

# ALTUS CAPITAL LIMITED

21 Wing Wo Street  
Central, Hong Kong

Tel: (852) 2522 6122  
Fax: (852) 2522 6992

23 June 2025

*To the DML Board*

## **Dragon Mining Limited**

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

Dear Sir or Madam,

We refer to the response document dated 23 June 2025 (the “**Response Document**”) issued by Dragon Mining Limited (“**DML**”) in respect of the voluntary conditional cash offer made by Morton Securities for and on behalf of Wah Cheong Development (B.V.I.) Limited (the “**Offer**”) to acquire all of the shares of DML. We also refer to the valuation of DML (the “**Valuation**”) contained in the section headed “9. Valuation assessment of DML before the Offer” in the independent expert report dated 23 June 2025 (“**DML Independent Expert Report**”) set out in Schedule 2 of the Response Document and prepared by Grant Thornton Corporate Finance Pty Ltd, the independent expert (“**DML Independent Expert**”) commissioned by the DML Independent Board Committee to opine as to whether the Offer is fair and reasonable for the DML Independent Shareholders for the purposes of satisfying the requirements under the Corporations Act 2001 (Cth) of Australia. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

We note that the Valuation has been prepared by the DML Independent Expert based on, amongst other information, (i) the discounted cash flow analysis with reference to the cash flow forecasts (the “**Forecasts**”) in respect of the producing mine properties of the DML Group and the assessed discount rates taking into account of the cost of equity and cost of debt of DML (after considering relevant risk-free rate and risk premium), and (ii) the technical valuation in respect of DML’s non-operating mine properties prepared by RPM Advisory Services Pty Ltd, an independent technical consultant (“**Independent Technical Expert**”) commissioned by DML and the DML Independent Expert to prepare the independent technical expert report dated 23 June 2025 (“**Independent Technical Expert Report**”) incorporated in the DML Independent Expert Report.

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The Forecasts have been prepared by the DML Independent Expert based on the DML Group's unaudited consolidated management accounts provided by the DML Directors (which have not been reviewed or audited by DML's auditor or the audit committee of the Company and are subject to adjustments), the Independent Technical Expert Report, and other relevant information currently available to the DML Board. The Valuation is regarded as a profit forecast under the Takeovers Code and therefore is required to be reported on pursuant to Rule 10 of the Takeovers Code. Further, pursuant to Rule 11.1(b) of the Takeovers Code, the qualifications and experience of the DML Independent Expert and the Independent Technical Expert in preparing the Valuation are also to be reported on.

We have reviewed the Valuation prepared by the DML Independent Expert and other relevant information and documents (which the DML Directors are solely responsible for) and have had discussions with the DML Independent Expert, the DML Independent Technical Expert, the DML Directors and the senior management of DML on the key bases and assumptions upon which the Valuation has been made. In addition, we have considered, and relied upon, the letter issued on the Forecasts by Ernst and Young, Perth and addressed to the DML Board dated 23 June 2025, which stated that the Forecasts do not involve the adoption of accounting policies, and so far as the arithmetical accuracy of the calculations of the Forecasts is concerned, the Forecasts have been properly compiled in all material respects in accordance with the assumptions adopted by the DML Directors.

With regard to the qualifications and experience of the DML Independent Expert and the Independent Technical Expert, based on our review which includes reasonableness checks on the relevant experience, expertise and track record of each of the DML Independent Expert and the Independent Technical Expert, we are satisfied that they are suitably qualified and have the professional experience to compile the Valuation.

Based on the above, we are of the opinion that the Valuation, for which the DML Independent Expert and the DML Directors are jointly responsible for, has been made with due care and consideration.

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



**Chang Sean Pey**  
*Responsible Officer*



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