensitivity analysis (Cont'd)

2. Trade receivables include AU\$5.0 million (2019: AU\$4.2 million) of gold in 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.
3. 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.
4. Interest bearing environmental cash bonds that have historically been deposited with Swedish and Finnish government authorities.

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:

- Bi-annual cash flow budgets; and
- Bi-annual cash flow forecasts.

23. 金融工具(續)

h) 敏感度分析(續)

2. 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5.0百萬澳元(2019年:4.2百萬澳元)。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。
3. 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。
4. 過往存放於瑞典及芬蘭政府機構的計息環保現金債券。

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:

	2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
	7,319	7,320
	3,217	6,555
	10,536	13,875

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:

- 半年現金流量預算;及
- 半年現金流量預測。

24. SIGNIFICANT EVENTS AFTER PERIOD END**(i) Repayment of Loan Facility**

On 6 January 2021, the Company made a voluntary prepayment of AU\$3.01 million (including interest payable to that date) to repay the balance remaining on its Loan Facility. The Loan has a redraw facility and is available until 30 June 2022.

(ii) Placement of shares

Pursuant to the placing agreement ("Placing Agreement") dated 7 January 2021 entered into between the Company and the placing agent, a maximum of 21,000,000 ordinary shares in the share capital of the Company (the "Shares") would be issued at HKD2.05 per Share (the "Placing Price") to the placees (the "Placement").

The Placing Price represented (i) a premium of approximately 2.50% over the closing price of HK\$2.00 per Share as quoted on the Stock Exchange on 7 January 2021; and (ii) a discount of approximately 9.61% to the average closing price of approximately HK\$2.268 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Placing Agreement. As announced by the Company, all the conditions of the Placement had been fulfilled and the completion took place on 22 January 2021. A total of 20,000,000 Shares were issued on 22 January 2021.

To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, the placees (and their respective ultimate beneficial owners, if applicable) are third parties independent of the Company and its connected persons. Details of the Placement were disclosed in the Company's announcements dated 7 January 2021 and 22 January 2021. The net proceeds of the Placement was approximately AU\$6.62 million (or HK\$39.74 million). The net Placing Price, after deducting such fees, costs, and expenses, is therefore approximately AU\$0.33 per Share (HK\$1.99 per Share) under the Placement. The Company would apply the entire net proceeds from the Placement for payment of the additional environmental bonds, the timing of which is ultimately determined by the relevant authority but is anticipated to be within 12-months from the Placement completion date.

24. 期末後重大事項**(i) 償還貸款融資**

於2021年1月6日，本公司自願提前償還3.01百萬澳元(包括截至該日的應付利息)，以償還其貸款融資餘額。該貸款擁有經重新提取的備用信貸，並可於2022年6月30日前提取。

(ii) 配售股份

根據本公司與配售代理訂立日期為2021年1月7日的配售協議(「配售協議」)，本公司股本中最多21,000,000股普通股(「股份」)將按每股股份2.05港元(「配售價」)發行予承配人(「配售事項」)。

配售價較(i)股份於2021年1月7日在聯交所所報收市價每股2.00港元溢價約2.50%；及(ii)股份於緊接配售協議日期前最後五(5)個連續交易日在聯交所所報平均收市價每股約2.268港元折讓約9.61%。誠如本公司所公佈，配售事項之所有條件已獲達成，而完成已於2021年1月22日落實。於2021年1月22日，合共發行20,000,000股股份。

據董事經作出一切合理查詢後所深知、盡悉及確信，承配人(及彼等各自之最終實益擁有人(如適用))為獨立於本公司及其關連人士之第三方。配售事項之詳情於本公司日期為2021年1月7日及2021年1月22日之公告內披露。配售事項所得款項淨額約為6.62百萬澳元(或39.74百萬港元)。因此，經扣除有關費用、成本及開支後，配售事項的淨配售價約為每股股份0.33澳元(每股股份1.99港元)。本公司會將配售事項之全部所得款項淨額用於支付額外環保債券，而有關時間最終由相關機構釐定，但預料將為自配售事項完成日期起計12個月內。

25. PARENT ENTITY DISCLOSURE

25. 母公司實體披露

		2020 2020年 AU\$'000 千澳元	2019 2019年 AU\$'000 千澳元
CURRENT ASSETS	流動資產		
Cash and cash equivalents	現金及現金等價物	2,189	33
Trade and other receivables	貿易及其他應收款項	90	83
Other assets	其他資產	75	36
TOTAL CURRENT ASSETS	流動資產總值	2,354	152
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	146	213
Right-of-use assets	使用權資產	161	201
Investment in subsidiaries	投資於附屬公司	26,842	21,522
Intercompany loans	集團內公司間貸款	18,874	19,572
TOTAL NON-CURRENT ASSETS	非流動資產總值	46,023	41,508
TOTAL ASSETS	資產總值	48,377	41,660
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	1,293	557
Provisions	撥備	158	353
Interest bearing liabilities	計息負債	39	64
TOTAL CURRENT LIABILITIES	流動負債總額	1,490	974
NON-CURRENT LIABILITIES	非流動負債		
Provisions	撥備	149	122
Interest bearing liabilities	計息負債	3,124	6,454
TOTAL NON-CURRENT LIABILITIES	非流動負債總額	3,273	6,576
TOTAL LIABILITIES	負債總額	4,763	7,550
NET ASSETS	資產淨值	43,614	34,110
EQUITY	權益		
Contributed equity	實繳股本	133,991	133,991
Reserves	儲備	434	(305)
Accumulated losses	累計虧損	(90,811)	(99,576)
TOTAL EQUITY	權益總額	43,614	34,110

25. PARENT ENTITY DISCLOSURE (CONT'D)

25. 母公司實體披露(續)

		Contributed Equity	Accumulated Losses	Convertible Note Premium Reserve	Other Reserves	Total Equity
		實繳股本 AU\$'000 千澳元	累計虧損 AU\$'000 千澳元	可轉換票據 溢價儲備 AU\$'000 千澳元	其他儲備 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	(101,514)	2,068	(1,645)	32,900
Profit for the period	期內溢利	-	1,938	-	-	1,938
Other comprehensive income	其他綜合收入	-	-	-	(728)	(728)
Total comprehensive profit for the period	期內全面溢利總額	-	1,938	-	(728)	1,210
At 31 December 2019	於2019年12月31日	133,991	(99,576)	2,068	(2,373)	34,110
At 1 January 2020	於2020年1月1日	133,991	(99,576)	2,068	(2,373)	34,110
Profit for the period	期內溢利	-	8,765	-	-	8,765
Other comprehensive income	其他綜合收入	-	-	-	739	739
Total comprehensive profit for the period	期內全面溢利總額	-	8,765	-	739	9,504
At 31 December 2020	於2020年12月31日	133,991	(90,811)	2,068	(1,634)	43,614

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				
		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	2020 2020年 AU\$'000 千澳元
Results	業績					
Revenue	收益	55,039	41,270	37,850	53,073	69,255
Profit for the year	年內溢利	5,363	(583)	(9,531)	6,311	10,193
Attributable to: Owners of the Company	以下人士應佔: 本公司擁有人	5,363	(583)	(9,531)	6,311	10,193
Basic earnings per share	每股基本盈利	6.04	(0.66)	(9.90)	4.55	7.34
		As at 31 December 於12月31日				
		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	2020 2020年 AU\$'000 千澳元
Assets and liabilities	資產及負債					
Total assets	資產總值	50,432	50,349	62,750	78,633	85,397
Total liabilities	負債總額	(19,617)	(18,990)	(25,303)	(35,269)	(31,919)
Total equity Equity attributable to owners of the Company	權益總額 本公司擁有人 應佔權益	30,815	31,359	37,447	43,364	53,478

Project	ID	Tenement Name	Type	Held at 31 December 2020 % 於2020年 12月31日 持有比例%	Area ha
項目	編號	權證名稱	類型		面積公頃
SWEDEN					
瑞典					
Svartliden		Svartlidengruvan K nr 1	EC 勘探特許	100	87.54
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
FINLAND					
芬蘭					
Orivesi	2676	Orivesi	MC 採礦特許	100	39.82
	ML2013:0006	Sarvisuo 1-2	EP 勘探許可證	100	41.10
	ML2015:0026	Sarvisuo 3	EP 勘探許可證	100	46.51
	VA2020:0021	Ori	RES 保留	100	1,979.73
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	EP 勘探許可證	100	85.76
	ML2017:0131	Jokisivu 7-8	EP 勘探許可證	100	18.60
	ML2018:0082	Jokisivu 10	EPA 環境許可證申請	0	900.33
Kaapelinkulma	K7094	Kaapelinkulma	MC 採礦特許	100	65.10
Uunimäki	ML2020:0020	Uunimäki 1	EPA 環境許可證申請	0	89.22
Vammala	1895	Stormi	MC 採礦特許	100	157.53



龍資源有限公司
DRAGON MINING
LIMITED

DRAGON MINING LIMITED
龍 資 源 有 限 公 司*