
INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by F&S, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged F&S to prepare the F&S, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned F&S, an Independent Third Party, to conduct a study of Global and China’s gold and other non-ferrous metals mining industry and metal trading market. We agreed to pay F&S a fee of RMB380,000 for the preparation of the F&S Report, and our directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in the F&S Report. Founded in 1961, F&S has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

RESEARCH METHODOLOGY

During the preparation of the F&S Report, F&S conducted primary research that involved discussing the status of the industry with industry participants and industry experts, as well as secondary research that involved reviewing company reports, independent research reports and F&S’s own database. Our Directors have confirmed that there has been no adverse change in the market situation since the date of the F&S Report which may qualify, contradict, or have impact on the information of this section.

BASIS AND ASSUMPTION

The F&S Report was compiled based on the following assumptions: (i) The social, economic and political conditions globally and of selected countries currently discussed will remain stable during the forecasted periods; (ii) government policies on gold mining industries and other related industries globally and in selected countries discussed will remain consistent during the forecast period; (iii) the gold mining industries and other related industries globally and in selected countries will be driven by the factors which are stated in this report.

Analysis of the global and China’s gold mining industry

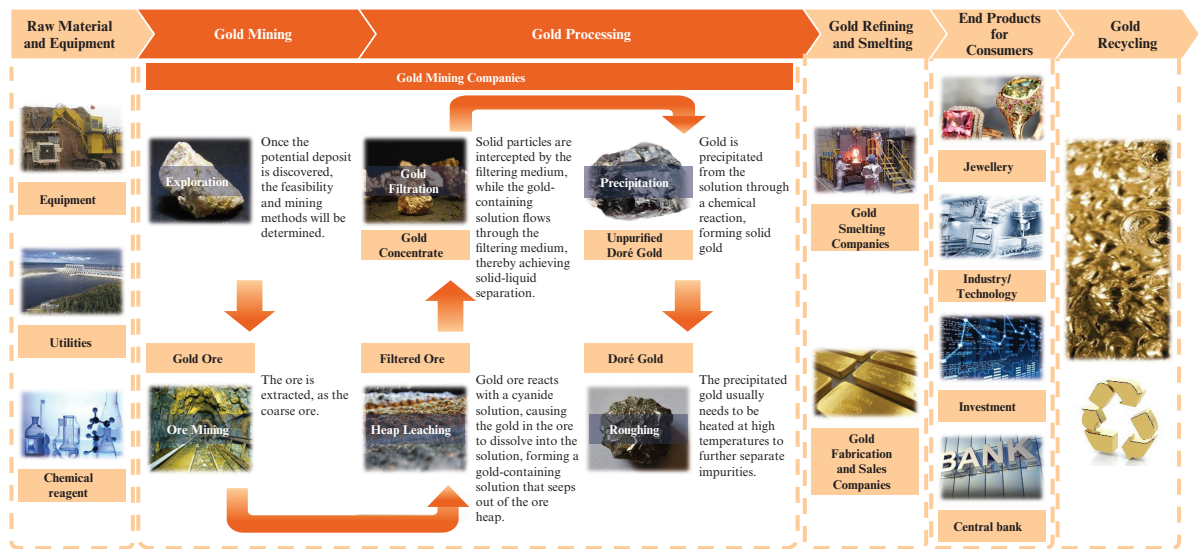
Overview of the gold industry

Gold is a precious metal used for coinage, jewelry, and high-tech manufacturing. The upstream of the gold industry chain includes the supply of raw materials and equipment, its midstream consists of gold mining, gold processing, gold smelting and refining. The downstream covers gold products used in/as jewelry, industrial/technology uses, investment, and central bank reserves. Gold recycling provides additional supply in addition to gold mine production.

Such midstream is the key core of the entire gold industry chain. After being processed, gold ore produces gold concentrate, which can be smelted into gold doré. Gold doré is produced from gold ore, after further refining and purification, eventually is refined into standard pure gold. These pure golds are further processed into a variety of end gold products, including physical gold forms such as gold bars, ingots, and coins, as well as various other gold products.

INDUSTRY OVERVIEW

Value chain of the gold industry



Source: F&S

Global demand for gold

Global gold demand experienced fluctuations from 2021 to 2025, with a slight decline after 2022. Overall, it grew at a CAGR of 5.6%, and since 2024, demand has shown an accelerated growth trend. This is mainly driven by multiple factors: persistent global inflationary pressures, increased expectations of a shift in monetary policy in major economies, and a significant rise in geopolitical risks. Global gold demand is projected to reach 195.0 million ounces by 2030.

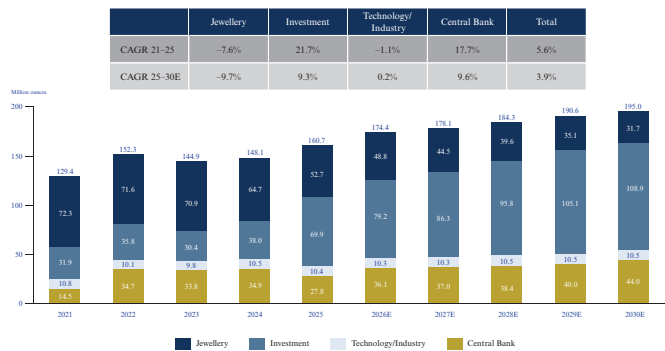
From 2025 to 2030, global gold demand is expected to grow steadily at a CAGR of 3.9%, mainly due to the following factors: (i) Against the backdrop of current geopolitical uncertainties, such as intensified regional conflicts leading to strained international trade relations, central banks increase their gold demand for the purposes of value storage and risk diversification; (ii) Increased investment demand. As gold is regarded as an inflation-hedge and safe-haven asset, it is more favored by investors during economic fluctuations.

From 2021 to 2025, China’s gold demand grew at a CAGR of -4.2%. During this period, China’s gold demand experienced fluctuations, mainly influenced by changes in investment-related consumption demand. From 2025 to 2030, China’s gold demand is expected to remain at a stable level, with a CAGR of 0.2% during this period. The main growth in demand is expected to come from investment-related demand.

The difference in gold demand trends between China and the rest of the world mainly stems from variations in macroeconomic conditions, investment demand, consumer habits, and government policies. For example, in 2022, global gold demand increased as geopolitical tensions prompted central banks to boost their gold reserves. In contrast, China’s gold demand declined primarily due to a decrease in investment demand and jewelry consumption.

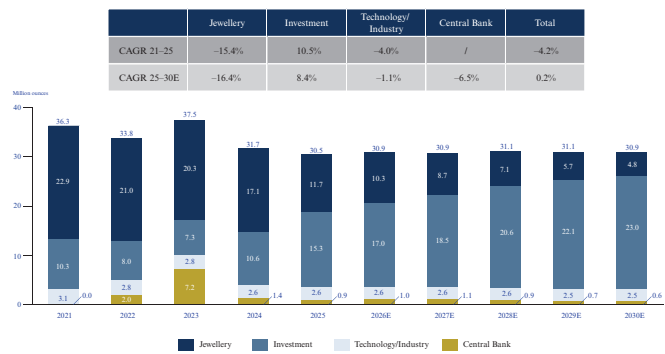
INDUSTRY OVERVIEW

Gold demand (by end use), Global, 2021–2030E



Source: World Gold Council, F&S

Gold demand (by end use), China, 2021–2030E



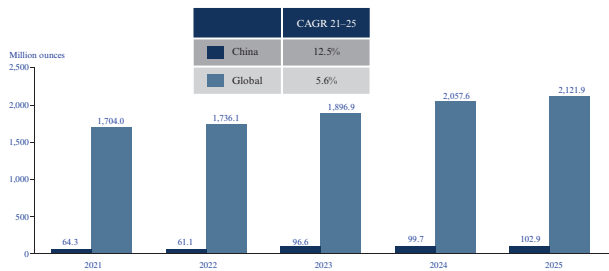
Source: China Gold Association, F&S

Gold reserves and gold supply

Gold reserves

From 2021 to 2025, the global gold reserves have shown a continuous upward trend. This trend is driven by several key factors. Technological advancements in exploration have increased the efficiency and accuracy of resource detection, leading to the discovery of more potential reserves. Governments’ supportive policies have also encouraged enterprises to invest more in exploration and development. In addition, with the recovery and growth of the global economy, the demand for various resources has also been steadily increasing, prompting industries to boost their investment in resource development. From 2021 to 2025, the global gold reserves grew from 1,704.0 million ounces to 2,121.9 million ounces. In the meantime, the gold reserves in China grew from 64.3 million ounces to 102.9 million ounces.

Gold reserves, Global and China, 2021–2025



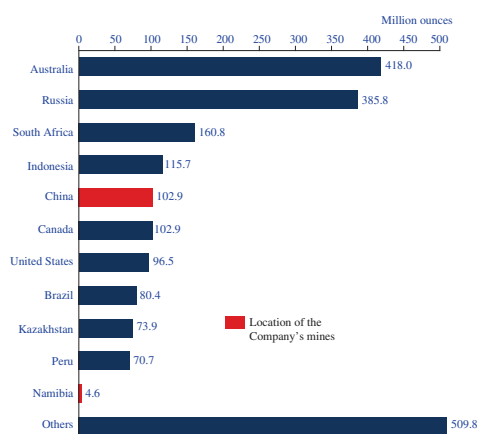
Notes: Reserves refer to part of the resources base that could be economically extracted or produced at the time of determination and include only recoverable materials. Due to data availability, Reserves are usually used to demonstrate the gold resources of different countries.

Source: USGS, F&S

INDUSTRY OVERVIEW

In 2025, the global gold reserves totaled 2,121.9 million ounces, mainly distributed in countries such as Australia, Russia, South Africa, Indonesia, China, and Canada.

Gold reserves (by countries), global, 2025

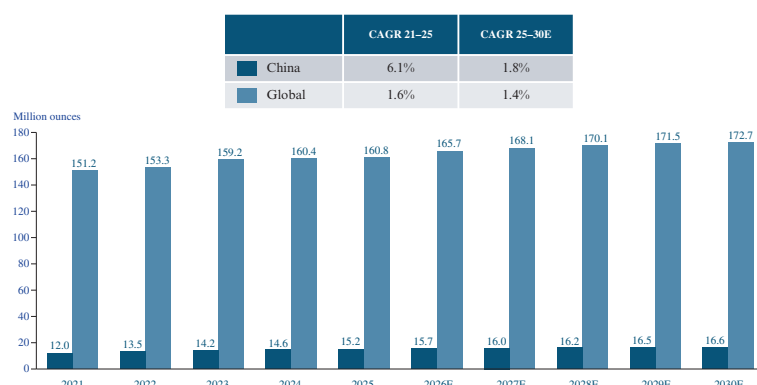


Source: World Gold Council, F&S

The global gold supply

The global gold supply includes gold mine production, net producer hedging, and recycled gold production. China's gold supply includes gold mine production, non-ferrous by-product gold production, and gold production from imported raw material. Among these, gold mine production is the most significant component. The continuous rise in gold prices is driving an increase in gold supply. From 2025 to 2030, the global and China's gold supply are both expected to show an upward trend, increasing from 160.8 million ounces and 15.2 million ounces to 172.7 million ounces and 16.6 million ounces, respectively.

Gold supply, Global and China, 2021–2030E

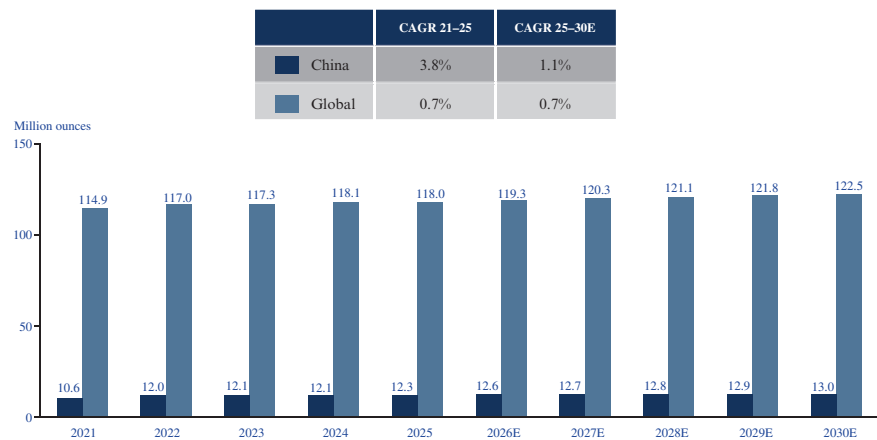


Source: World Gold Council, China Gold Association, F&S

Potential advancements in mining technology and improvements in operational efficiency are also expected to contribute to the increase in gold mine production. From 2025 to 2030, the global and China's gold mine production are both expected to show an upward trend, increasing from 118.0 million ounces and 12.3 million ounces to 122.5 million ounces and 13.0 million ounces, respectively.

INDUSTRY OVERVIEW

Gold mine production, Global and China, 2021–2030E

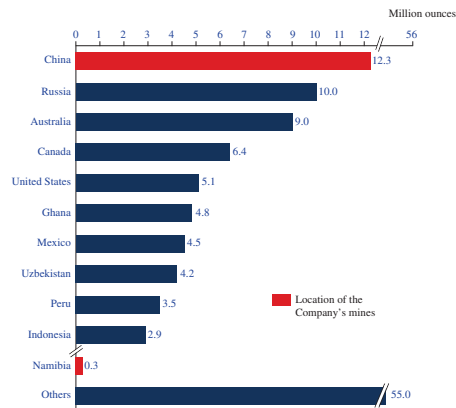


Source: World Gold Council, China Gold Association, F&S

Notes: Gold mine production includes gold produced from gold mines and secondary production of other non-ferrous metals.

The major global gold producing countries include China, Russia, Australia, Canada, the United States, and others.

Gold mine production (by countries), Global, 2025



Notes: Gold mine production includes gold produced from gold mines and secondary production of other non-ferrous metals.

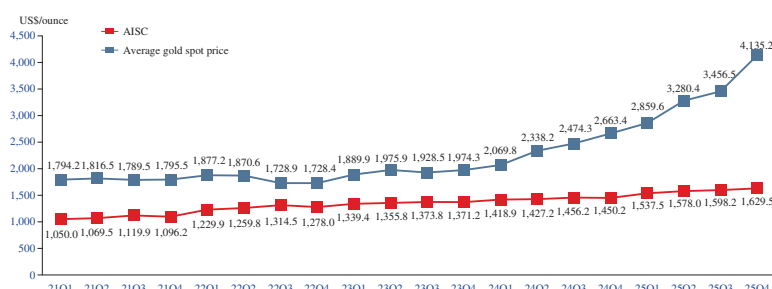
Source: World Gold Council, Frost & Sullivan

Global average gold AISC

AISC represents the full cost per ounce of gold to sustain long-term mine operation, covering production, capital and exploration expenses. As a core measure of economic viability, it is determined by resource quality and operational efficiency, with better resources and management lowering costs and improving competitiveness. Gold miners reduce AISC through advanced technology, supply chain optimization and large-scale production to boost efficiency and output. Global AISC rose steadily from US\$1,050 to US\$1,629.5 per ounce between Q1 2021 and Q4 2025, and producers tend to lift output when the gold price exceeds AISC by a wider margin.

INDUSTRY OVERVIEW

Average AISC and average gold spot price (by quarter), Global, 2021–2025



Source: London Bullion Market Association, F&S

Compared with the world’s top 10 gold producers, our Company’s AISC is the most competitive.

AISC of top 10 gold producers, Global, 2025

Rank	Company	AISC (US\$/oz)
1	Company A	1,256.4
2	Company B	1,265.6
3	Company C	1,339.0
4	Company D	1,409.0
5	Company E	1,500.0
6	Company F	1,501.0
7	Company G	1,630.0
8	Company H	1,637.0
9	Company I	1,645.0
10	Company J	1,709.0
Our Company		902.3

Notes: Ranking by gold mine production, the list above represents the top 10 global gold producers. Data for Company A, B and F in 2025 are estimated.

Company A was established in 1958, is headquartered in Navoi, Uzbekistan, and is not publicly listed. Company A is one of the world’s four largest gold producers.

Company B was established in 2006, is headquartered in Moscow, Russia, and is listed on Moscow Exchange. Company B is the largest gold producer in Russia.

Company C was established in 1953, is headquartered in Toronto, Canada, and is listed on Toronto Stock Exchange and New York Stock Exchange. Company C is Canada’s largest mining company.

Company D was established in 2003, is headquartered in Subiaco, Australia, and is listed on Australian Securities Exchange. Company D is a global-scale gold producer with three production centres, operating in world class locations of Western Australia and Alaska.

Company E was established in 1993, is headquartered in Toronto, Canada, and is listed on Toronto Stock Exchange and New York Stock Exchange. Company E is a senior gold mining company with a diverse portfolio of mines and projects in the United States, Canada, Brazil, Chile, and Mauritania.

Company F was established in 2000, is headquartered in Longyan, Fujian, and is listed on Shanghai Stock Exchange and Hong Kong Stock Exchange. Due to data availability, the AISC of Company F only reflects that of its gold mines outside China. Company F engaged in the exploration and extraction of metals such as copper, gold, zinc, lithium, silver and molybdenum.

Company G was established in 1921, is headquartered in Denver, United States, and is listed on New York Stock Exchange. Company G is the only gold producer listed in the S&P 500 Index.

INDUSTRY OVERVIEW

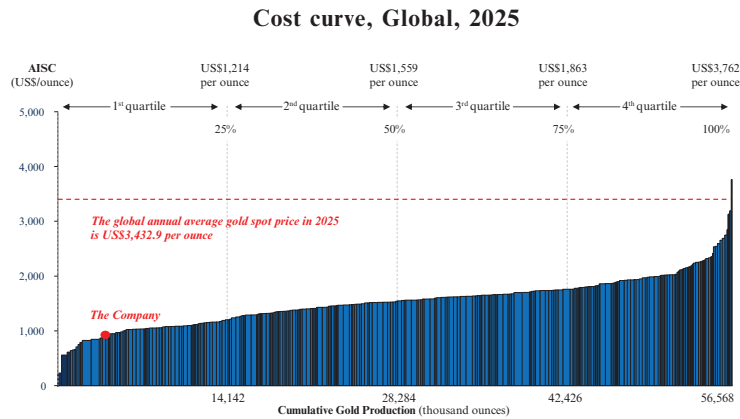
Company H was established in 1983, is headquartered in Toronto, Canada, and is listed on New York Stock Exchange and Toronto Stock Exchange. Company H is a major gold and copper producer with mining operations and development projects in the world’s most prolific mining districts.

Company I was established in 1998, is headquartered in Johannesburg, South Africa, and is listed on Johannesburg Stock Exchange, New York Stock Exchange and Toronto Stock Exchange. Company I is a globally diversified gold producer with nine mines in Australia, Canada, Chile, Ghana, South Africa and Peru, and one project in Canada.

Company J was established in 2004, is headquartered in Johannesburg, South Africa, and is listed on Johannesburg Stock Exchange, New York Stock Exchange and Australian Securities Exchange. Company J is global mining company with a diverse, high-quality portfolio of gold, silver, copper operations and projects.

Source: Annual Reports, F&S

The gold cost curve illustrates the distribution of gold mine production across various cost levels as a proportion of total global output. In 2025, the annual average gold spot price remained above the AISC for the majority of gold mines. This indicates that the gold mining industry has been broadly profitable, with most companies able to generate profits at prevailing price levels. Such favorable market conditions not only strengthen the financial stability and investment appeal of gold mining companies, but also incentivize increased capital expenditure in production and exploration. As a result, the industry’s overall supply capacity is expected to improve. Our Company ranks within the top 10% of the global gold mining AISC curve.



Source: Annual Reports, F&S

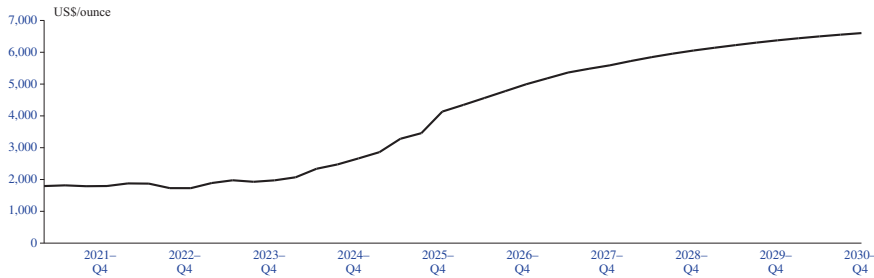
The price of gold

The gold price is primarily influenced by real interest rates, the U.S. dollar’s strength, geopolitical uncertainties and inflation expectations. Gold is a hedge against risk; its price rises amid political/economic instability or stock market volatility. Central bank monetary policies, including interest rate adjustments and currency fluctuations, also shape gold prices. Long-term trends show an overall upward trajectory with volatility, and gold’s price floor rises gradually, highlighting its value as a stable store of wealth. Gold ETF holdings have increased significantly since 2024Q2, reflecting strong market demand.

Between 2021 and 2025, global annual average gold prices demonstrated an upward trend with fluctuations and reached US\$4,135.2 per ounce in 2025Q4. In the context of de-dollarization, emerging market central banks may further increase their gold reserves and investors hold a bullish view on gold’s role as a safe-haven asset amid global uncertainty, driving the annual average gold price to continue rising during the forecast period and reach US\$6,603.0 per ounce by 2030Q4.

INDUSTRY OVERVIEW

Average gold spot price* (by quarter), Global, 2021–2030E

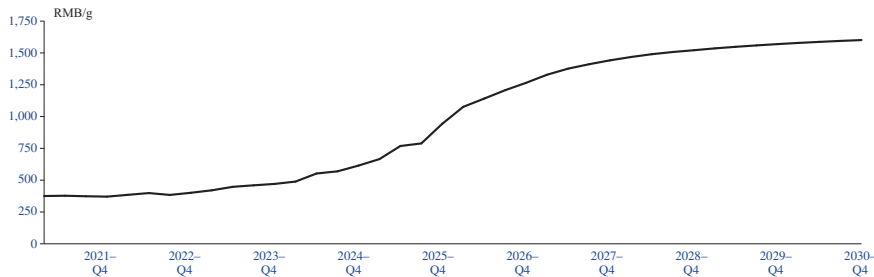


Notes: The global gold price is based on the quarterly average spot price of gold in the London Gold Market. The price is quoted in US dollars per troy ounce, which refers to a troy ounce of 99.5% pure gold (equivalent to approximately 31.1 grams).

Source: London Bullion Market Association, F&S

Average gold spot price in China is moving in tandem with global average gold spot price so as to prevent the arbitrage profits. The difference in between the two prices is primarily coming from the foreign exchange rate fluctuation of RMB/US\$ as well as the gold import and export control imposed by Chinese government. After foreign exchange conversion, China’s average gold spot price is positively correlated with global average gold spot price in significant level under linear regression model. From 2021 to 2025, the gold spot price in China grew from RMB375.4 per gram in 2021Q1 to RMB943.5 per gram in 2025Q4. It is expected to climb steadily and reach RMB1,601.2 per gram by 2030Q4.

Average gold spot price* (by quarter), China, 2021–2030E



Notes: China gold spot price refers to the closing price of Au99.95 traded in Shanghai Gold Exchange.

Source: Shanghai Gold Exchange, F&S

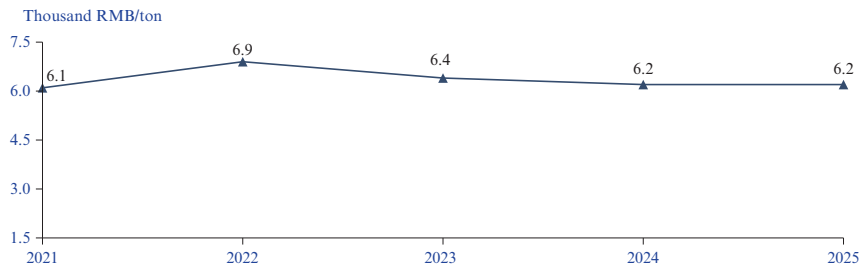
Price analysis of raw materials

In the gold mining industry, mining costs are the consumption of the most critical cost item in the entire production process. Among these, industrial explosives and diesel, as vital production materials, are both categorized under mining costs.

Explosives are used in gold mining primarily for rock blasting to break up ore-bearing rock, enabling efficient extraction and processing of gold. The average annual price of explosives manufacturing in China showed an overall upward trend during the historical period, rising from RMB6.1 thousand per ton in 2021 to RMB6.2 thousand per ton in 2025. In 2023, the average price of industrial explosives in China decreased, mainly due to the drop in the price of ammonium nitrate and the slowdown in mining demand, which led to an imbalance in supply and demand.

INDUSTRY OVERVIEW

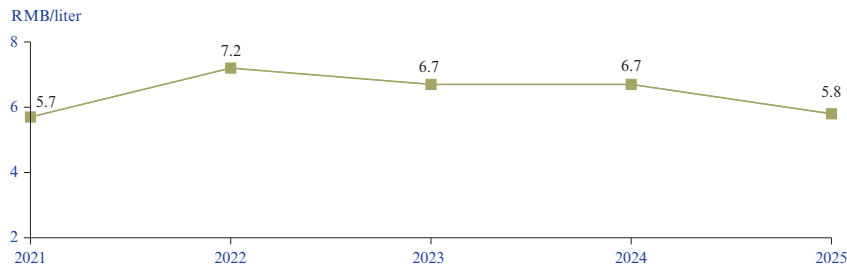
Average price of explosives manufacturing, China, 2021–2025



Source: Annual Reports, F&S

Diesel, as a crucial energy consumption for gold mining, is primarily utilized in the operation of heavy machinery and transportation vehicles within mining sites. The diesel price in China has experienced significant fluctuations over the past few years. In 2022, China’s diesel price rose to RMB7.2 per liter, mainly affected by geopolitical conflicts and tight global energy supply. From 2022 to 2025, diesel prices gradually fell back to RMB5.8 per liter, driven by the continuous decline in international crude oil prices from high levels, looser global crude supply, slower domestic economic recovery and weaker diesel demand.

Average price of diesel, China, 2021–2025



Source: National Development and Reform Commission, Annual Reports, F&S

Market drivers and development trends of global and China’s gold mining industry

Technological advancements in mining. New technologies and advanced equipment are improving extraction efficiencies, reducing costs, and making previously uneconomical deposits economically viable. Leading companies in the sector are at the forefront of adopting and developing cutting-edge technologies. For instance, the use of autonomous mining trucks has enhanced operational efficiency and safety in mining operations. The development of cyanide-free gold extraction and metallurgy technologies has improved the environmental sustainability of gold mining. The commitment to technological innovation not only enhances operational efficiency but also strengthens their competitive position in the global market. By integrating these advanced technologies into their mining processes, companies are able to optimize resource utilization and production, ensuring sustainable growth in the evolving gold industry landscape.

Strategic expansion and market opportunities. The gold market is experiencing significant opportunities for strategic expansion. Emerging markets are showing a growing demand for gold, driven by rising incomes and increasing investment awareness. Leading companies with a global presence and a history of strategic acquisitions are well-positioned to capitalize on these opportunities. Their successful track record in acquiring and developing gold assets in various regions provides a strong foundation for further expansion. By leveraging their expertise and resources, these companies are well-equipped to navigate the evolving market dynamics and unlock new growth potentials in the global gold sector.

Digital transformation in gold mining. The gold sector is poised for a digital transformation. Firms are progressively embedding sophisticated technologies like artificial intelligence, machine learning, and automation into their workflows. These digital advancements boost efficiency, mitigate operational hazards, and refine decision-making process. By utilizing data analytics and predictive modeling, gold producers can fine-tune mining and processing operations, resulting in enhanced productivity and reduced costs. This digital shift is anticipated to reconfigure the industry, bolstering its resilience and adaptability to market fluctuations.

INDUSTRY OVERVIEW

ESG emphasis and sustainable operations. Environmental, social, and governance (“ESG”) considerations are gaining traction in the gold industry. Heightened ESG expectations from consumers and investors are compelling companies to embrace sustainable practices. Foremost gold producers have taken the initiative to formulate and implement ESG principles, executing responsible mining across their sites. Their commitment to environmental stewardship, community engagement, and ethical conduct not only enhances their reputation but also strengthens their market appeal. By upholding stringent ESG standards, these firms meet stakeholder expectations and foster the gold industry’s long-term sustainability.

Exploration and new discoveries. Pursuant to the Opinions of the Ministry of Natural Resources on Several Matters Concerning the Deepening of Reform in the Administration of Mineral Resources (Ziran Zigu [2023] No. 6, effective for five years), deep-layer gold mining is explicitly encouraged, making exploration and new discoveries a key trend in the gold industry. As existing mines gradually deplete, companies are stepping up deep-layer exploration using advanced geological and data analysis technologies to raise resource discovery rates. This helps secure stable gold supply, creates new growth opportunities and strengthens corporate competitiveness. In this context, modern exploration technologies such as AI are playing a growing role, enabling efficient processing of geological data and precise positioning of potential deposits, improving exploration efficiency and accuracy while lowering costs.

Competitive landscape of global and China’s gold mining industry

The gold industry has become increasingly concentrated in recent years. This trend is largely driven by mergers and resource integration among leading gold producers. Major gold companies, with their efficient operations, global presence, financial strength, and other competitive advantages, are now at the forefront of the industry. These large gold companies have been able to achieve economies of scale through consolidation, which has allowed them to optimize production processes and reduce unit costs. Among these leading companies, our Company ranked 6th in 2025, with a total gold mine production of 244.3 thousand ounces.

Ranking of gold producers (by gold mine production), China, 2025

Rank	Company	Gold Mine Production (Thousand oz)	Global Market Share	Gold Mine Production CAGR (2023–2025) (%)
1	Company F	2,878.9	2.4%	15.0%
2	Company K	1,307.4	1.1%	8.1%
3	Company L	670.8	0.6%	8.9%
4	Company M	621.8	0.5%	1.2%
5	Company N	466.5	0.4%	0.6%
6	The Company	244.3	0.2%	4.1%
	Others	111,854.4	94.8%	/
	Total	118,044.2	100.0%	/

Notes: Production includes domestic and overseas mines. The ranking above is for the top ten gold-producing listed companies in China. The calculation of this market share is based on the total global gold mine production in 2025, which stands at 118,044.2 thousand ounces. Figures for the Company, Company F and Company N are as of 2025, while the 2025 figures for the other enterprises mentioned above are estimates. 2025 full-year ranking will be updated after these companies release their annual reports. The statistics of Shandong Gold Mining exclude the data of our Company. The same applies below.

Company K was established in 2000, is headquartered in Jinan, Shandong, and is listed on Shanghai Stock Exchange and Hong Kong Stock Exchange. Company K specializes in the exploration, mining, processing, refining and retailing of gold products.

Company L was established in 2004, is headquartered in Zhaoyuan, Shandong, and is listed on Hong Kong Stock Exchange. Company L primarily engaged in gold exploration, mining, processing, refining, and related smelting activities.

Company M was established in 2000, is headquartered in Beijing, and is listed on Shanghai Stock Exchange. Company M is a major Chinese mining company engaged primarily in the production of gold, copper, and other non-ferrous metals.

INDUSTRY OVERVIEW

Company N was established in 1998, is headquartered in Chifeng, Inner Mongolia, and is listed on Shanghai Stock Exchange and Hong Kong Stock Exchange. Company N operates 6 gold mines, 1 polymetallic mine and 1 resources recycling business located in China, Southeast Asia and West Africa.

Source: Annual Reports, F&S

As of 2025, our Company ranked fourth in China with a total gold reserve of 4.8 million ounces.

Ranking of listed gold producers (by reserves), China, 2025

Rank	Company	Gold Reserves (Million oz)
1	Company F	64.2
2	Company K	26.9
3	Company L	16.6
4	Our Company	4.8
5	Company M	3.8

Notes: The figures for Company K, Company L, and Company M are based on 2024 data.

Source: Annual Reports, F&S

In 2025, our Company’s gold mine production cost was US\$582.6 per ounce, which was the lowest among major listed gold producers.

Ranking of listed gold producers (by gold mine production cost), China, 2025

Rank	Company	Production Cost of Mineral Gold (US\$/oz)
1	Our Company	582.6
2	Company O	799.4
3	Company F	1,119.4
4	Company N	1,428.7
5	Company K	1,566.8

Company O was established in 2010, is headquartered in Hongkong, and is listed on Toronto Stock Exchange and Hong Kong Stock Exchange. Company O is engaged in mining of gold and other metals in China.

Notes: The figures for Company O and Company K in 2025 are estimated.

Source: Annual Reports, F&S

Our Company achieved a gold mine production gross profit margin of 81.6%, which was the highest among major listed gold producers.

Ranking of listed gold producers (by gold mine production gross profit margin), China, 2025

Rank	Company	Gross Profit Margin
1	Our Company	81.6%
2	Company F	64.6%
3	Company N	58.5%
4	Company K	47.1%
5	Company L	26.5%

Notes: The figures for Company L in 2025 are estimated. The figure for Company K is based on 2024 data.

Source: Annual Reports, F&S

INDUSTRY OVERVIEW

Entry barriers of global and China’s gold mining industry

Policy barrier. New entrants in the global gold mining industry face significant policy barriers. Major gold-producing countries have complex regulatory frameworks, with intricate permitting, environmental compliance and land-use restrictions that can delay projects for years. Resource nationalism (e.g., higher royalties, export restrictions) reduces foreign investors’ profitability, while regional political instability adds uncertainty and deters long-term investment.

Resource barrier. High-quality gold deposits are scarce and geographically concentrated, with most easily accessible reserves already exploited, forcing new entrants to explore remote or unstable areas. The industry requires substantial upfront exploration and development investments with long payback periods, deterring smaller players. Declining ore grades and stricter environmental rules further raise operational costs, making it hard for newcomers to compete with established miners who benefit from economies of scale and advanced technologies.

Technology barrier. Modern gold extraction relies on advanced technologies that need specialized expertise and high R&D investment. Established firms use proprietary technologies and operational data to optimize recovery rates and cut costs, while new entrants face steep learning curves and inefficiencies. Deeper, lower-grade deposits demand cutting-edge exploration technologies, increasing entry costs — without access to these innovations, smaller players struggle to compete.

Analysis of China’s silver mining industry

Overview of silver mining industry

The silver mining industry is an sector centered on the exploration, extraction, and processing of silver. As a critical branch of the precious metal mining industry, its output includes both standalone silver deposits and silver resources obtained as by-products of metals such as copper, lead, and zinc. With its dual role as a monetary metal and an industrial commodity, the industry holds significant importance for national strategic resource security.

The silver mining industry chain encompasses the entire process from resource exploration to end-use applications. The upstream involves geological surveys to identify independent silver deposits or associated silver resources in metals like lead, zinc, and copper. The midstream relies on mining and processing technologies (e.g., flotation/cyanidation) to extract silver concentrate. The downstream includes refining and processing, with the refined silver primarily supplied to sectors such as jewelry, electronic components, industrial catalysts, and investment products.

Silver mine resource and supply

Between 2021 and 2030, China’s silver ore reserves exhibited a pattern of initial decline followed by steady growth. From 2021 to 2025, reserves decreased from 2,307.9 million ounces to 2,154.1 million ounces. Subsequently, reserves entered a phase of steady growth post-2025, with projections indicating they will reach 2,264.0 million ounces by 2030. Through sustained geological exploration and deep-level prospecting in existing mines, China’s silver reserves are expected to maintain a stable upward trajectory.

During the same period, China’s silver mine production exhibited a pattern of initial decline followed by steady recovery. From 2021 to 2025, output decreased from 112.9 million ounces to 109.3 million ounces. Subsequently, production entered a phase of moderate growth post-2025, with projections indicating it will reach 120.6 million ounces by 2030. This trend reflects two key dynamics: short-term production pressure due to resource depletion at aging mines, offset by subsequent capacity replenishment through new project commissioning and improved mining processing technologies. Overall, China’s silver production has demonstrated notable resilience, achieving gradual growth within resource constraints while maintaining stable supply security.

INDUSTRY OVERVIEW

Competitive landscape of China’s silver mining industry

In 2025, our Company ranks third in China with a silver mine production of 5.3 million ounces.

Ranking of Silver Producers (by silver mine production), China, 2025

Rank	Company	Silver Mine Production (Million oz)
1	Company P	9.5
2	Company E	8.1
3	Our Company	5.3

Note: Company P was established in 1996, is headquartered in Chifeng, Inner Mongolia, and is listed on Shenzhen Stock Exchange. Company P is engaged in mining and smelting non-ferrous and precious metals in China.

Source: F&S

Analysis of the global metal trading market

Metal trading industry overview

Metal trade refers to commercial activities involving the procurement, transportation, storage, sales, and related financial derivative transactions of metal raw materials, semi-finished or finished products. It covers the entire process from metal ore mining to processing, circulation, and final use, involving global supply chains and various market mechanisms.

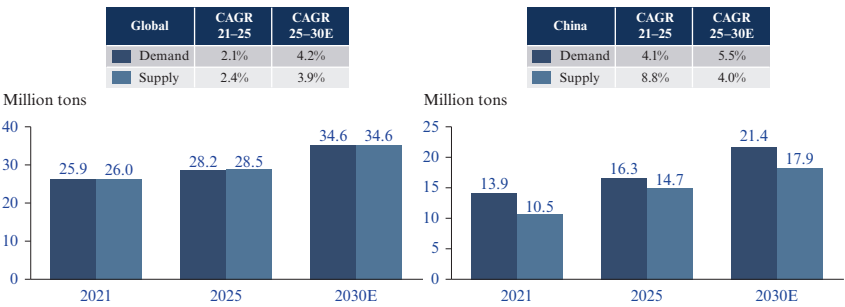
In terms of trading, metal markets are divided into three categories: Spot markets focus on physical delivery to meet immediate purchasing and inventory turnover needs. Futures markets rely on standardized contracts from exchanges such as the Shanghai Futures Exchange (SHFE), London Metal Exchange (LME), and Chicago Mercantile Exchange (CME). These markets provide enterprises with a platform for transparent price discovery and risk-hedging. Over the counter (OTC) trading offers flexible terms and customized designs to serve large scale or special needs transactions. Together, these three types form a comprehensive metal trading ecosystem that covers spot trading, hedging, and personalized transactions.

The upstream of the metal trading industry chain is led by mining companies and primary smelters, which complete ore mining, processing, and refining, laying the foundation for raw material supply; The midstream mainly facilitate circulation through traders and aggregate dispersed metal resources through a global procurement network to address the time/space mismatch between upstream and downstream production capacity and demand; Downstream manufacturing, retailers, and end-users import metal products for different uses such as construction, automotive, electronics, and energy.

Main metal demand and supply

The demand in the industrial metal industry is shifting from “cyclical” to “structural”. The growing demand in fields such as photovoltaics, AI, new energy and high-end manufacturing has driven the expansion of the industry scale. Emerging markets such as Southeast Asia, Africa, and the Middle East have become global growth engines. The North American and European markets are dominated by high-end materials and precision machining; The Asia Pacific region, especially China and India, has become the world’s largest metal consumer market.

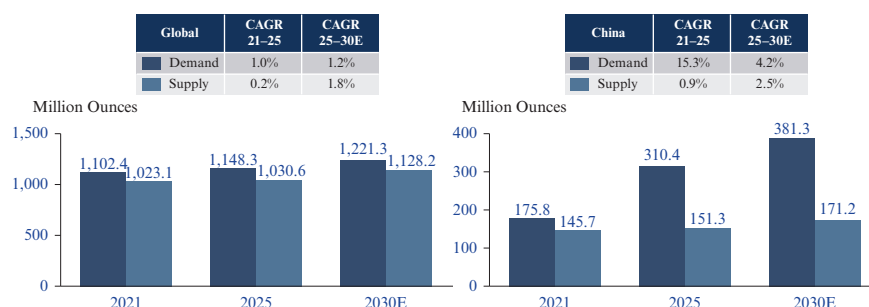
Demand and supply of refined copper, Global and China, 2021, 2025, 2030E



Source: F&S

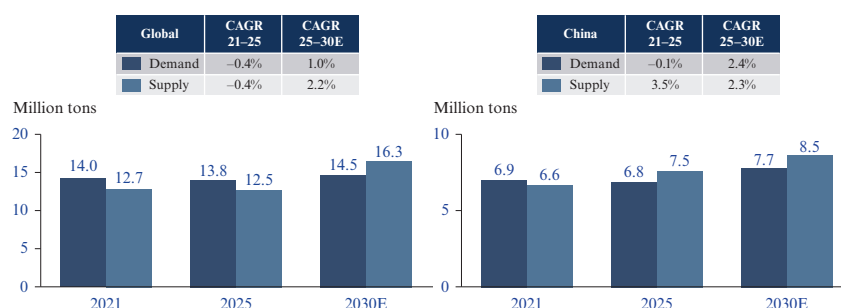
INDUSTRY OVERVIEW

Demand and supply of silver, Global and China, 2021, 2025, 2030E



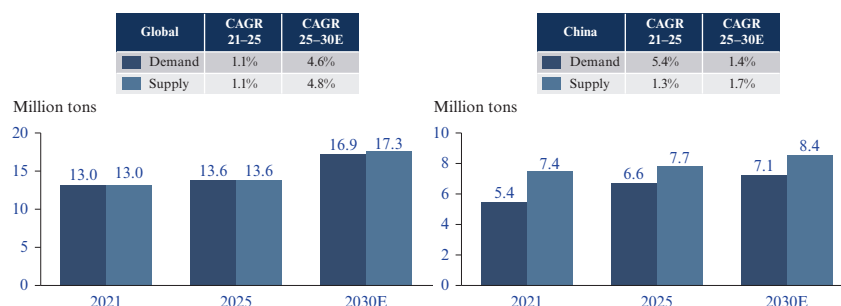
Source: F&S

Demand and supply of zinc, Global and China, 2021, 2025, 2030E



Source: F&S

Demand and supply of lead, Global and China, 2021, 2025, 2030E



Source: F&S

Drivers of the global metal trading industry

Downstream demand growth. The rapid expansion of new energy vehicles and energy storage facilities has driven strong demand for non-ferrous metals including copper, lithium, nickel and cobalt. Renewable energy development continues to lift copper and aluminum consumption, while new urbanization drives higher steel, zinc and aluminum through investments in transportation, municipal services, and green buildings. Driven by 5G and AI, the electronic technology revolution also pushes up demand for rare metals.

Fluctuations in commodity prices and deepening financialization. Sharp commodity price swings and growing financialization have become key factors shaping the metal trade landscape. Supply-demand imbalances, geopolitical conflicts and U.S. dollar and rate policies have amplified volatility in major metals. Meanwhile, the development of futures, options, ETFs and other financial instruments provides hedging and trading channels, boosting market liquidity.