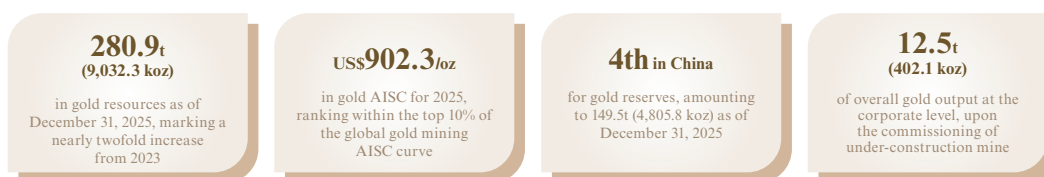


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OVERVIEW

We are one of China’s leading gold producers, primarily engaged in the exploration, mining, and processing of gold and other non-ferrous metals such as silver, lead, and zinc, as well as metal trading operations. Our gold production and gold reserves ranked 6th and 4th respectively among gold producers in China. During the Track Record Period, our gold resources experienced significant growth, nearly doubling from 146.7t (4,715.3 koz) as of December 31, 2023 to 280.9t (9,032.3 koz) as of December 31, 2025. We have leveraged industry-leading innovative technologies (such as BMT and mud-rich full-tailings paste filling system for high-altitude frozen terrain) and innovative processing methods (such as pre-oxidation treatment and oxidative roasting for challenging refractory ores) and have established our competitive advantages with outstanding mining efficiencies and high gold recovery rates. As a result, our gold AISC in 2025 stood at US\$902.3/oz, placing us within the top 10% of the global gold mining AISC curve. In comparison, the global average was US\$1,585.8/oz for the same year.

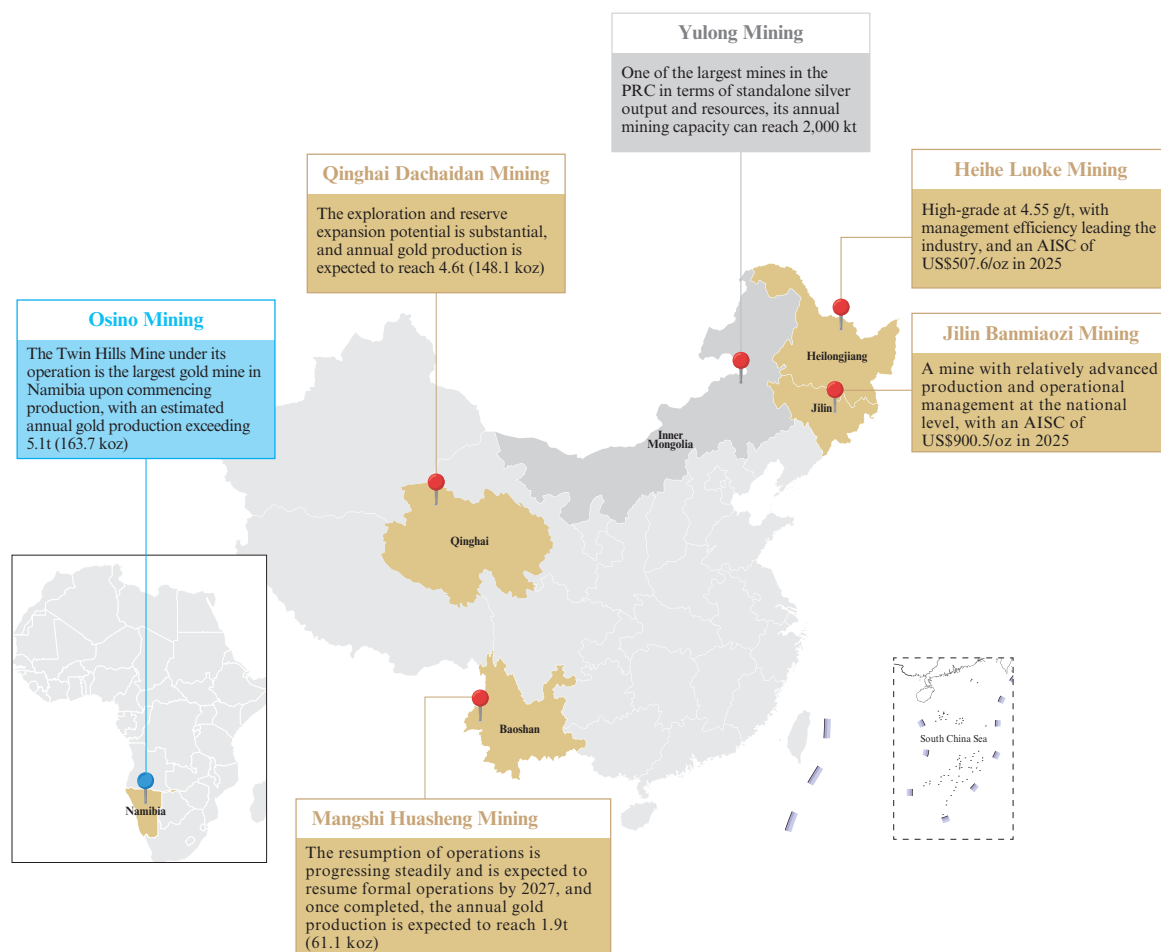


We own and operate six mining companies across China and Namibia, including five gold mining companies with six mining licenses, 26 exploration permits, and seven exploration permits under application, as well as one polymetallic mining company with three mining licenses and six exploration permits, as of the Latest Practicable Date. In particular:

- (i) Qinghai Dachaidan Mining is situated in a key metallogenic district, characterized by thick ore bodies and favorable mineralization conditions. We have completed verification and assessment of ore bodies below 3,300 m at the Qinglonggou Gold Mine, which is currently being prepared for future expansion. Its resource base is expected to further increase from the current level of 84.4t (2,712.2 koz), with the annual gold production projected to exceed 4.6t (148.1 koz). Qinghai Dachaidan Mining’s Xijinggou open-pit extension project is expected to be completed and commence production by 2028;
- (ii) Jilin Banmiaozhi Mining boasts robust production management standards in China and has developed a highly integrated production system. Its AISC for 2025 was US\$900.5/oz, outperforming other gold mines with similar resource endowments;
- (iii) Heihe Luoke Mining operates one of China’s high-grade gold mines, with grades at 4.55 g/t, and its gold AISC for 2025 is just US\$507.6/oz;
- (iv) Mangshi Huasheng Mining is a Carlin-like type gold deposit in China, distinguished by clustered and banded ore formations. We have been actively consolidating surrounding mining rights. Once fully developed, the annual gold production is expected to reach 1.9t (61.1 koz);
- (v) Osino Mining holds a strong pipeline of mining and exploration projects, with the Twin Hills Gold Mine being the largest gold mining project in Namibia. It is anticipated to produce 5.1t (163.7 koz) of gold annually once it becomes fully operational. The construction of the Twin Hills Gold Mine is in progress, with completion and production to be expected by 2027; and
- (vi) Yulong Mining operates one of China’s largest silver mines in terms of standalone silver output and resources, with silver resources of 7,860.8t (252,731.0 koz) and a highest annual production volume of more than 175.0t (5,626.5 koz). Through newly developed mines, including the Bayan Wenduri mining area, we expect our annual silver production to increase by over 83.5t (2,684.6 koz). The construction of the Bayan Wenduri mining area, under Yulong Mining, is expected to be completed by 2028, which will significantly increase our production of silver, lead, and zinc. Such project will also enable the production of other industrial metals, such as copper and tin concentrates, further diversifying our metal portfolio and enhancing our risk resilience.

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The following map illustrates selected information in relation to such mining companies:



Since acquiring or investing in our current portfolio of mining companies that are in operation in China, we have added 49.1t (1,579.2 koz) of gold, 3,641.8t (117,086.1 koz) of silver, 255.5 kt of lead, and 639.7 kt of zinc through exploration, representing 79%, 59%, 43% and 84% of the original gold, silver, lead, and zinc resource at the time of acquisition, respectively. As of the Latest Practicable Date, in China, we hold eight mining licenses and 16 exploration permits with a combined mining rights area of 254.6 km². In Namibia, we hold one mining license and 16 exploration permits across four mining areas, and with a combined mining rights area of 5,149.6 km². In terms of future plans for expansion, the construction of the Twin Hills Gold Mine is expected to be completed and will commence production by 2027. The Xijinggou and Qinglonggou mining areas as operated by Qinghai Dachaidan Mining are scheduled to commence operations in 2028 and 2029 respectively. The Bayan Wenduri mining area of Yulong Mining is projected to be completed by 2028. Our silver, lead, and zinc metal production, is expected to grow, and we hope to produce copper concentrate and other industrial metals, thereby diversifying our metal portfolio.

Our team brings experience from international mining companies, offering global perspectives, market insight, and investment decision-making capabilities. Our Controlling Shareholder, Shandong Gold Mining, is a state-owned gold mining enterprise and one of the largest gold producers in China. By combining our international talent and management systems with our Controlling Shareholder’s technical expertise, rigorous management standards, and robust financial foundation, we believe that we can be well-positioned to achieve promising growth.

In terms of our financial performance, for the year ended December 31, 2023, 2024 and 2025, our revenue were RMB8,094.8 million, RMB13,580.4 million and RMB17,090.1 million, of which revenue from gold products from our mining operations reached RMB3,299.2 million, RMB4,423.2 million and RMB5,504.7

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million, respectively, representing a CAGR of 29.2%. For the same years, our profit for the year were RMB1,565.6 million, RMB2,438.2 million and RMB3,282.0 million, respectively, representing a CAGR of 44.8%.

OUR COMPETITIVE ADVANTAGES

We are confident that our Company has been able to, and will, sustain our growth trajectory and maintain our market position through the following competitive advantages:

We are one of China’s leading gold producers. Our AISC is among the lowest in the world.

As of the Latest Practicable Date, we own and operate six mining companies across China and Namibia, including five gold mining companies with six mining licenses, 26 exploration permits, and seven exploration permits under application, as well as one polymetallic mining company with three mining licenses and six exploration permits. We believe that our gold mines are distinguished by their resource quality, reserve expansion potential, management practices, and mining and processing technologies, which tends to result in promising AISC levels. During the year of years ended December 31, 2023, 2024, and 2025, our gold AISC stood at just US\$665.0/oz, US\$683.5/oz, and US\$902.3/oz, respectively, placing us within the top 10% of the global gold mining AISC curve. In contrast, according to F&S, between the first quarter of 2023 and the fourth quarter of 2025, the global AISC fluctuated between US\$1,399.4/oz and US\$1,629.5/oz.

In addition to gold mining, we are also engaged in the mining of silver, lead, zinc, and other metals. After consultation with the Frost & Sullivan, our Directors are of the view that the mine under Yulong Mining is one of China’s largest silver mines in terms of standalone silver output, with the highest annual silver output over the years exceeding 175.0t (5,626.5 koz). Through the expansion of the Bayan Wenduri mining area and the Hua’aobaote mine, we expect our silver production to increase by over 83.5t (2,684.6 koz) annually. We believe that whilst continued to focus on our gold mining operations, the mining of lead, zinc, and silver may provide new growth drivers for our Company, and can mitigate industry risks.

We demonstrate asset identification capabilities that have led us to well-endowed resources.

We prioritise the importance of large-scale resources and focus on extensive exploration in our asset identification. All of our mining assets are located in large-scale metallogenic zones with favorable conditions. Our domestic gold grades are above the industry average, while our overseas gold resources are robust and abundant. With quality mining resources, we have created conditions for low-cost extraction from the outset, reducing both mining and processing costs. As a result, our production costs remain below the industry average.

Notable examples of our asset identification capabilities include the acquisitions of Qinghai Dachaidan Mining, Jilin Banmiaozi Mining, and Heihe Luoke Mining by the end of 2018. In particular the Dong’an Gold Mine under Heihe Luoke Mining is recognized as one of the gold mines in China with high grades, Jilin Banmiaozi Mining operates a mine known for its advanced production and management practices, and the mine under Qinghai Dachaidan Mining holds significant potential for exploration and reserves growth. Moreover, in August 2024, we have completed the acquisition of Osino Mining, which possesses substantial gold resources in Namibia. Following the construction completion and commissioning of the Twin Hills Gold Mine project, which is considered Osino Mining’s core assets, our overall annual production is expected to increase by 5.1t (163.7 koz).

We managed to continue to grow our reserves while maintaining cost efficiency.

Since acquiring or investing in our current portfolio of mining companies that are in operation in China, we have added 49.1t (1,579.2 koz) of gold, 3,641.8t (117,086.1 koz) of silver, 255.5 kt of lead, and 639.7 kt of zinc through exploration, representing 79%, 59%, 43% and 84% of the original gold, silver, lead, and zinc resource at the time of acquisition, respectively. We continued to ramp up our exploration investments, further accelerating the discovery of new mining opportunities. During the year, we allocated RMB112.0 million to exploration, leading to the addition of 16.6t (534.4 koz) of gold and 296.6t (9,535.2 koz) of silver to our resource base. Notably,

- ***Qinghai Dachaidan Mining:*** It holds five exploration permits, with a combined mining rights area of 101.3 km². Qinghai Dachaidan is situated in the prime metallogenic zone of the Tanjianshan Precious and Non-ferrous Metals Mine in Qinghai Province, an area renowned for its exceptional mineralization conditions. Material breakthrough has been made at the deep-level exploration of Qinglonggou area, with multiple geophysical and geochemical anomalies being identified within the

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mining rights area, indicating significant potential for future exploration. In 2025, multiple drill holes at the Qinglonggou mining area intersected high-grade, thick ore bodies. With robust reserves in place, the mine is poised for high-quality development.

- **Osino Mining:** It holds 16 approved exploration permits in Namibia, with a combined mining rights area of 5,087.5 km². Its Twin Hills project showcases ductile deformation in the deep part of the ore body, which extends downward. Current engineering data suggests that this deep section remains open, presenting potential for reserve expansion. Additionally, the fault structure within the metallogenic belt stretches for 100 km, with 70 km of it falling within the current mining licenses and exploration permits, providing a vast area for future exploration. Its Ondundu project is located in the northern metamorphic zone of the Damara orogenic belt, where the lower section is predominantly composed of marble, while the upper part consists of turbidite (sandstone-mudstone). Pyrrhotite is commonly found in the ore, and gold resource of 32.1t (1,032.7 koz) has been estimated. Its Eureka project has revealed high-grade, thick, large drill hole data.
- **Yulong Mining:** It holds six exploration permits, with a combined mining rights area of 39.4 km². Its mining areas are situated within the Daxinganling non-ferrous metallogenic belt. This region is recognized as a key target area for the exploration of large or super-large, non-ferrous metal deposits, offering substantial exploration potential and highly promising prospects.

We possess technologies in geological exploration, mining, and mineral processing, with innovation in production techniques.

We possess technologies in geological exploration, mining, and mineral processing. Supported by a team of experienced technical professionals, we are committed to pursuing the following technological innovations:

In relation to geological exploration technology:

- In our project exploration, we employ three-dimensional geological modeling technologies, including Leapfrog, Surpac, and 3DMine. We have established a geological information management system that enables the compilation and integrated management of geological data, map data, satellite imagery, and 3D models. At the same time, we collaborate with research institutions to study mineralization patterns, enhancing our exploration efficiency.

In relation to mining technology:

- **Underground mining:** All of our operating mines employ medium- to deep-hole mining methods. These techniques offer several advantages, including higher mining efficiency, reduced costs, lower labor intensity, and enhanced operational safety. Building on this foundation, each mine continuously refines and optimizes its mining methods, achieving notable results. For example, Qinghai Dachaidan Mining has implemented a segmented caving continuous backfill method, which was recognized with a Science and Technology Achievement Award by the Qinghai Provincial Department of Science and Technology. Yulong Mining received the Science and Technology Award of China's Non-ferrous Metals Industry Association for its high-efficiency extraction technology applied to complex and difficult deposits for mining, and the Science and Technology Award from the China Gold Association for its mud-rich full-tailings paste filling system for high-altitude frozen terrain.
- **Open-pit mining:** We employ BMT technology to precisely control the movement of blasted material. This is integrated with process-based management across the entire mining workflow, effectively minimizing ore loss and dilution.
- **Digital mines:** We have developed a digital management system. It leverages three-dimensional mine software to construct big-data models that integrate information on, among others, stratigraphy, structural features, drill-hole databases, ore bodies, RMR, as-built models (including tunnels and stopes), hydrogeology, and design models. This framework enables digital management from design through to construction and promotes data sharing across geological, surveying, and mining departments.
- **Mining equipment and ancillary facilities:** All mining and excavation operations at our mines are fully mechanized, with several processes already automated. For example, in our underground operations, line-of-sight remote-controlled loaders and driverless electric locomotives have been successfully deployed. At fixed installations, unattended operation and unmanned monitoring systems have been implemented, covering the shaft hoisting system, power supply system, drainage system, underground cemented backfill system, and six major underground safety systems.

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In relation to processing technology:

- Qinghai Dachaidan Mining and Jilin Banmiaozi Mining have implemented pre-oxidation treatment processes, thereby enhancing recovery rates and generating substantial economic benefits. Heihe Luoke Mining has optimized its processing techniques to extend leaching time, resulting in gold recovery rates of approximately 97% or higher. Qinghai Dachaidan Mining’s oxidative roasting process is effective in treating refractory ores. Yulong Mining, with its polymetallic non-ferrous lead-zinc ores, utilizes the “SAB” grinding system (primary coarse crushing + semi-autogenous grinding + ball milling) in combination with the lead-zinc priority flotation process, producing lead concentrate (containing silver) and zinc concentrate (containing silver), yielding promising carbon reduction results.

In the year ended December 31, 2025, our R&D spending exceeded RMB100 million. We undertake comprehensive research across critical areas, including geological exploration, mining, and processing. We believe that our advanced, coupled with sustained R&D efforts, constitute a driver of our cost-efficiency improvements. In the year ended December 31, 2025, our gold AISC remained at US\$902.3/oz, as compared to the global average of US\$1,585.8/oz, thus ranking among the lowest gold mining AISC worldwide.

We can derive governance and operational benefits from our mixed ownership structure.

Following the change in our controlling shareholder to Shandong Gold Mining, a state-owned listed company, we have adopted a mixed ownership structure. This structure allows us to draw on the governance framework and resources associated with a state-owned enterprise while maintaining the operational flexibility and management practices developed under our former private ownership. Under this framework, we have continued to operate with a relatively streamlined management structure and delegated decision-making processes. We have also incorporated management experience and internal control practices commonly adopted by international mining companies into our existing systems, with a view to improving operational coordination and execution efficiency. As part of this process, we have reviewed and simplified layers of management and approval procedures. These measures are intended to facilitate more efficient internal communication and project execution. In connection with our acquisition of Osino Mining, our management and governance structure enabled us to complete the due diligence and internal approval process within approximately 75 days from project initiation in October 2023 to the issuance of a binding offer. We believe this reflects the effectiveness of our management and decision-making processes in executing transactions within a defined timeframe.

We benefit from enhanced ESG practices.

We place importance on environmental protection, social responsibility, and corporate governance. Following Shandong Gold Mining becoming our controlling shareholder in July 2023, we implemented a series of reforms to enhance our ESG practices. We published sustainability reports covering all of our operating mines in March 2024 and March 2025. In 2025, we received an ESG rating of A from Wind ESG, ranking among the top three A-share listed gold producers out of 11 A-share listed gold companies under the Wind ESG rating framework.

From an environmental perspective, we have established an environmental management framework and implemented complementary environmental management systems across our operations. All of our operating mines have obtained ISO 14001 and ISO 50001 certifications. We are committed to green development and have increased our investment in mine ecological restoration projects. For the year ended December 31, 2024, our total environmental protection expenditure across all mining subsidiaries amounted to RMB23.2 million. As of the Latest Practicable Date, three of our mines had been recognized as national-level green mines and one as a provincial-level green mine. We maintain environmental risk management and emergency response systems and conduct environmental protection training and outreach programs. During the Track Record Period and up to the Latest Practicable Date, we did not experience any sudden or material environmental disputes, nor were we subject to any significant administrative penalties or criminal liabilities imposed by the Ministry of Ecology and Environment or other relevant ecological and environmental authorities in relation to environmental incidents.

In terms of social responsibility, we maintain policies and practices relating to employee recruitment, career progression, performance evaluation, compensation and benefits, and employee welfare. These measures are designed to provide employees with opportunities for career development, financial security, and a supportive working environment. We also promote enterprise-community collaboration and community development initiatives, including prioritizing the recruitment of local employees and ethnic minorities from mining regions, and participation in social welfare programs in connection with our operations.

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With respect to corporate governance, we focus on maintaining a standardized governance framework and continue to optimize our governance structure and internal management processes to support effective coordination among governance bodies. We seek to strengthen our Board through the appointment of directors with diverse professional backgrounds and to streamline internal decision-making processes. During the Track Record Period, we operated under a mixed ownership structure within a robust governance framework, which allowed us to maintain market responsiveness and operational flexibility while benefiting from the resource integration capabilities, standardized management systems, and capital operation strengths of our state-owned controlling shareholder.

We are led by an experienced management team and supported by our Controlling Shareholder.

Our Chairman, Mr. Liu Qin (劉欽), and General Manager, Mr. Ou Xingong (歐新功), possess extensive management experience in the gold mining industry. Mr. Liu, who is serving as the vice chairman of Shandong Gold Mining, has over 30 years of experience in the gold mining sector. He has been honored with 12 science and technology awards, including 1 at the national level and 11 at the provincial and ministerial levels. Mr. Liu has also holds one invention patent. In October 2017, he was awarded the titles of ‘National Talent of Hundreds and Thousands’ and ‘Outstanding Young and Middle-aged Expert with Exceptional Contributions’ by Ministry of Human Resources and Social Security of China. Mr. Ou holds a doctoral degree in geology and resources. From 2007 to 2017, he held key positions at Sino Gold Mining in Australia and Eldorado Gold in Canada, including manager of geological exploration and manager of business development. Through his involvement in mining projects of international reputable mining companies, he gained experience in exploration, development, and operations within the sector. During their tenure at our Company, Mr. Liu and Mr. Ou focused on major national strategic initiatives and industry trends. They formulated strategic plans, leading the team to actively implement management and operational reforms. They also launched the acquisition of Osino Mining.

In addition, Qinghai Dachaidan Mining, Jilin Banmiaozi Mining, and Heihe Luoke Mining were once held by one of the world’s leading gold mining companies by gold output, as part of its assets in China. Following the completion of the acquisition and restructuring, we have retained the original teams at these mines to the greatest extent possible, ensuring the continued application of advanced production management practices and management expertise from international mining enterprises. Simultaneously, we have nurtured a pool of professionals, particularly in the fields of mine geology, surveying, production planning, equipment management, and safety and environmental protection.

Our Controlling shareholder, Shandong Gold Mining, is one of China’s foremost gold producers. With rich gold resources, Shandong Gold Mining has comprehensively advanced its technological innovation by optimizing production processes, expanding resource exploration, and actively pursuing mergers and acquisitions. These efforts have led to a consistent increase in both the quantity and output of its gold resources. We believe that Shandong Gold Mining’s industry-leading technical capabilities, extensive project experience, and a rigorous, standardized management system will create synergies that enhance our ability to upgrade technical capacity, discover more resources, and improve operational efficiency.

DEVELOPMENT STRATEGIES

We plan to implement the following business strategies:

We will continue to expand our resources and reserves through exploration to strengthen our resource security.

We plan to continue expanding our resources and reserves through ongoing exploration activities in order to strengthen resource security and support the sustainable development of our mining operations. Our strategy focuses on exploration in and around existing mining areas, deepening exploration at operating mines and consolidating surrounding resources, with the objective of extending mine life and increasing resource and reserve volumes.

At Qinghai Dachaidan Mining, we plan to continue exploration in the areas covered by our existing mining licenses, with a focus on depth and strike extensions of known ore bodies, and to advance exploration in surrounding areas with a view to supporting long-term production growth. We intend to accelerate the development of the Qinglonggou Gold Mine and advance it toward large-scale production. At Jilin Banmiaozi Mining, we plan to continue near-mine and deep exploration activities to support the continuity of existing production and enhance long-term development potential. We also intend to advance exploration work under the prospecting permit at Nancha Village, Guosong Town, Tonghua County, Jilin Province, which covers an area of 15.1 km², with the objective of identifying additional mineral resources. At the gold mine operated by Heihe Luoke Mining, we plan to continue exploration in surrounding areas and at depth under its existing exploration permit, which covers an area of 18.7 km². In 2026, we plan to conduct approximately 18,080 meters of drilling, 150 meters of tunnel prospecting and invest approximately RMB19.2 million in mineral exploration.

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We also intend to pursue acquisitions of high-quality projects in surrounding areas to further strengthen resource reserves and extend the mine’s operational life. At Mangshi Huasheng Mining, as production resumes, we plan to intensify exploration activities alongside production operations and further delineate resources, while continuing to consolidate surrounding mining rights, with the objective of enhancing resource certainty and supporting sustained output. At Yulong Mining, we plan to continue exploration activities targeting deeper sections of the mining area, with a focus on identifying additional ore bodies and expanding existing resources. In addition, through Osino Mining, we plan to advance exploration activities across its exploration permits in Namibia, which cover a combined area of 5,087.5 km² as of the Latest Practicable Date, with the objective of delineating new resources and supporting long-term growth.

We will accelerate our pace in acquiring premium resources, in China and abroad, to strengthen our global strategic position.

We plan to accelerate the acquisition of high-quality mining assets in China and overseas to strengthen our resource base and support our long-term growth strategy. Our acquisition strategy focuses on identifying projects with attractive exploration potential and reserve growth prospects, with priority given to assets located near our existing operations where operational and resource synergies may be achieved. Overseas markets are expected to remain an important component of our future growth. We plan to continue evaluating acquisition opportunities in major metallogenic belts globally and to pursue overseas projects that meet our investment criteria, with a focus on disciplined execution and post-acquisition integration. When evaluating potential merger and acquisition targets, we intend to focus on the following criteria:

- **Production and resources:** Assets with annual gold production of approximately 2.0t (64.3 koz) to 5.0t (163.7 koz) and gold resources exceeding 30.0t (964.5 koz).
- **Asset location:** Projects located within major gold mineralization belts in China and overseas, with a focus on regions with relatively stable political and economic conditions, including Southern and Western Africa, Central Asia, and Southeast Asia, as well as northeastern and southwestern China.
- **Project stage:** Projects that are in production, under construction, or at the pre-construction stage, with exploration-stage and feasibility-stage projects considered on a selective and complementary basis.

We will continue to pursue technological updates and optimize our operational efficiency to boost our profitability.

We plan to continue upgrading our technologies and optimizing operational efficiency with the objective of improving profitability. Our future initiatives will focus on enhancing production efficiency, optimizing capital expenditure, strengthening cost management and refining organizational structures. We plan to introduce and apply emerging technologies, including digitalization, automation and intelligent systems, to upgrade production facilities and support more efficient resource utilization. We also intend to implement more data-driven and standardized management practices across our production and operational activities.

At the headquarters level, we plan to further strengthen centralized strategic planning and optimize the allocation of key resources, including capital, human resources and technology. We intend to enhance oversight of subsidiary operations, review and approve major investments and budgets, and improve coordination and execution across our Group. At the mining operations level, we plan to continue optimizing mine production scheduling to enhance safety and production stability. We intend to advance technological upgrades to mining and mineral processing equipment, improve production processes and strengthen refined operational management with a view to reducing operating costs. We plan to increase investment in technological innovation and further promote automation and intelligent solutions. We also intend to advance the development of digital mines by implementing three-dimensional mine modeling and related digital tools to support integrated data management across geological, surveying and mining functions and to enhance operational planning and execution.

We will further increase our R&D investment to drive continuous technological innovation.

We plan to continue increasing our investment in research and development to support technological innovation in our mining and processing operations. Our future R&D efforts will focus on improving production safety, optimizing production processes, enhancing technical standards, and supporting cost control and operational efficiency.

We intend to prioritize the development and application of technologies relating to geological exploration, mining and mineral processing, with a focus on intelligent and green mining solutions. We also plan to strengthen the protection and management of intellectual property, increase patent filings, and enhance systems for managing R&D outcomes. In addition, we plan to continue collaborating with research institutions and universities to promote the application of technological research to industrial operations.

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In 2025, we undertook 32 new major technical R&D projects. Building on these initiatives, our planned R&D activities include the following:

- At Qinghai Dachaidan Mining, we plan to conduct further mineralization and geological research in the Tanjianshan region to refine geological evolution and deposit genesis models, with the objective of supporting the identification of metallogenic target zones and guiding future resource expansion.
- At Jilin Banmiaozi Mining, we plan to collaborate with the University of Science and Technology Beijing on research relating to deep-level mining technologies. These studies will focus on rock mechanics stability analysis, numerical modeling and in-situ testing, with the aim of optimizing stope design parameters, improving recovery rates and reducing mining dilution.
- At the flotation plant of Qinghai Dachaidan Mining, we plan to collaborate with BGIMMY Technology Group on research into the thermal pressure acid leaching pretreatment of refractory roaster slag, with the objective of improving flotation concentrate recovery rates for high-carbon and high-arsenic gold concentrates.
- At Heihe Luoke Mining, we plan to conduct research on mineral processing technologies to improve the recovery of gold and silver from silver-bearing gold ore. Our planned initiatives include improving desorption and electrolysis efficiency and exploring alternative cyanide removal methods to reduce reagent consumption and cyanide treatment costs.
- For low-grade metals in tailings, we plan to conduct R&D on mineral processing and grinding process optimization, as well as technologies for the efficient extraction of metals from cyanide tailings, with the objective of increasing metal recovery and reducing production costs.

We will continue our efforts to attract and retain mining talent to build a high-caliber, professional, and global team.

Given the unique characteristics of the mining industry, skilled mining professionals remain in short supply, with intense competition for talent among the world’s leading gold producers. Embracing the core belief that “talent is the cornerstone of corporate development”, we actively attract talents through a robust training system and innovative incentive programs tailored to support our Company’s development. For our overseas projects, we prioritize local expertise while continuously seeking outstanding talent across the globe.

Our Company is committed to retaining our top talent by cultivating a multicultural and inclusive workplace, providing clear career development and promotion pathways, and delivering comprehensive employee care. This approach has enabled us to successfully retain the core technical personnel from international mining companies, further strengthening our high-quality, professional, and global team.

We will continue to enhance our ESG Governance and align our ESG practices with international standards.

We plan to further enhance our ESG governance framework and align our ESG practices with internationally recognized standards applicable to the mining industry. Our future ESG initiatives will focus on strengthening governance structures, improving environmental and safety management, enhancing stakeholder engagement and supporting long-term sustainability across our operations. We plan to adopt ESG governance standards commonly applied in the international mining sector and to develop ESG strategies aligned with the United Nations Sustainable Development Goals. We intend to establish a centralized ESG management system to provide unified oversight across our mining operations, enhance ESG disclosure practices and engage third-party auditors to support international certification and ongoing ESG performance improvement.

We plan to advance automation and intelligent control systems across mining and production processes to support operational safety. We intend to continue optimizing occupational health and safety management and enhancing employee risk awareness through ongoing training and drills.

We plan to further strengthen corporate governance by increasing the representation of independent and female directors on the Board and enhancing coordination among governance bodies. We also intend to strengthen internal controls and compliance systems, including measures relating to anti-corruption, supply chain oversight, related-party transactions, whistleblowing mechanisms and ethical compliance reviews.

We plan to explore clean energy alternatives to reduce reliance on fossil fuels and support long-term carbon reduction objectives. Our measures are expected to include increasing renewable energy use, phasing out energy-intensive equipment, promoting energy-efficient equipment and applying digital mining technologies to optimize mining activities and reduce energy consumption and associated emissions.

We plan to continue optimizing water recycling systems, strengthening tailings management and environmental monitoring, developing biodiversity protection policies and advancing land reclamation throughout the lifecycle of our mines.

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We plan to further enhance stakeholder engagement through regular communication with local communities and indigenous groups, promote local employment and workforce protection, continue community development investments around our mining operations and conduct regular community impact assessments.

OUR BUSINESS OPERATIONS

We are one of the leading gold producers in China, principally engaged in the exploration, mining, and processing of gold and other non-ferrous metals such as silver, lead, and zinc, as well as metal trading operations

Our Group’s mining operations and trading operations are distinct in both their product offerings and their roles within the overall business model, yet they are strategically interrelated. Our mining operations are primarily focused on the extraction and processing of gold and non-ferrous metals such as lead, zinc, and silver from our own mines. The products from these activities — such as gold doré lead and zinc concentrates, and silver as a by-product — are mainly supplied directly to downstream smelters and refineries. In contrast, our trading operations are conducted through subsidiaries including Shanghai Shenghong, Hainan Shengwei, Ningbo Yongsheng, and YTSH Singapore. These entities act as trading service providers, sourcing and selling precious and non-ferrous metals — such as gold, silver, copper, zinc, tin, and aluminium (which overlaps with some of our products from our mining operations) — on the open market.

Whilst all gold produced by our mines is sold through our trading subsidiaries to downstream smelters, ensuring a unified and standardised sales process, our trading operation itself is not supplied by our own mines. Our trading operation is based on external procurement and does not involve the supply of products from our own mines. For example, copper trading is entirely reliant on external sources, and silver trading is conducted independently of our mining output, with purchases made from large refineries. The revenue from trading operations is therefore recognised separately from that of the mining segment.

Despite this operational separation, there are important interrelationships between the two segments. Our trading business supports the mining segment by providing risk management through the use of financial derivatives, such as futures and options, to hedge price risks and stabilise overall profitability. Trading activities also generate valuable market intelligence and industry insights, which inform our Group’s strategic planning and mergers and acquisitions. Furthermore, the trading segment helps to expand upstream and downstream channels, accumulating industry resources that benefit the long-term development and resource acquisition of our mining operations. While there can be overlap in customers and suppliers — particularly among large domestic smelters and refineries — our Group maintains strict internal controls to ensure that, for the same batch of products, a counterparty cannot simultaneously be both a customer and a supplier. All gold produced by our mines is sold through our trading subsidiaries to downstream smelters, ensuring a unified and standardised sales process, but the trading business itself is not supplied by our own mines. In summary, our mining and trading operations are clearly distinguished by their product sources and revenue streams, but they work together to enhance our Group’s risk management, market reach, and industry intelligence.

The following table illustrates the key differences and features of these two modes of operations:

Business operations	Mining operations	Trading operations
Product Source.	Own mines (gold, lead, zinc, silver, but our gold will be sold through our trading subsidiaries to unify sales standards.)	External market (gold, silver, copper, tin, etc.)
Revenue Recognition	Mining revenue	Trading revenue
Main Customers	Smelters, refineries	Market participants, industrial users, refineries
Interrelationship.	Unified sales	Provides risk management, market intelligence, and channel expansion for mining segment

BUSINESS

The following table sets forth our revenue by the type of operations for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue from mining operations						
— Gold products	3,299,224	40.8	4,423,187	32.6	5,504,690	32.2
— Silver products	897,490	11.1	987,514	7.3	1,160,469	6.8
— Other non-ferrous metal products	359,419	4.4	442,202	3.2	446,378	2.6
Sub-total	4,556,133	56.3	5,852,903	43.1	7,111,537	41.6
Revenue from trading operations						
— Gold products	—	—	61,737	0.5	—	—
— Silver products	547,603	6.8	1,118,951	8.2	2,827,807	16.5
— Other non-ferrous metal products	2,991,101	36.9	6,546,838	48.2	7,150,754	41.9
Sub-total	3,538,704	43.7	7,727,526	56.9	9,978,561	58.4
Total revenue	8,094,837	100.0	13,580,429	100.0	17,090,098	100.0

Revenue by Business

The revenue from our mining business increased from RMB4,556.1 million in 2023 to RMB5,852.9 million in 2024 and further increased to RMB7,111.5 million in 2025 because of higher sales volume and favorable prices of gold and other non-ferrous metal products. The revenue from our trading business increased from RMB3,538.7 million in 2023 to RMB7,727.5 million in 2024 and further increased to RMB9,978.6 million in 2025 because of increased trading volume and higher prices of the silver products and other non-ferrous metal products traded.

Revenue by Products

The revenue from gold products in mining operations increased from RMB3,299.2 million in 2023 to RMB4,423.2 million in 2024 and further increased to RMB5,504.7 million in 2025 because of increase in selling price of gold. The revenue from silver products in mining operations increased from RMB897.5 million in 2023 to RMB987.5 million in 2024 and further increased to RMB1,160.5 million in 2025 because of increase in the selling price of silver. The revenue from other non-ferrous metal products in mining operations increased from RMB359.4 million in 2023 to RMB442.2 million in 2024 and further increased to RMB446.4 million in 2025 because of (i) increase in sales volume of zinc; and (ii) increase in average selling price of lead.

As of December 31, 2025, we had three gold mines in operation in China. We also had one gold mine pending resumption of operation in China, one gold mine under construction in Namibia, and one silver-lead-zinc-polymetallic mine in operation in China.

The following table sets forth a summary of our operations:

Subsidiary	Location	Percentage of Ownership	Main products	Name of mine that is in operation, in terms of production, as of December 31, 2025	Mineral production for the year ended December 31, 2025	No. of mining licenses as of the Latest Practicable Date	No. of exploration permits as of the Latest Practicable Date	Mining method adopted as of December 31, 2025	Life of mine
Qinghai Dachaidan Mining	China	90.00%	Gold	Qinglonggou Gold Mine	3.1t (100.5 koz) of gold	2 (with a combined mining rights area of 9.1 km ²)	5 (with a combined mining rights area of 101.3 km ²)	Underground mining	2036
Jilin Banmiaozi Mining	China	95.00% ⁽²⁾	Gold	Banmiaozi Gold Mine	2.2t (71.1 koz) of gold	1 (with a mining rights area of 2.1 km ²)	2 (with a combined mining rights area of 21.0 km ²)	Underground mining	2029
Heihe Luoke Mining	China	100.00%	Gold and silver	Dong'an Gold Mine	2.3t (72.7 koz) of gold and 17.2t (554.1 koz) of silver	1 (with a mining rights area of 0.1 km ²)	1 (with a mining rights area of 18.7 km ²) ⁽¹⁾	Underground mining	2030

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Subsidiary	Location	Percentage of Ownership	Main products	Name of mine that is in operation, in terms of production, as of December 31, 2025	Mineral production for the year ended December 31, 2025	No. of mining licenses as of the Latest Practicable Date	No. of exploration permits as of the Latest Practicable Date	Mining method adopted as of December 31, 2025	Life of mine
Mangshi Huasheng Mining . . .	China	60.00% ⁽³⁾	Gold	—	—	1 (with a mining rights area of 0.6 km ²)	2 (with a combined mining rights area of 56.0 km ²)	—	2038
Osino Mining	Namibia	100.00%	Gold	—	—	1 (with a mining rights area of 62.1 km ²)	16 (with a combined mining rights area of 5,087.5 km ²) ⁽⁴⁾	—	2040
Yulong Mining	China	76.67%	Silver, lead, zinc and copper	Hua’aobaote Mine	146.0t (4,693.0 koz) of silver, 11,146.0t of lead and 21,169.3t of zinc	3 (with a combined mining rights area of 6.2 km ²)	6 (with a combined mining rights area of 39.4 km ²)	Underground mining	2046

Notes:

- (1) As of the Latest Practicable Date, one PRC exploration permit owned by us in Heihe Luoke, is under the renewal process. However, as advised by our PRC Legal Adviser, there is no legal impediment for the renewal process for our expiring permit. See “— Licenses and Permits — Mining license and exploration permits in the PRC.”
- (2) One of exploration permits is held by Jilin Jincheng Shengxin Mining Co., Ltd. (the “**Jilin Shengxin**”) but currently under the management of Jilin Banmiaozhi Mining.
- (3) One of exploration permits is held by Yunnan West Mining Co., Ltd. (the “**West Mining**”) but currently under the management of Mangshi Huasheng Mining.
- (4) As of the Latest Practicable Date, four previously expiring licenses, EPL7370, EPL7403, EPL8156 and EPL8157, have been successfully renewed and issued as new licenses. All other EPLs, EPL3739, EPL5282, EPL6167 and EPL8158 that had expired or were approaching expiry were renewed in accordance with regulatory requirements before their expiry dates. According to the Namibian mineral rights law, once a renewal application is lodged prior to the expiry date, the EPL remains legally valid throughout the approval process, with no interruption of tenure. As advised by our Namibian Legal Adviser, there is no legal impediment for the renewal process for our expiring permits. See “— Licenses and Permits — Mining license and exploration permits in Namibia.”

Our main products include gold doré, lead concentrate powder (containing silver), and zinc concentrate powder (containing silver). Our products are primarily sold to downstream smelters.

During the Track Record Period, our total gold production volume amounted to 7.0t (225.5 koz), 8.0t (258.4 koz), and 7.6t (245.5 koz) in the year ended December 31, 2023, 2024, and 2025, respectively.

Resources and reserves

Independent Report

We engaged BAW Mineral Partners Ltd., an Independent Third Party and an international consulting company that offers advice and solutions to resource industries for mining projects, as the Independent Technical Consultant, to prepare the Competent Persons’ Report as set out in Appendix III to this document, which is an independent assessment and evaluation of our resources and reserves as of December 31, 2025.

The information set forth below relating to our resources and reserves constitutes forward-looking information, which is subject to certain risks and uncertainties. Please see the sections headed “Risk Factors” and “Forward-Looking Statements” in this document for details.

According to the Competent Persons, there was no material change in the Competent Persons’ Report or our resources and reserves since December 31, 2025, being the effective date of the Competent Persons’ Report, and up to the date of this document.

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Resources

The following table, which is based on the Competent Persons’ Report in accordance with the JORC Code, sets forth the information of our gold resources as of December 31, 2025:

Subsidiaries	Percentage of ownership (%)	Category	Tonnage (kt)	Au grade (g/t)	Metal contained (Au) (t)	Metal contained (Au) (koz)
Qinghai Dachaidan Mining	90.00%	Measured	5,110	3.57	18.2	586.1
		Indicated	10,673	4.51	48.1	1,546.1
		Inferred	3,697	4.88	18.0	580.0
		Total	19,480	4.33	84.4	2,712.2
Jilin Banmiaozi Mining	95.00% ⁽¹⁾	Measured	4,990	3.46	17.3	555.4
		Indicated	922	2.82	2.6	83.6
		Inferred	625	2.32	1.5	46.6
		Total	6,537	3.26	21.3	685.6
Heihe Luoke Mining	100.00%	Measured	2,114	4.86	10.3	330.6
		Indicated	469	4.67	2.2	70.4
		Inferred	447	2.95	1.3	42.4
		Total	3,030	4.55	13.8	443.4
Mangshi Huasheng Mining	60.00%	Measured	5,123	2.09	10.7	345.0
		Indicated	11,019	1.54	17.0	546.2
		Inferred	567	1.36	0.8	24.8
		Total	16,709	1.71	28.5	916.0
Osino Mining	100.00%	Measured	706	1.47	1.0	33.4
		Indicated	83,643	1.08	90.4	2,906.7
		Inferred	38,221	1.04	39.8	1,278.6
		Total	122,570	1.07	131.2	4,218.8
Yulong Mining	76.67%	Measured	—	—	—	—
		Indicated	—	—	—	—
		Inferred	901	1.95	1.8	56.3
		Total	901	1.95	1.8	56.3
Total consolidated ⁽²⁾		Measured	18,044	3.19	57.6	1,850.4
		Indicated	106,726	1.50	160.3	5,153.1
		Inferred	44,458	1.42	63.1	2,028.7
		Total	169,227	1.66	280.9	9,032.3
Total attributable ⁽²⁾		Measured	15,234	3.32	50.6	1,626.1
		Indicated	101,205	1.47	148.5	4,775.8
		Inferred	43,620	1.39	60.5	1,945.4
		Total	160,058	1.62	259.6	8,347.3

Notes:

- One exploration permit owned by Jilin Shengxin is under the management of Jilin Banmiaozi Mining, and we hold 85% of equity in Jilin Shengxin.
- “Total consolidated” information is calculated based on 100% of the equity interest for each asset held by our Company. On the other hand, “total attributable” information is calculated based on the percentage of the equity interest for each asset held by our Company.

BUSINESS

The following table, which is based on the Competent Persons’ Report in accordance with the JORC Code, sets forth the information of our other non-ferrous metal resources conducted at Heihe Luoke Mining and Yulong Mining, as of December 31, 2025:

					Metal contained	Metal contained		Metal contained		Metal contained		Metal contained
Subsidiary	Percentage of ownership	Category	Tonnage	Ag grade	(Ag)	(Ag)	Pb grade	(Pb)	Zn grade	(Zn)	Cu grade	(Cu)
	(%)		(mt)	(g/t)	(t)	(koz)	(%)	(t)	(%)	(t)	(%)	(t)
Heihe Luoke Mining	100.00%	Measured	2.1	64.67	136.7	4,395.8	—	—	—	—	—	—
		Indicated	0.5	29.36	13.8	442.7	—	—	—	—	—	—
		Inferred	0.5	22.55	10.1	324.1	—	—	—	—	—	—
		Total	3.0	52.99	160.6	5,162.6	—	—	—	—	—	—
Yulong Mining . . .	76.67%	Measured	11.1	152.59	1,639.1	54,435.5	1.15	127,672.0	1.90	210,336.7	0.07	8,135.6
		Indicated	32.9	96.93	3,193.6	102,675.5	0.79	260,038.9	1.66	545,299.4	0.17	55,137.4
		Inferred	29.6	100.37	2,974.1	95,620.0	0.84	248,698.9	1.64	485,630.1	0.25	74,521.2
		Total	73.7	106.70	7,860.8	252,731.0	0.86	636,409.9	1.68	1,241,266.2	0.19	137,794.2
Total consolidated ⁽¹⁾		Measured	13.2	138.52	1,829.9	58,831.3	1.15	127,672.0	1.90	210,336.7	0.07	8,135.6
		Indicated	33.4	95.98	3,207.3	103,118.2	0.79	260,038.9	1.66	545,299.4	0.17	55,137.4
		Inferred	30.1	99.22	2,984.2	95,944.1	0.84	248,698.9	1.64	485,630.1	0.25	74,521.2
		Total	76.7	104.58	8,021.4	257,893.2	0.86	636,409.9	1.68	1,241,266.2	0.19	137,794.2
Total attributable ⁽¹⁾		Measured	10.6	135.09	1,434.9	46,131.5	1.15	97,886.1	1.90	161,265.1	0.07	6,237.5
		Indicated	25.7	95.70	2,462.3	79,164.0	0.79	199,371.8	1.66	418,081.1	0.17	42,273.9
		Inferred	23.2	98.87	2,290.3	73,636.0	0.84	190,677.5	1.64	372,332.6	0.25	57,135.4
		Total	59.5	103.96	6,187.5	198,931.5	0.86	487,935.4	1.68	951,678.8	0.19	105,646.8

Note:

1. “Total consolidated” information is calculated based on 100% of the equity interest for each asset held by our Company. On the other hand, “total attributable” information is calculated based on the percentage of the equity interest for each asset held by our Company.

Reserves

The following table, which is based on the Competent Persons’ Report in accordance with the JORC Code, sets forth the information of our gold reserves as of December 31, 2025:

Subsidiaries	Percentage of ownership (%)	Category	Tonnage (kt)	Au Grade (g/t)	Metal contained (Au) (t)	Metal contained (Au) (koz)
Qinghai Dachaidan Mining	90.00%	Proved	3,693	3.53	13.0	419.3
		Probable	5,771	5.03	29.0	933.9
		Total	9,464	4.45	42.1	1,353.3
Jilin Banmiaozi Mining	95.00% ⁽¹⁾	Proved	2,721	3.15	8.6	276.0
		Probable	362	2.96	1.1	34.4
		Total	3,083	3.13	9.7	310.5
Heihe Luoke Mining .	100.00%	Proved	338	2.15	0.7	23.5
		Probable	1,403	3.88	5.4	174.8
		Total	1,741	3.54	6.2	198.3
Mangshi Huasheng Mining	60.00%	Proved	—	—	—	—
		Probable	13,274	1.84	24.4	783.2
		Total	13,274	1.84	24.4	783.2

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Subsidiaries	Percentage of ownership (%)	Category	Tonnage (kt)	Au Grade (g/t)	Metal contained (Au) (t)	Metal contained (Au) (koz)
Osino Mining	100.00%	Proved	704	1.29	0.9	28.9
		Probable	65,016	1.02	66.3	2,131.6
		Total	65,720	1.02	67.2	2,160.5
Total consolidated⁽²⁾ . .		Proved	7,456	3.12	23.3	747.8
		Probable	85,826	1.47	126.2	4,058.1
		Total	93,282	1.60	149.5	4,805.8
Total attributable⁽²⁾ . .		Proved	6,951	3.10	21.5	692.0
		Probable	79,921	1.42	113.5	3,649.7
		Total	86,872	1.55	135.0	4,341.7

Notes:

- One exploration permit owned by Jilin Shengxin is under the management of Jilin Banmiaozi Mining, and we hold 85% of equity in Jilin Shengxin.
- “Total consolidated” information is calculated based on 100% of the equity interest for each asset held by our Company. On the other hand, “total attributable” information is calculated based on the percentage of the equity interest for each asset held by our Company.

The following table, which is based on the Competent Person’s Report in accordance with the JORC Code, sets forth the information of our other non-ferrous metal reserves conducted at Heihe Luohe Mining and Yulong Mining, as of December 31, 2025:

Subsidiaries	Percentage of ownership (%)	Category	Ore kt	Ag grade (g/t)	Metal contained (Ag) (t)	Metal contained (Ag) (koz)	Pb grade (%)	Metal contained (Pb) (t)	Zn grade (%)	Metal contained (Zn) (t)	Cu grade (%)	Metal contained (Cu) (t)
Heihe Luohe Mining	100.00%	Proved	338	93.54	31.6	1,017.2	—	—	—	—	—	—
		Probable	1,403	41.79	58.6	1,884.4	—	—	—	—	—	—
		Total	1,741	51.85	90.2	2,901.6	—	—	—	—	—	—
Yulong Mining . . .	76.67%	Proved	8,074	123.34	995.8	31,017.2	1.02	82,506.2	1.63	131,489.8	0.03	2,151.0
		Probable	18,885	90.32	1,705.6	54,837.5	0.71	134,419.3	1.51	286,076.3	0.16	30,363.1
		Total	26,959	100.21	2,701.5	86,854.7	0.80	216,925.5	1.55	417,566.1	0.12	32,514.1
Total consolidated⁽¹⁾ . .		Proved	8,412	122.14	1,027.5	33,034.5	1.02	82,506.2	1.63	131,489.8	0.03	2,151.0
		Probable	20,288	86.96	1,764.2	56,721.8	0.71	134,419.3	1.51	286,076.3	0.16	30,363.1
		Total	28,700	97.27	2,791.7	89,756.3	0.80	216,925.5	1.55	417,566.1	0.12	32,514.1
Total attributable⁽¹⁾ . .		Proved	6,528	121.80	795.2	25,564.9	1.02	63,257.5	1.63	100,813.3	0.03	1,649.2
		Probable	15,882	86.03	1,366.3	43,928.2	0.71	103,059.2	1.51	219,334.7	0.06	23,279.4
		Total	22,410	96.45	2,161.5	69,493.1	0.80	166,316.7	1.55	320,147.9	0.12	24,928.6

Notes:

- “Total consolidated” information is calculated based on 100% of the equity interest for each asset held by our Company. On the other hand, “total attributable” information is calculated based on the percentage of the equity interest for each asset held by our Company.

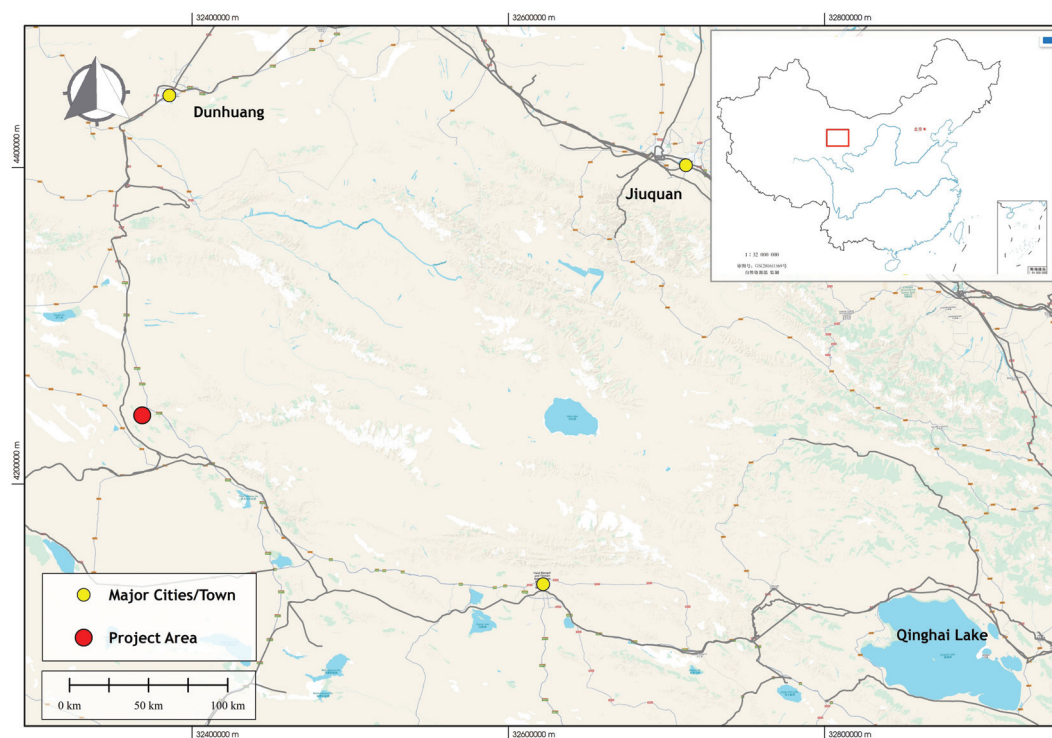
Qinghai Dachaidan Mining

Qinghai Dachaidan Mining, located in Qinghai Province, owns a large modern mine. Qinghai Dachaidan Mining engaged in underground mining at the site. The mining site is situated within the Tanjianshan Precious and Non-ferrous Metals Metallogenic District, a region renowned for its exceptional mineralisation conditions and thick ore bodies, which provide a favourable geological condition for extensive gold extraction. As of the

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Latest Practicable Date, Qinghai Dachaidan Mining held two valid mining licenses with a combined mining rights area of 9.1 km² and five valid exploration permits with a combined mining rights area of 101.3 km². The primary product of Qinghai Dachaidan Mining is gold doré.

The following map sets forth selected geographical information in relation to Qinghai Dachaidan Mining:



Qinghai Dachaidan Mining employs a segmented caving continuous backfill method, which was recognized with a Science and Technology Achievement Award by the Qinghai Provincial Department of Science and Technology. This method enhances safety and operational efficiency by stabilising mined-out areas and reducing environmental impact. Additionally, Qinghai Dachaidan Mining utilises BMT technology to precisely control the movement of blasted material. This technology is integrated with refined management across the entire mining workflow, effectively minimising ore loss and dilution. Qinghai Dachaidan Mining has also implemented advanced metallurgical techniques to enhance recovery, including pre-oxidation treatment processes and oxidative roasting. These methods are particularly effective in treating refractory ores, placing Qinghai Dachaidan Mining at the forefront of domestic practices in the People’s Republic of China. Qinghai Dachaidan Mining has also distinguished itself through its adoption of innovative mining technologies.

Qinghai Dachaidan Mining has demonstrated consistent growth in its gold production over recent years. In the years ended December 31, 2023, 2024, and 2025, Qinghai Dachaidan Mining processed 841.7 kt, 929.4 kt, and 975.9 kt of ore, respectively. These efforts resulted in gold production of 3.1t (98.1 koz), 3.5t (112.7 koz), and 3.1t (100.5 koz), respectively. During the same periods, the gold recovery rate of the Qinghai Dachaidan Mining was 90.6%, 93.4%, and 94.4%, respectively.

BUSINESS

The following timeline illustrates key historical and planned milestones in the development of this mine:

Year	Milestone
2006	Mining license for Tanjianshan’s open-pit mining section was issued by the Ministry of Land and Resources
2007	Mine commenced operations
2018	Became a subsidiary of our Company
2019	Resumed operations and production, after a brief suspension upon becoming a subsidiary of our Company, for the purposes of infrastructure improvements for (i) the replacement of the mill cylinder, during which personnel safety and equipment safety were ensured, while works including sludge removal, dust cleaning and decontamination in the plant area were carried out to guarantee the smooth start-up of subsequent operations; and (ii) the standardized lighting project for the concentrator
2025–2029	Plan to construct two 1,300 m shafts for deep resource exploration

As of December 31, 2025, Qinghai Dachaidan Mining has undergone extensive verification and assessment, particularly below the elevation of 3,300 m level. Upon completion of the underground mine by 2029, annual gold production will increase significantly. These projections are supported by recent exploration results, including multiple drill holes that intersected high-grade, thick ore bodies. Notable findings indicate substantial exploration potential, which is conducive to resources expansion and the mine’s high quality development.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Qinghai Dachaidan Mining and the relevant measures that will be taken and the expected time frame.

CPR Key Recommendations	Measures and time frame
Additional drilling to be carried out to enhance confidence in mineralization continuity, particularly in the peripheral and deeper extensions of both the Qinglonggou and Tanjianshan areas. The infill and step-out drilling should focus on validating the mineralization geometry, grade distribution, and continuity in deeper and lateral zones to support future resource upgrades and conversion to Ore Reserves.	Over the next 2–3 years, a systematic infill and verification drilling program will be implemented: Conduct close-spaced drilling in peripheral zones and complete initial sample assays. Execute deep extension drilling, integrate geological, geochemical, and geophysical data, and update the 3D mineralization model. Incorporate validated results into resource and reserve updates, providing a solid foundation for mine planning and extraction.
Further metallurgical testwork be conducted to better characterize ore variability and metallurgical behavior, and to support differentiation between potential ore types within the geological model. The testwork should include samples from various lithologies, oxidation zones, and deep sulphide zones to identify metallurgical responses across ore domains.	Over the next 1–2 years, a staged metallurgical testwork and data integration program will be implemented: Collect representative samples and define the key ore types and test design. Conduct laboratory metallurgical tests (including flotation, leaching, and grindability studies) to establish metallurgical parameters for each ore domain. Integrate metallurgical data into the geological and resource models to refine processing assumptions and support future plant design and economic analysis.
Establish an integrated slope stability and hydro-monitoring system, including groundwater level, seepage flow, and surface drainage capacity. Conduct rock-mechanical and hydro-stability assessments for highwall sections to ensure pit stability under extreme weather conditions.	We will install a network of surface drainage channels, seepage observation points, and automated groundwater monitoring wells linked to a central data platform. Regular geotechnical testing of rock strength, pore pressure, and slope displacement will be conducted, with targeted reinforcement or dewatering actions implemented as required. We will develop an integrated hydro-meteorological model to predict the impact of extreme rainfall on pit stability and establish an emergency dewatering protocol.

BUSINESS

CPR Key Recommendations

Measures and time frame

Conduct systematic metallurgical variability testing for oxide, transition, and primary ores to assess technical and economic feasibility of roasting-cyanidation, flotation, and blended processing routes. Establish correlation between laboratory metallurgical parameters and plant performance to guide process optimization and energy efficiency.

We will conduct laboratory and pilot-scale metallurgical testing across different ore assemblages to determine leach recoveries, grindability, and metallurgical response. We will build regression models linking ore characteristics to plant performance to support adaptive process optimization. An energy and reagent consumption monitoring system will be introduced at the processing plant to progressively improve efficiency and sustainability.

Enhance mine safety and occupational health management by introducing slope deformation and blast vibration monitoring systems, strengthening on-site training and emergency preparedness, and establishing risk-based health surveillance protocols.

We will deploy real-time displacement and vibration monitoring sensors in critical slope and blasting areas, supported by automated alarm protocols. An annual safety training and tiered emergency drill schedule will be developed to ensure full operational readiness. Occupational health monitoring programs will be implemented to assess dust, noise, and gas exposure levels, maintaining individual health records and enhancing protective measures.

Given that the underground mining operation at the Dachaidan Property requires massive drift development, CAPEX budgeting should be an ongoing practice till the end of LOM.

Over the next 1–2 years, we shall implement a Continuous CAPEX Review Cycle: Establish a structured quarterly and annual CAPEX budgeting process integrated into the mine planning and operations review cycle. This includes regularly updating cost projections based on drift development progress, market conditions, and engineering design changes to ensure capital forecasts remain accurate throughout the life of mine (LOM).

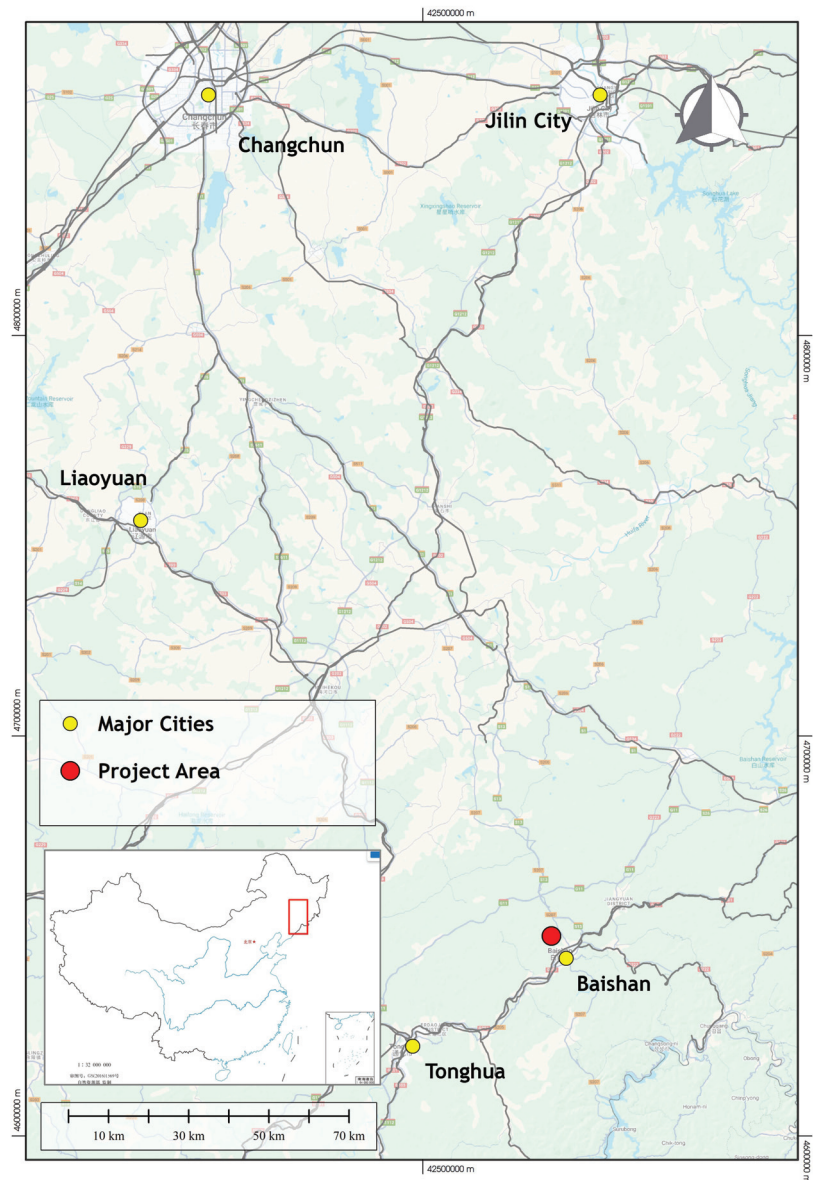
Develop a Dynamic Cost Tracking and Forecasting System: Deploy a digital financial tracking platform that links actual spending with development milestones, enabling scenario modeling and variance analysis. Mine planners and finance teams shall use this system for real-time adjustments, ensuring proactive budget management and timely reallocation of funds as project conditions evolve.

Jilin Banmiaozi Mining

Jilin Banmiaozi Mining is located in Baishan City, Jilin Province and situated within the Laoling Metallogenic Belt of the Southern Jilin Mineral District, a region distinguished by its exceptional gold resources. As of the Latest Practicable Date, Jilin Banmiaozi Mining engaged in underground mining and held one mining license with a mining rights area of 2.1 km² and two exploration permits with a combined mining rights area of 21.0 km². The principal product of Jilin Banmiaozi Mining is gold doré.

BUSINESS

The following map sets forth selected geographical information in relation to Jilin Banmiaozi Mining:



The mine has adopted advanced domestic production management techniques to establish a highly integrated production system, and is recognized for its sophisticated operational and management practices. The mine has successfully implemented medium- to deep-hole single-pass shaft sinking technology, a method that enhances efficiency and safety. Additionally, Jilin Banmiaozi Mining has introduced pre-oxidation treatment processes, which have significantly improved recovery rates and delivered substantial economic benefits.

In the years ended December 31, 2023, 2024 and 2025, Jilin Banmiaozi Mining processed 707.6 kt, 849.3 kt, and 819.3 kt of ore, respectively. These efforts yielded a gold production of 1.8t (58.0 koz), 2.3t (74.7 koz), and 2.2t (71.1 koz), respectively. For the same periods, the gold recovery rate of the Jilin Banmiaozi Mining was 86.0%, 89.1% and 89.5%, respectively. These figures reflect a increase in both processing volume and gold output, underscoring the operational efficiency and resource development strategy of Jilin Banmiaozi Mining.

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The following timeline illustrates key milestones in the development of this mine:

Year	Milestone
2008	Obtained the mining license with construction officially commenced
2019	Increased annual production capacity from 660,000t to 800,000t.
2025	Obtained permit to extend mining rights to deeper section with construction commenced

Exploration activities at Jilin Banmiaozi Mining are currently focused on the Jinying mining license and the Nancha Village gold mine project. It follows the principles of “exploration near existing ore bodies” and “deepening exploration” within the scope of the mining rights, which support the mine to achieve reserves expansion through exploration and sustain long-term production, providing sufficient resources base for the mine’s development. Nancha Village gold mine project is intensifying verification of anomalies in key target areas to achieve a breakthrough in mineral exploration as soon as possible. Meanwhile, the mine is actively advancing the conversion of its exploration right at Banshigou into a mining right, with an aim to provide additional reserves for future production.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Jilin Banmiaozi Mining and the relevant measures that will be taken and the expected time frame.

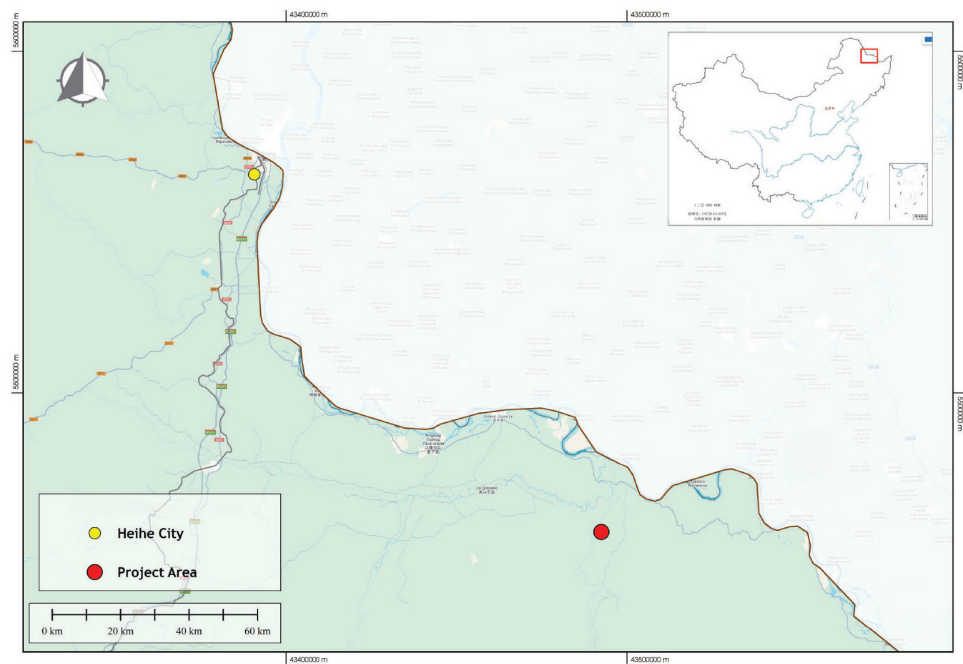
CPR Key Recommendations	Measures and time frame
Conduct additional drilling on minor mineralized holes adjacent to the main lodes to better delineate mineral continuity and incorporate results into future resource updates.	Drilling will continue to focus on the peripheral and adjacent minor mineralized zones to validate mineralization continuity and enhance the geological model. The purpose is to improve confidence in interpretation and support future resource upgrade and conversion.
As mineralization remains open along strike and at depth, and current workings are approaching the lease boundary, it is recommended to undertake targeted peripheral exploration and assess the feasibility of expanding the mining tenure to identify additional resources.	Peripheral exploration programs will be implemented to identify potential extensions of mineralization beyond current boundaries, accompanied by assessment of tenure expansion feasibility. These efforts aim to support long-term resource growth and extend the operational life of the mine.
The mine management can allocate more financial and human resources to further improve its operation management and skillsets of mining method to achieve a higher mining recovery.	3D mining software (e.g., Surpac, Micromine) must be deeply integrated with mine quantity/grade reconciliation: leveraging the software’s visual modeling and accurate data analysis capabilities, regularly compare designed reserves, actual mined quantity and grade data to quickly identify deviation causes (such as geological model errors, mining process deviations). This not only optimizes mining method design and avoids resource waste, but also improves reconciliation accuracy by dynamically adjusting operational strategies, further streamlining workflows and addressing inefficiencies that hinder recovery — ultimately achieving dual improvements in operational standards and mining recovery rates.

Heihe Luoke Mining

Heihe Luoke Mining is located in Heihe City, Heilongjiang Province and situated in the northern section of the Lesser Khingan Mountains – Zhangguangcai Range Metallogenic Belt. Heihe Luoke Mining operates a typical high-grade low-sulfidation epithermal gold deposit formed through low-temperature hydrothermal processes. It holds significant exploration potential both in peripheral zones and at depth. As of the Latest Practicable Date, Heihe Luoke Mining engaged in underground mining, and it held one mining license with a mining rights area of 0.1 km² and one exploration permit with a mining rights area of 18.7 km². The major products of Heihe Luoke Mining comprise silver-concentrate and gold doré.

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The following map sets forth selected geographical information in relation to Heihe Luoke Mining:



Heihe Luoke Mining has successfully applied deep-hole blasting technology for single-pit drilling to enhance efficiency and safety. The mine utilizes 3D software to establish big data models. This enables digital management throughout the entire process from design to construction, thereby enhancing decision-making efficiency.

In the year ended December 31, 2023, 2024, and 2025, our gold production business in the Heihe Luoke Mining processed 427.1 kt, 435.0 kt, and 439.2 kt of ore, and produced 2.2t (69.3 koz), 2.2t (71.0 koz) and 2.3t (72.7 koz) of gold, at a gold recovery rate of 97.3%, 97.1%, and 97.0%, respectively. During the same periods, Heihe Luoke Mining also produced 16.5t (530.4 koz), 20.2t (650.5 koz), and 17.2t (554.1 koz) of silver, respectively.

The following timeline illustrates key milestones in the development of this mine:

Year	Milestone
2016	Mining license issued by the Ministry of Land and Resources
2017	Received construction approval and commenced the mine construction
2020	Combined mining and processing throughput expanded from 450t per day to 1,250t per day
2023	Obtained exploration rights for the mine’s periphery
2025	Initiate the approval process to expand the scope of the mining license

Heihe Luoke Mining continues to expand its exploration achievements, accelerate the conversion of exploration results into mineral resources, and actively advance exploration and mining conversion activities in respect of peripheral exploration permits. Within the northern portion of the exploration permit area adjacent to the mining license boundary, exploration activities are being accelerated within the existing permit area, with active efforts to convert its exploration permit into a mining license. Specifically, work in the northern exploration permits area adjacent to the current mining boundary is expected to yield an addition of 6.0t (192.9 koz) of gold resources with an average grade of 4.28 g/t.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Heihe Luoke Mining and the relevant measures that will be taken and the expected time frame.

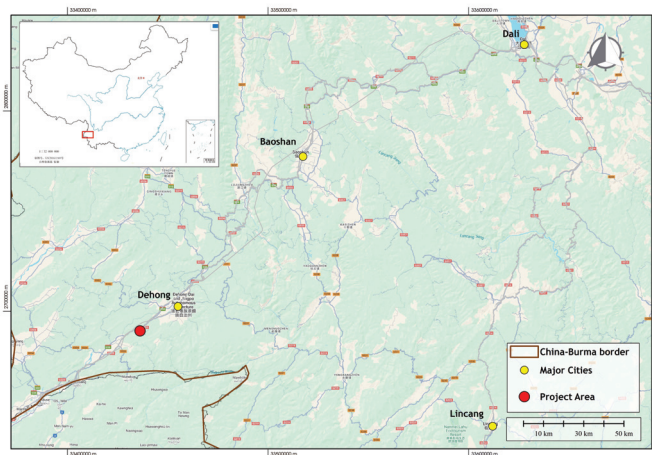
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CPR Key Recommendations	Measures and time frame
It is recommended to undertake targeted step-out and infill drilling to extend known mineralized zones and upgrade existing resource classifications. Peripheral mineralized intervals adjacent to the current wireframes should be reviewed and incorporated into future resource models. In addition, expansion of specific gravity (SG) measurement programs and implementation of near-mine and regional exploration are advised to strengthen data reliability and identify new mineralized structures and satellite lodes.	A staged and integrated technical approach will be implemented to ensure effective conversion of exploration potential: • Conduct step-out and infill drilling around existing mineralized zones to confirm continuity and refine orebody models, supporting resource classification upgrades; • Integrate peripheral mineralized data into the geological model to prevent underestimation and improve resource completeness; • Expand specific gravity testing within representative lithologies and mineralized zones to establish a robust density database; • Undertake geological, geophysical, and geochemical exploration in near-mine and regional structural zones to identify new mineralized areas and satellite lodes, thereby extending the mine’s operational life.
BAW has particularly noted that for 2025 and 2026, the mine management has planned that, in accordance with the 2025 reconstruction and expansion plan, the key depletion areas will include the extraction of pillars located at the 185- to 213-m level, with the expectation of depleting high-grade ores. This arrangement is based on detailed studies, special safety studies, and government approval. Meanwhile, BAW also recommends that the mine management should strengthen production management and safety supervision to ensure steady production.	During the production period in this area, enhance the rigor of production management and the intensity of safety supervision to ensure the stable progress of operations during the extraction phase.

Mangshi Huasheng Mining

Mangshi Huasheng Mining is situated on a large-scale Carlin-like type gold mine located in Mangshi City, Yunnan Province, within the Gaoligong Mountains Polymetallic Metallogenic Belt, characterized by clustered and zonal mineralization patterns. As of the Latest Practicable Date, the Mangshi Huasheng Mining held a mining license with one mining rights area of 0.6 km² and two valid exploration permits with a combined mining rights area of 56.0 km².

The following map sets forth selected geographical information in relation to Mangshi Huasheng Mining:



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The following timeline illustrates key historical and planned milestones in the development of this mine:

Year	Milestone
2021	Became a subsidiary of our Company
2025	Made breakthrough in the consolidation of surrounding exploration rights, with integrated development planning commenced
2027	Plan to commence operations

Before our Group acquired Mangshi Huasheng Mining, its operations had already been suspended in 2016 after completion of the open-pit development stage. Underground mining had not begun, and the safety production permit expired in 2019 without renewal. These factors, together with funding constraints, led to a full cessation of mining activities.

Mangshi Huasheng Mining had obtained a RMB150 million loan in September 2014. Although partial repayments were made in 2015, the remaining balance was not repaid. Legal proceedings were initiated in November 2016, and the Sichuan High People’s Court ordered repayment of the outstanding principal, interest, penalties, and related costs. The Panzhihua Intermediate People’s Court subsequently issued an enforcement ruling in January 2018, seizing its mining right in Shangmangang, Santai Township, Mangshi, Yunnan Province. The seizure remained in place until 2021. In September 2021, our Group acquired a controlling interest in Mangshi Huasheng Mining by entering into the Equity Transfer Agreement Regarding Mangshi Huasheng with Mr. Zhang Hui (張輝), the vendor of the acquisition, pursuant to which our Group acquired a 60% equity interest in Huasheng Gold Mine. Simultaneously with the equity acquisition, our Group settled all outstanding debts and related costs. The Panzhihua Intermediate People’s Court lifted the seizure in January 2022, restoring the legal status of the mining right. Since then, our Group has begun implementing a redevelopment plan to expand production capacity and resume operations.

In relation to the latest progress in the review and filing of mineral resources of Mangshi Huasheng and the registration of changes in the relevant mining rights as a prerequisite for the renewal of the safety production permit to resume full operations, our Group has continuously advanced the relevant procedures and fulfilled our information disclosure obligations in respect of material developments.

From November 2021 to June 2022, in order to prepare for the filing of mineral resource reserves and the change of mining rights, our Company conducted resource verification work, including drilling and expanded exploration. Upon completion, our Company prepared and submitted the relevant reserve verification materials to the Department of Natural Resources of Yunnan Province for review. During the review process, the competent authorities required further clarification on the following aspects: (i) technical issues, such as further elaboration on mineral processing test technology and metallurgical process flow; (ii) compliance checks, including whether the scope of the main mining rights falls within the “three zones and three lines”, whether there are any disputes over the mining rights area and whether the mining rights are valid; and (iii) industrial criteria, which shall be in strict compliance with the DZ/T 0339–2020 *Requirements for study of deposit industrial criteria* (《礦床工業指標論證技術要求》) as industry criteria for defining the standards (i.e., cut-off grade and minimum industrial grade) to determine whether a mineral deposit is economically viable for mining. As of the Latest Practicable Date, we confirmed that solutions have been formulated through communication with the relevant authorities to resolve all the above issues.

In relation to potential penalties receivables arising from delayed registration, the following risk control measures have been implemented to ensure that Mr. Zhang has sufficient capacity to compensate for any damages arising from his obligations under the Equity Transfer Agreement: (i) pre-acquisition financial due diligence: prior to the acquisition, our Group conducted comprehensive financial due diligence on the target company, including an assessment of Mr. Zhang’s financial capability as the vendor, confirming that he did not bear any material liabilities at the time of acquisition; (ii) contractual liability provisions: under the Equity Transfer Agreement, Mr. Zhang is obligated to cooperate with our Group in the timely filing of updated mineral resource reserves and the completion of the change of mining rights, and is liable for any liquidated damages incurred by our Group as a result of delayed registration; and (iii) retained equity as alignment and security: Mr. Zhang retains a 40% equity interest in the target company following the acquisition, which aligns his interests with the completion of the filing and the resumption of Mangshi Huasheng’s operations. Under applicable PRC laws and regulations, Mr. Zhang’s retained equity interest may be seized by the court in the event of his default. The value of such equity, together with the proceeds he received from the equity sale, would substantially exceed the estimated liability or penalty, ensuring that his ability to pay damages is secured and the risk of actual default remains low. Furthermore, as advised by our PRC Legal Advisor, (i) there is no limit on any claim

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against Mr. Zhang for breach of the acquisition contract terms and (ii) any difference in the estimated gold resources between the historical acquisition valuation and the latest valuation report will not affect the consideration and/or other terms for the Equity Transfer Agreement signed with Mr. Zhang.

Mangshi Huasheng Mining is also actively consolidating surrounding mining rights to enhance its scale and performance. In January 2025, Huasheng Gold Mine acquired the Mengwen gold-polymetallic exploration permit from Mangshi Haihua Development Co., Ltd. (芒市海華開發有限公司). As of the Latest Practicable Date, Mangshi Huasheng Mining has also fully acquired 100% of the equity interest in Yunnan Western Mining Co., Ltd. (雲南西部礦業有限公司) and completed the relevant administrative registration procedures. Yunnan Western Mining holds promising rights adjacent to the eastern and western sides of the Huasheng mining area. Through this acquisition, our Group has secured the surrounding prospecting rights on both sides and holds the Dagangba gold mine exploration permit, with a combined mining rights area of 35.6 km². At present, we are conducting supplementary exploration in certain other surrounding prospective areas intended for future development. Upon integrating these assets into a unified development plan, the project feasibility is expected to be significantly strengthened. As of the Latest Practicable Date, Mangshi Huasheng Mining is actively consolidating the newly identified resources with the resources within the existing mining right, re-preparing the reserve verification report and planing to resubmit it to relevant administrative authorities for review and filing by July 2026, which is required before obtaining subsequent approvals, including the mining safety permit. This report will be compiled in compliance with the requirements of the Yunnan Provincial Department of Natural Resources, with prior technical issues to be rectified and resolved, and compliance reviews and industrial indicator arguments to be completed. Based on the current progress, our Company expects to complete the relevant filing procedures and receive approvals from relevant administrative authorities for both the updated reserve registration and change of mining rights in early 2027. We also expect that Mangshi Huasheng Mining to resume production in the same time period. For long-term operational considerations, Mangshi Huasheng Mining has adopted for open-pit mining methods.

Acquisition and consolidation of other mining operations involves several regulatory steps, including approval of the reserve verification report, expansion of the mining area, and review of the mining plan and ecological restoration scheme. This process carries risks, including potential changes in approval standards and a lengthy, multi-level government review. Nevertheless, our Group remains committed to progressing the required procedures and managing risks through active engagement with authorities and continued compliance with regulatory requirements.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Mangshi Huasheng Mining and the relevant measures that will be taken and the expected time frame.

CPR Key Recommendations	Measures and time frame
It is recommended that additional drilling be undertaken to improve the definition and geological control of the orebody, particularly in areas where current drill spacing or data density limits confidence in mineralization continuity.	Infill and step-out drilling will be implemented within and beyond the existing mineralized zones to enhance understanding of orebody geometry and mineralization continuity. The new data will be incorporated into future resource modeling and reserve estimation to improve geological confidence and estimation accuracy.
Bulk density (specific gravity) determinations should be expanded to include a wider range of geological materials, especially in areas outside the currently sampled mineralized zones, to ensure representativeness across lithologies and mineralization types.	Additional SG sampling will be carried out across oxide, transition, and primary zones to build a comprehensive density database, improving representation of lithological and mineralization variability and reducing uncertainty in density assumptions used in resource estimation.
Further metallurgical testwork and systematic logging of oxidation states are recommended to better delineate boundaries between oxide, transition, and primary mineralization, thereby reducing risk in metallurgical recovery and economic evaluation.	Representative metallurgical testing will be conducted to evaluate leach performance, ore characteristics, and recovery behavior across oxidation domains. Systematic oxidation logging will be incorporated into the block model to refine ore-type classification, optimize processing strategies, and improve reliability of economic assessments.

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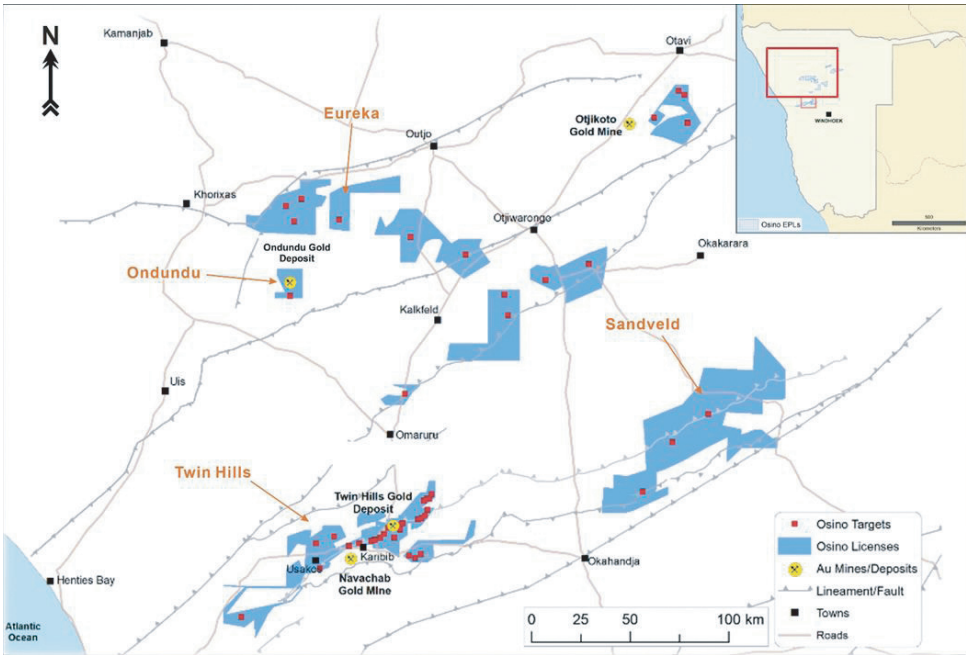
CPR Key Recommendations	Measures and time frame
Pit limits were determined using a directional open pit optimization guided by the site’s spatial characteristics and economic scenarios. The final pit selected corresponded to the shell with a revenue factor of 1.0, balancing Net Present Value (NPV) with geotechnical stability and operational efficiency.	We will carry out a comprehensive study to update and refine the determination of the open-pit mining boundary. The first step will be to optimize the directional open-pit optimization method by incorporating real-time geological information (such as the latest drilling data) based on site-specific spatial characteristics and economic scenarios, thereby improving the accuracy of pit limit definition. We will also integrate three-dimensional mine planning software such as Surpac to visualize different pit design options, enabling a more intuitive comparison and evaluation of trade-offs among key technical and economic parameters prior to final design confirmation.

Osino Mining

Osino Mining is located in central Namibia, Africa, and is situated in the Damara Gold Metallogenic Belt, which includes the Twin Hills Gold Mine project, Ondundu project, Eureka project and other exploration projects. It is currently developing the Twin Hills Gold Mine project. As of the Latest Practicable Date, Osino Mining held one mining licence with a mining rights area of 62.1 km² and 16 exploration permits with a combined rights area of over 5,087.5 km². As a result of exploration activities conducted before and during the Track Record Period, multiple promising exploration targets have been identified within the area, demonstrating a meaningful portfolio of resources and reserves, and a significant potential for reserves expansion. As of December 31, 2025, Osino Mining had 131.2t (4,218.8 koz) of gold resources and 67.2t (2,160.5 koz) of gold reserves, and the mining license held by Osino Mining remains valid until 2042. Once become fully operational, the Twin Hills Gold Mine (being the largest gold mining project in Namibia), is expected to produce 5.1t (163.7 koz) of gold annually.

Namibia is a highly mining-friendly jurisdiction in Africa, boasting what is widely recognized as a relatively stable political and social environment. From a political risk perspective, the country hosts several large-scale uranium mines that have operated smoothly for many years, demonstrating its stable governance environment.

The following map sets forth selected geographical information in relation to Osino Mining:



The Twin Hills Gold Mine benefits from exceptional geographic positioning in central Namibia, near the capital city of Windhoek. The project derives significant advantages from Namibia’s well-established infrastructure, including access to paved roads, rail networks, grid power, and water sources. Infrastructure construction started in 2025, and the tailings storage facility construction began in August 2025, and the

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selection process for the mining contractor is underway. Detailed front-end engineering design and bidding for construction contracts are in progress. We expect that the processing plant at the Twin Hills Gold Mine will commence production within the first quarter of 2027. The plant design incorporates flexibility margin, enabling potential capacity increases of 10% to 20% to accommodate strategic requirements.

Moreover, we are continuously intensifying our efforts in exploration and resource expansion, which possess significant potential to establish multiple producing assets, positioning Namibia as a new gold production hub. The Twin Hills Gold Mine project showcases ductile deformation in the deep part of the orebody, which extends downward. Current drilling data suggests that this deep section remains open, presenting potential for resource expansion. Additionally, the fault structure within the metallogenic belt stretches for 100 km, with 70 km of it falling within the current mining licenses and exploration permits, providing a vast area for future exploration. The Ondundu project is located in the northern metamorphic zone of the Damara orogenic belt, where the lower section is predominantly composed of marble, while the upper part consists of turbidite (sandstone-mudstone). The area is marked by strong structural deformation and a positive magnetic anomaly. Pyrrhotite is commonly found in the ore, and a resource of 32.1t (1,030.4 koz) has been estimated. The Eureka project has revealed high-grade, thick, large drillholes data (e.g., ORD005, which intersected 47 m @ 5.92 g/t), making it a priority area for future exploration and reserve expansion.

The following timeline illustrates key historical and planned milestones in the development of this mine:

Year	Milestone
2024	Became a subsidiary of our Company
2025	Commenced to steadily advancing project development and construction
2027	Plan to commence production

According to the Competent Person’s Report the life of mine of the Twin Hills project is estimated to last until 2040, and that the relevant mine plan, production schedule and pre-feasibility study are considered accurate and reasonable. The payback period for our projects under Osino Mining would be relatively modest, especially considering we plan to commence production in 2027. Whilst we estimate that Osino Mining will require further funding for further construction and exploration, we can fund such expenses with our internal funds and cash from operating activities (including those from Osino Mining). For details of its cash operating costs, please see the subsection headed “— Operational performance — Operating costs” in this section.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Osino Mining and the relevant measures that will be taken and the expected time frame.

CPR Key Recommendations	Measures and time frame
Conduct infill and step-out drilling to increase confidence in resource estimates and test for additional mineralization. For Twin Hills, prioritize drilling below and along pit shells, especially east of KFZ and around the Dobbelsberg dome. For Ondundu, implement infill and step-out drilling along the OMZ and its splays, focusing on Little Ondundu E/W, Carr Veins, OMZ/Geolex South, and Far South.	Structured drilling campaigns will be implemented, starting with tighter spacing in existing mineralized zones to enhance confidence, followed by step-out drilling into untested targets and deeper extensions to expand resources and confirm continuity.
Maintain separate shear-hosted and bedding-parallel domains in the geological model, ensuring clear boundaries for accuracy and consistency.	A model review will be undertaken to ensure structural domains are clearly differentiated within the resource model, improving accuracy and consistency in estimation results.

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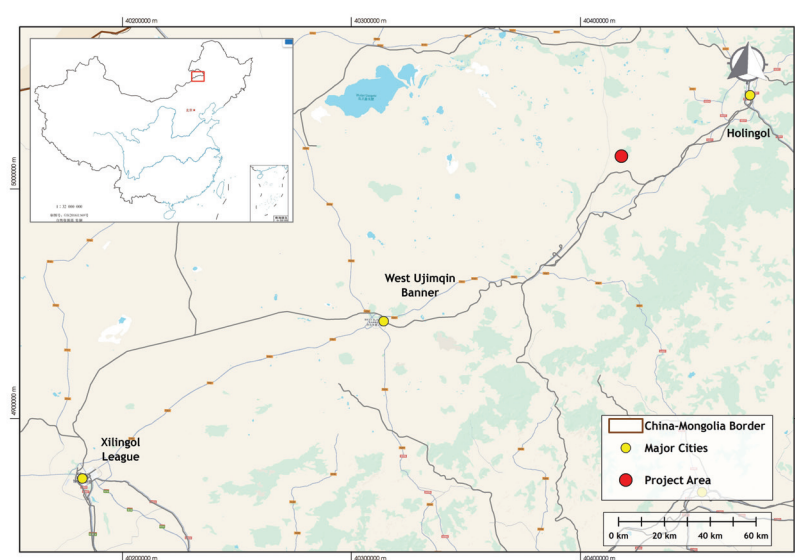
CPR Key Recommendations	Measures and time frame
Allocate additional financial and human resources to enhance overall operational management and improve skillsets for open-pit mining operations. Organize experienced technical personnel to establish a robust production system and strictly adhere to key mining indicators such as mining loss and dilution.	During a new mine’s construction, focusing on talent reserve, advanced tech and management builds a solid development foundation via three steps. Recruit senior talents in geology, mining engineering and equipment maintenance; partner with mining colleges for “order-based” youth training, plus a “mentor-apprentice” system to avoid talent gaps. Adopt global software (Surpac, Micromine, MineSched) for precise resource work; introduce smart tech like drones and real-time data platforms to cut labor reliance. Establish full-process rules (safety, environmental protection, production); integrate tech and talent management with update/assessment mechanisms to form a “tech-talent-management” cycle.

Yulong Mining

Yulong Mining is located in West Wuzhumuqin Banner, Inner Mongolia Autonomous Region, situated within the southern range of the Greater Khingan Metallogenic Belt. Yulong Mining operates one of China’s largest silver mines, both in terms of standalone silver output and reserves. As of the Latest Practicable Date, Yulong Mining engaged in underground mining and it held three valid mining licenses with a combined mining rights area of 6.2 km² and six valid exploration permits with a combined mining rights area of 39.4 km². These permits target silver, lead, and zinc mineralization, and collectively represent a robust foundation for continued exploration and development.

Yulong Mining’s operations are situated within the Daxinganling nonferrous metallogenic belt. These regions are rich in nonferrous metals and offer excellent conditions for the development of large-scale mining operations. Current exploration data indicates that several ore bodies extend to greater depths, suggesting significant potential for further discoveries in the deeper sections of the mining area.

The following map sets forth selected geographical information in relation to Yulong Mining:



Yulong Mining has received notable recognition for its technological advancements. It was awarded the Science and Technology Award of China’s Nonferrous Metals Industry for its high-efficiency extraction technology applied to complex deposits that are difficult to mine. Additionally, Yulong Mining received the Science and Technology Award from the China Gold Association for its mud-rich full-tailings paste filling system, which is specifically designed for high-altitude frozen terrain. These accolades underscore Yulong Mining’s commitment to innovation and its ability to operate effectively in challenging environments. The operation employs the SAB grinding system, which includes primary crushing, semi-autogenous grinding, and

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ball milling. This is combined with a lead-zinc flotation process, resulting in the production of lead concentrate containing silver and zinc concentrate containing silver. The advanced processing techniques lay the foundation for improving recovery rates and reducing processing costs.

In the year ended December 31, 2023, 2024, and 2025, Yulong Mining processed 1,185.7 kt, 1,369.9 kt, and 1,448.8 kt of ore, and produced 175.2t (5,632.3 koz) , 175.0t (5,626.4 koz) , and 146.0t (4,693.0 koz) of silver; 9,494.5t, 12,741.9t, and 11,146.0t of lead, and 16,502.2t, 17,144.6t, and 21,169.3t of zinc, respectively.

The following timeline illustrates key historical and planned milestones in the development of this mine:

Year	Milestone
2003	A 400t per day processing plant was completed and commissioned
2005	A 1,000t per day processing plant was completed and commissioned, bringing daily processing capacity to 1,400t
2021	Commenced construction for the upgrade of the processing plant with a capacity of 1,400t per day (design capacity: 3,400t per day)
2023	Achieved a major exploration breakthrough at the 1118 Highland
2024	Completed the transition from exploration to mining at 1118 Highland, with the mining license held under the name of Bayan Wenduri Silver Polymetallic Mine
2026	Plan to commence construction of the mining and processing project for the silver-polymetallic mine located in the Bayan Wenduri mining area
2028	Plan to complete and commence production for the silver-polymetallic mine located in the Bayan Wenduri mining area

Through the development of new mining areas, including the Bayan Wenduri mining area and the Hua’aobaote mine, Yulong Mining expects to increase its annual silver production by 83.5t (2,684.6 koz). The construction of the Bayan Wenduri mining area is expected to be completed by 2028, and once operational, it will significantly contribute to Yulong Mining’s silver production capacity. The project also has certain lead and zinc reserves and produces other base metals such as tin concentrates.

Bayan Wenduri mining area and the Hua’aobaote mining section is a important driver for future capacity growth. The Bayan Wenduri project has an approved mining license capacity of 990 kt per annum, while the Hua’aobaote section is expected to contribute an additional 300 kt per annum. Upon the transition to production at Bayan Wenduri in 2028, Yulong Mining’s total annual production capacity is projected to reach approximately 2.0 million tonne. The estimated construction period for this initiative is three to four years, and it represents another step forward in Yulong Mining’s long-term growth strategy.

The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Yulong Mining and the relevant measures that will be taken and the expected time frame.

CPR Key Recommendations	Measures and time frame
Undertake additional infill and step-out drilling to enhance geological confidence and facilitate the upgrade of Inferred Resources. Expand systematic bulk density measurement across major lithologies and weathering zones to refine tonnage estimation and improve accuracy.	Infill and step-out drilling will be conducted along strike and at depth to confirm mineralization continuity and thickness variations. New data will be incorporated into future resource updates. A standardized bulk density program covering key lithologies and weathering profiles will be implemented to ensure representative and accurate tonnage estimation.
Strengthen geological data collection and reconciliation during mining operations to improve continuous model calibration and resource tracking.	Routine face mapping, channel sampling, and lithological logging will be implemented to continuously update geological information. Production output will be reconciled against resource models to ensure accurate depletion tracking and improved geological control.

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CPR Key Recommendations

Given that the underground mining operation at the Yulong Property requires massive drift development, CAPEX budgeting should be an ongoing practice till the end of LOM.

Measures and time frame

Over the next 1–2 years, we shall implement a Continuous CAPEX Review Cycle: Establish a structured quarterly and annual CAPEX budgeting process integrated into the mine planning and operations review cycle. This includes regularly updating cost projections based on drift development progress, market conditions, and engineering design changes to ensure capital forecasts remain accurate throughout LOM.

We shall develop a Dynamic Cost Tracking and Forecasting System: Deploy a digital financial tracking platform that links actual spending with development milestones, enabling scenario modeling and variance analysis. Mine planners and finance teams shall use this system for real-time adjustments, ensuring proactive budget management and timely reallocation of funds as project conditions evolve.

OPERATIONAL PERFORMANCE

Our gold mining

The following table sets forth our ore mined volume, ore processed volume, production volume, processing capacity, and utilization rate in relation to our gold mining operations for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
<i>Ore mined⁽¹⁾ (kt)</i>			
— Qinghai Dachaidan Mining	650.6	259.0	434.8
— Jilin Banmiaozi Mining	718.9	843.7	823.8
— Heihe Luoke Mining	461.7	465.2	531.0
<i>Ore processed⁽¹⁾ (kt)</i>			
— Qinghai Dachaidan Mining	841.7	929.4	975.9
— Jilin Banmiaozi Mining	707.6	849.3	819.3
— Heihe Luoke Mining	427.1	435.0	439.2
<i>Production volume (t)</i>			
— Qinghai Dachaidan Mining	3.1	3.5	3.1
— Jilin Banmiaozi Mining	1.8	2.3	2.2
— Heihe Luoke Mining	2.2	2.2	2.3
<i>Production volume (koz)</i>			
— Qinghai Dachaidan Mining	98.1	112.7	100.5
— Jilin Banmiaozi Mining	58.0	74.7	71.1
— Heihe Luoke Mining	69.3	71.0	72.7
<i>Processing capacity (kt/a)</i>			
— Qinghai Dachaidan Mining	800.0	800.0	800.0
— Jilin Banmiaozi Mining	800.0	800.0	800.0
— Heihe Luoke Mining	375.0	375.0	375.0
<i>Utilization rate⁽²⁾ (%)</i>			
— Qinghai Dachaidan Mining	105.2	116.2	122.0
— Jilin Banmiaozi Mining	88.5	106.2	102.4
— Heihe Luoke Mining	113.9	116.0	117.1

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Notes:

1. The table above did not include information in relation to Mangshi Huasheng Mining and Osino Mining as both mines were not operational during the periods indicated. For other mines, during some of the periods, the volume of “ore processed” was higher than the volume of “ore mined.” This was mainly because some of the ore mined during the previous period was kept as inventory and was processed in the following period which added up to the aggregated amount of the “ore processed” for that period.
2. Utilization rate is calculated by dividing the amount of ore processed by the processing capacity. For some of the periods, the utilization rates were over 100%. This was mainly because the relevant processing plants actually operated for more days than the planned schedule. As advised by our PRC Legal Advisor, our Directors are of the opinion that such over utilization has not, and will not, result in any material adverse impact or serious legal ramifications on our business operations.

Our operational efficiency enhancement surpassed the worldwide industry average by a notable margin as our gold AISC in 2025 was lower than that of the global average, according to Frost & Sullivan. For the year ended December 31, 2023, 2024 and 2025, our gold AISC was US\$665.0/oz, US\$683.5/oz and US\$902.3/oz, respectively. In contrast, according to F&S, between the first quarter of 2023 and the fourth quarter of 2025, the global AISC fluctuated between US\$1,399.4/oz and US\$1,629.5/oz.

Our Company’s AISC, recorded at US\$902.3/oz in 2025, places it within the top 10% of the global gold mining cost curve. This cost advantage is the result of a synergistic combination of geological superiority, advanced mining and processing technologies, and disciplined operational management.

Geological and orebody advantages play a foundational role. Our mines are located in large-scale metallogenic belts such as the Tanjianshan District in Qinghai and the Laoling Belt in Jilin, which are known for their thick, high-grade ore bodies and stable geological structures. These favourable conditions enable safe, large-scale mechanised mining with minimal geological disruptions. For example, Qinghai Dachaidan Mining has intersected high-grade, thick ore bodies, allowing for efficient extraction and reduced dilution. Additionally, our mines feature moderate to steep orebody dip angles, which are ideal for medium- to deep-hole underground mining methods, enhancing productivity and lowering labour intensity compared to shallow-hole operations.

Technological innovation and process optimisation further reinforce our cost leadership. For instance, Yulong Mining has pioneered methods such as “one-time shaft forming”, successfully trialled at the N 245m 9–10# stope, which has reduced mining costs and lowered dilution rates by 4%. Our mineral processing facilities have been upgraded to increase throughput from 660,000 t/a to 800,000 t/a, improving capacity while reducing unit costs. Collaborative research with academic institutions has led to refinements in grinding fineness, reducing raw material consumption and improving cyanide reagent contact, thereby enhancing recovery rates. At the heap leaching plant, precise ore blending based on gold and sulphur content stabilises processing and maximises recovery. Measures to eliminate leakage and wastage have further improved metallurgical recovery rates.

Operational excellence and automation are also key contributors. The Company has invested in digital mine management, remote-controlled loaders, and unmanned monitoring systems, which reduce labour costs and improve efficiency. Equipment configurations have been modified to allow continuous ore processing during maintenance, increasing utilisation rates and reducing energy consumption. Our mines are fully mechanised and extensively adopt medium-deep hole mining, ranking among the top performers in domestic gold and non-ferrous metal mines. Notably, Qinghai Dachaidan Mining has implemented a segmented caving continuous backfill method, recognised with awards in scientific achievements, while Yulong Mining and other subsidiaries have received national awards for innovations in high-efficiency extraction and tailings management.

Finally, our processing recovery rates consistently exceed industry averages. For instance, Heihe Luoke Mining achieved recovery rates of 97.3%, 97.1%, and 97.0% from 2023 to 2025. Similarly, Qinghai Dachaidan Mining and Jilin Banmiaozi Mining reported strong performance, with recovery rates steadily improving year-on-year. These figures reflect our commitment to technological excellence and continuous improvement.

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Set forth below is our gold AISC for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
<i>Qinghai Dachaidan Mining</i>			
Total AISC (RMB million)	474.5	635.6	853.5
Total AISC (US\$ million)	67.3	89.3	119.5
Gold Production (oz)	98,130.3	112,694.8	100,505.2
AISC (US\$/oz)	685.9	792.8	1,189.0
<i>Jilin Banmiaozi Mining</i>			
Total AISC (RMB million)	381.5	440.2	457.5
Total AISC (US\$ million)	54.1	61.9	64.0
Gold Production (oz)	58,024.3	74,714.8	71,071.5
AISC (US\$/oz)	932.7	828.3	900.5
<i>Heihe Luohe Mining</i>			
Total AISC (RMB million)	201.0	180.7	263.8
Total AISC (US\$ million)	28.5	25.4	36.9
Gold Production (oz)	69,321.2	71,035.7	72,691.7
AISC (US\$/oz)	411.3	357.6	507.6
<i>Our Group</i>			
Total AISC (RMB million)	1,057.0	1,256.5	1,574.8
Total AISC (US\$ million)	149.9	176.6	220.4
Gold Production (oz)	225,475.8	258,445.3	244,268.4
AISC (US\$/oz)	665.0	683.5	902.3

In particular, the increase in our AISC was primarily driven by the overall decrease in our ore grade.

Our other mineral production

The following table sets forth the key ore mined volume, ore processed volume and mine production volume in relation to other non-ferrous metal mining operations for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
<i>Ore mined (kt)</i>			
Heihe Luohe Mining	461.7	465.2	531.0
Yulong Mining	1,275.6	1,284.7	1,462.4
<i>Ore processed (kt)</i>			
Heihe Luohe Mining	427.1	435.0	439.2
Yulong Mining	1,185.7	1,369.9	1,448.8
<i>Production volume (metal content)</i>			
Heihe Luohe Mining			
— Silver (koz)	530.4	650.5	554.1
— Silver (t)	16.5	20.2	17.2
Yulong Mining			
— Silver (koz)	5,632.3	5,626.5	4,693.0
— Silver (t)	175.2	175.0	146.0
— Lead (t)	9,494.5	12,741.9	11,146.0
— Zinc (t)	16,502.2	17,144.6	21,169.3
<i>Processing capacity (kt/a)</i>			
Heihe Luohe Mining	375.0	375.0	375.0
Yulong Mining	1,122.0	1,122.0	1,122.0
<i>Utilization rate⁽¹⁾ (%)</i>			
Heihe Luohe Mining	113.9	116.0	117.0
Yulong Mining	105.7	122.1	129.0

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Note:

1. Utilization rate is calculated by dividing the amount of ore processed by the processing capacity. For some of the periods, the utilization rates were over 100%. This was mainly because the relevant processing plants actually operated for more days than the planned schedule. As advised by our PRC Legal Advisor, our Directors are of the opinion that such over utilization has not, and will not, result in any material adverse impact or serious legal ramifications on our business operations.

During the Track Record Period, our Group’s mines — namely those operated by Qinghai Dachaidan Mining, Jilin Banmiaozi Mining, Heihe Luoke Mining, and Yulong Mining — mined in excess of the production scales stated in their respective mining licenses. Specifically, Qinghai Dachaidan Mining exceeded the mining scale of 250,600t as specified in its mining licenses for the years ended December 31, 2023, Jilin Banmiaozi Mining exceeded the mining scale of 43,700t and 23,800t for the years ended December 31, 2024 and 2025; Heihe Luoke Mining exceeded the mining scale of 86,700t, 90,200t and 156,000t for the years ended December 31, 2023, 2024 and 2025, respectively. Yulong Mining exceeded the mining scale of 275,600t, 284,700t and 462,400t for the years ended December 31, 2023, 2024 and 2025, respectively.

Our Directors confirm that the primary reason for such over-mining was the rising prices of mineral products, which incentivized our Group to maximize the extraction of low-grade mineral resources to prevent wastage. This approach is consistent with Article 39 of the Mineral Resources Law of the PRC, which encourages comprehensive mining and integrated utilization of co-existing and associated minerals to avoid waste. Additionally, Article 8 of the same law promotes policy support for increasing reserves and production capacity of strategic mineral resources.

According to our PRC Legal Advisor, the currently effective Procedures for Administration of Registration of Mining of Mineral Resources (the “**Administrative Measures**”) do not explicitly stipulate legal liability for mining volumes exceeding the production scale recorded in the mining license. Furthermore, the requirement for approval of changes to the production scale in mining licenses has been abolished. Article 15 of the Administrative Measures outlines the circumstances under which a mining right holder must apply for change registration, which does not include changes to production scale. The legal provision requiring registration for production scale was included in the Notice of the Ministry of Land and Resources on Issues Concerning Further Improving the Administration of Mining Right Registration (the “**2011 Notice**”), issued by the Ministry of Land and Resources. However, the 2011 Notice was itself repealed by the same administrative authority in December 2017. As such, according to our PRC Legal Advisor, our Company was not required to apply for change registration of the mining licenses in relation to the over-mining activities, and no legal liability is explicitly stipulated under current laws.

Although over-mining does not violate natural resources laws, it may contravene safety production regulations. Article 45 of the Administrative Measures for the Punishment of Production Safety Violations provides that production exceeding approved capacity, intensity, or staffing levels may result in a warning and fines ranging from RMB10,000 to RMB30,000 for the enterprise, and RMB1,000 to RMB10,000 for responsible personnel. In addition, Articles 15 and 29 of the Supervision and Administration Measures for the “Three Simultaneities” of Safety Facilities in Construction Projects require prior approval for significant changes to project scale, production processes, raw materials, or equipment. Failure to obtain such approval may result in rectification orders and fines ranging from RMB10,000 to RMB30,000. As advised by our PRC Legal Advisors, the expansion of production scale may also be regarded as a significant change to the construction project, which would require re-completion of procedures including the approval of safety facility design, the approval of environmental impact assessment and the filing of investment projects. Nevertheless, since our Group conduct mining activities based on the existing completed mine construction projects and do not involve the commencement or re-commencement of new projects, the possibility of being penalized on the grounds that such expansion constitutes a material change to the construction project is low.

In October 2022, Qinghai Dachaidan Mining was subject to an administrative penalty of RMB78,000 by the Emergency Management Bureau of the Dachaidan Administrative Committee. This penalty has arisen from regular checks by the Committee and was imposed on two grounds: instances of excess of the production scales stated in the respective mining licenses and failure to obtain safety certification for certain mining equipment. The over-mining penalty was issued pursuant to Article 45 of the Administrative Measures for the Punishment of Production Safety Violations, and not under the Mineral Resources Law of the PRC, which does not impose legal liability for exceeding the production scale recorded in a mining permit.

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The safety certification issue related to the use of transformers and low-voltage switchgear in certain section of the Qinglonggou Gold Mine. These items had not obtained the required safety marks for non-coal underground mining products, as mandated under the Production Safety Law of the PRC and the then newly updated Notice on the Catalogue of Mining Products Subject to Safety Mark Management ([2022] No. 123), issued by the National Mine Safety Administration. Qinghai Dachaidan Mining has dismantled the non-compliant equipment since October in the same year and replaced it with certified products in accordance with regulatory requirements, thereby completing the rectification process. Separately, on July 1, 2025, Jilin Banmiaozi Mining was subject to an aggregate administrative penalty of RMB235,000 by the Emergency Management Bureau of Hunjiang District, Baishan City, in respect of certain violations of laws and regulations. Among such violations was the use of two sets of distribution electric control switches that were without the required safety marks for mining products, in respect of which a penalty of RMB45,000 was levied together with seven additional minor miscellaneous mining safety violations that were unrelated to using uncertified safety products. The specific amount of the penalty attributable solely to the use of the aforesaid non-compliant distribution electric control switches cannot be separately disaggregated.

On August 4, 2025 and November 11, 2025, the Emergency Management Bureau of the Dachaidan Administrative Committee and the Emergency Management Bureau of Hunjiang District, Baishan City each issued a confirmation letter stating that the relevant incidents had been fully and proactively rectified, did not constitute material non-compliance, and that the associated penalties were not deemed major.

During the Track Record Period and up to the Latest Practicable Date, apart from the above-mentioned incidents at Qinghai Dachaidan Mining and Jilin Banmiaozi Mining, no other operating mines within our Group — namely Yulong Mining and Heihe Luoke Mining — were penalized for over-mining or for using mining products without safety certification. All four mines have obtained written confirmations from the competent authorities in natural resources, emergency management, ecological environment, and investment project management. These confirm that such incidents during the Track Record Period and up to the Latest Practicable Date do not constitute material non-compliance under PRC laws and regulations. In addition, as advised by our PRC Legal Advisors, the purchase and use of mining products that have not obtained safety marks may result in being ordered to make corrections within a specified time limit and a fine of not more than RMB50,000. If the violations are not rectified within such time limit, the maximum fine shall be RMB200,000. In serious cases, production and business operations may be suspended for rectification. However, (i) the relevant violations of our Group’s mines have already been penalized and fully rectified; and (ii) during the Track Record Period and up to the Latest Practicable Date, other than the two above-mentioned rectified incidents, all mines within our Group have been procuring and using mining products with valid safety marks in compliance with applicable laws and regulations. Accordingly, as advised by our PRC Legal Advisors, the competent authorities will not impose further penalties for the same illegal acts, and we are not exposed to any further potential penalties in respect of the past use of products without safety marks.

Looking ahead, and as a means of enhancing our Group’s internal control measures (including our strategies in implementing rectification measures), our Company will scientifically and reasonably plan mine production schedules. We will also undertake necessary technical upgrades and capacity expansion based on actual operational needs to enhance production capacity and ensure compliance.

Our PRC Legal Advisor reiterates that the instances described above do not constitute material non-compliance that would lead to a material and adverse impact on our Group’s business operations or financial position. Our Group has taken proactive steps to rectify the issue and ensure ongoing compliance with applicable laws and regulations. According to our PRC Legal Advisor, based on the above, the risk of being ordered to suspend production due to over-mining is low.

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Planned production schedule

As set forth in the Competent Persons’ Report, the following chart sets forth the planned mining and production schedule for the operations in our mines for the periods indicated over the life of mine:

Subsidiary	Unit	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Qinghai Daochaidean Mining																						
— Mined ore	Mt	0.79	0.84	0.89	0.77	0.90	0.88	0.90	0.90	0.79	0.44	0.49	—	—	—	—	—	—	—	—	—	—
— Feed grade (Au)	g/t	3.68	2.79	2.72	3.72	4.42	4.64	3.81	4.84	6.13	7.54	6.45	—	—	—	—	—	—	—	—	—	—
— Production volume (Au)	t	3.05	2.21	2.18	2.78	3.46	3.46	2.92	3.68	4.61	4.58	2.67	—	—	—	—	—	—	—	—	—	—
Jilin Baimiaozi Mining																						
— Mined ore	Mt	0.80	0.80	0.79	0.67	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Feed grade (Au)	g/t	3.60	3.01	2.84	3.07	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Production volume (Au)	t	2.57	2.14	2.00	1.87	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Heihe Luoke Mining																						
— Mined ore	Mt	0.32	0.38	0.37	0.33	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Feed grade (Au)	g/t	6.01	3.70	3.71	2.19	2.16	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Production volume (Au)	t	1.89	1.35	1.33	0.80	0.62	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Feed grade (Ag)	g/t	46.52	33.23	36.66	57.25	93.62	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
— Production volume (Ag)	t	11.06	9.33	10.23	16.41	21.41	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mangshi Huasheng Mining																						
— Mined ore	Mt	—	0.90	1.36	1.46	1.41	1.38	1.36	1.16	0.51	1.45	1.16	1.12	—	—	—	—	—	—	—	—	—
— Feed grade (Au)	g/t	—	1.86	2.09	1.90	1.47	1.55	1.91	1.79	1.90	1.90	1.90	1.69	2.49	—	—	—	—	—	—	—	—
— Production volume (Au)	t	—	1.27	1.90	1.73	1.34	1.42	1.74	1.63	1.73	1.74	1.73	1.53	0.76	—	—	—	—	—	—	—	—
Osino Mining																						
— Mined ore	Mt	0.05	4.79	5.00	5.94	5.94	6.27	3.92	6.19	2.11	7.91	4.63	3.54	8.08	1.36	—	—	—	—	—	—	—
— Feed grade (Au)	g/t	—	1.10	1.10	1.10	0.99	1.10	1.10	0.94	1.03	1.08	1.10	1.00	1.05	0.83	0.49	—	—	—	—	—	—
— Production volume (Au)	t	—	3.69	5.09	5.08	4.56	5.08	5.09	4.36	4.74	4.97	5.09	4.62	4.84	3.81	0.82	—	—	—	—	—	—
Yulong Mining																						
— Mined ore	Mt	1.05	1.06	2.05	2.03	2.00	2.05	2.08	2.08	2.07	1.98	1.25	1.37	1.35	1.35	1.23	0.60	0.30	0.30	0.30	0.30	0.18
— Feed grade (Ag)	g/t	185.99	141.75	112.68	109.28	96.91	99.60	96.65	92.22	87.90	99.34	104.42	83.25	78.24	82.86	105.13	80.25	70.23	73.38	71.76	67.44	60.90
— Production volume (Ag)	t	177.03	136.59	198.55	189.49	166.13	174.24	172.25	165.05	171.84	170.23	114.59	99.44	92.86	98.09	113.62	40.41	15.85	16.57	16.14	15.10	8.28
— Feed grade (Pb)	%	1.32	1.10	0.72	0.67	0.72	0.72	0.71	0.84	0.79	1.03	0.97	0.79	0.74	0.76	0.77	0.71	0.61	0.61	0.62	0.55	0.51
— Production volume (Pb)	t	12,314.10	10,362.73	12,201.07	11,260.66	11,475.26	11,710.22	12,069.48	13,894.47	14,464.29	16,157.33	10,623.31	9,430.16	8,735.40	8,983.18	8,249.36	3,654.11	1,511.14	1,527.91	1,529.94	1,355.54	758.07
— Feed grade (Zn)	%	1.55	1.35	1.53	1.35	1.54	1.39	1.57	1.91	1.61	2.13	1.62	1.52	1.49	1.45	1.40	1.59	0.87	0.99	1.05	1.01	1.17
— Production volume (Zn)	t	14,198.73	12,562.28	24,909.22	22,104.05	24,189.94	22,443.29	25,910.30	31,031.93	28,471.90	32,335.12	17,552.18	18,070.53	17,470.59	16,879.27	14,852.45	8,202.58	2,201.24	2,491.55	2,643.81	2,528.67	1,773.99
— Feed grade (Cu)	%	0.00	0.01	0.11	0.33	0.37	0.27	0.13	0.15	0.08	0.09	0.03	0.01	0.01	0.01	0.03	0.02	0.01	0.00	0.00	0.00	0.00
— Production volume (Cu)	t	—	—	1,513.06	4,743.26	5,592.51	4,188.78	2,002.37	2,363.98	1,120.44	1,134.39	21.95	29.84	32.19	50.52	62.48	64.01	11.51	3.73	5.45	8.74	2.69

Note: When calculating the life of mine, we deduct the projected annual production from the ore reserves starting from December 31, 2025, thereby determining the final year in which the ore reserves will be fully depleted.

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Operating costs

The table below sets forth a summary of the operating cash costs and production costs (in RMB million) in relation to our mining operations for the periods indicated, as provided by the Competent Person:

Qinghai Dachaidan Mining											
Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Workforce Employment.	80.32	66.27	63.12	64.98	76.46	76.93	69.66	78.68	92.98	86.79	52.21
Consumables	37.77	36.49	36.91	24.21	27.84	27.38	30.09	21.06	15.48	4.36	4.36
Fuel, electricity, water and other services	18.94	18.22	18.40	12.23	14.07	13.85	15.12	10.78	8.15	2.69	2.46
On and off-site administration	196.15	185.48	186.49	125.83	146.98	144.94	155.67	114.99	92.64	36.97	25.92
Environmental protection and monitoring.	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80
Transportation of workforce	1.73	1.33	1.23	1.51	1.79	1.81	1.55	1.97	2.50	2.51	1.48
Product marketing and transport	1.82	1.40	1.29	1.59	1.88	1.90	1.62	2.07	2.62	2.63	1.55
Non-income taxes, royalties and other governmental charges	50.52	39.09	36.17	43.97	52.05	52.68	45.12	57.26	72.26	72.37	42.69
Contingency allowances.	13.36	12.41	12.38	9.17	10.62	10.52	10.90	8.96	8.15	4.99	3.45
Jilin Banmiaozhi Mining											
Item	2026	2027	2028	2029	2030	2031	2026	2027	2028	2029	2029
Workforce Employment.							73.61	63.92	60.31		52.02
Consumables							74.01	72.58	71.75		60.86
Fuel, electricity, water and other services							59.24	57.40	56.51		48.24
On and off-site administration							101.90	92.95	89.46		76.26
Environmental protection and monitoring.							1.68	1.22	1.05		0.94
Transportation of workforce							1.35	0.98	0.85		0.75
Product marketing and transport							0.57	0.42	0.36		0.32
Non-income taxes, royalties and other governmental charges.							51.45	37.38	32.41		28.84
Contingency allowances.							40.99	34.12	31.62		27.57
Heihe Luoke Mining											
Item	2026	2027	2028	2029	2030	2031	2026	2027	2028	2029	2030
Workforce Employment.							29.35	29.46	28.90		16.02
Consumables							37.54	37.68	36.97		25.33
Fuel, electricity, water and other services							23.67	23.76	23.31		14.55
On and off-site administration							114.14	93.75	89.56		22.45
Environmental protection and monitoring.							13.18	8.61	7.91		4.24
Transportation of workforce							0.00	0.00	0.00		0.00
Product marketing and transport							0.95	0.62	0.57		0.31
Non-income taxes, royalties and other governmental charges.							9.32	6.57	6.84		2.22
Contingency allowances.							25.47	25.56	25.08		13.17

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Mangshi Huasheng Mining

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Workforce Employment.....	6.06	6.07	8.89	9.38	9.14	8.98	8.89	7.88	4.68	9.33	7.88	7.69	2.50
Consumables.....	0.27	0.31	0.46	0.48	0.47	0.46	0.46	0.41	0.26	0.48	0.41	0.40	0.12
Fuel, electricity, water and other services.....	0.00	18.17	24.17	24.17	24.17	24.24	24.17	24.17	24.17	24.24	24.17	24.17	8.09
On and off-site administration.....	139.84	219.38	255.02	257.38	256.20	256.05	255.03	250.17	234.82	188.12	147.63	142.43	25.04
Environmental protection and monitoring.....	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60	13.60
Transportation of workforce.....	—	—	—	—	—	—	—	—	—	—	—	—	—
Product marketing and transport.....	0.20	0.15	0.23	0.24	0.24	0.23	0.23	0.19	0.09	0.24	0.19	0.19	0.07
Non-income taxes, royalties and other governmental charges.....	10.48	70.12	93.00	82.39	62.91	65.93	78.29	73.88	77.48	72.96	70.01	61.96	29.21
Contingency allowances.....	1.07	0.94	1.39	1.48	1.43	1.41	1.39	1.21	0.65	1.47	1.21	1.18	0.41

Note: The Huasheng Property is currently in the construction stage and is not expected to commence ore production until 2027. Therefore, there will be no mining and processing costs incurred during the period from 2025 to 2026. Only stripping costs, G&A costs and other charges will be applicable during this time.

Osino Mining

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Workforce Employment.....	—	8.54	11.78	11.74	11.74	11.74	11.78	11.74	11.74	11.74	11.78	11.74	11.74	11.74	4.22
Consumables.....	—	23.54	32.46	32.37	32.37	32.37	32.46	32.37	32.37	32.37	32.46	32.37	32.37	32.37	11.63
Fuel, electricity, water and other services.....	—	12.48	17.21	17.16	17.16	17.16	17.21	17.16	17.16	17.16	17.21	17.16	17.16	17.16	6.17
On and off-site administration.....	0.8	96.35	98.62	98.54	98.54	98.60	98.40	98.59	97.77	98.93	98.54	81.21	60.29	12.62	2.45
Environmental protection and monitoring.....	—	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Transportation of workforce.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Product marketing and transport.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-income taxes, royalties and other governmental charges.....	—	14.05	17.94	17.04	14.38	16.02	16.06	13.75	14.95	15.67	16.06	14.57	15.26	12.02	2.58
Contingency allowances.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note: The Osino Property is currently in the construction stage and is not expected to commence ore production until 2027. Therefore, there will be no mining and processing costs incurred during the period from 2025 to 2026. Only G&A costs and other charges will be applicable during this time.

BUSINESS

Yulong Mining Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Workforce Employment.	75.02	70.74	127.35	131.82	125.10	123.63	120.66	124.93	115.86	122.96
Consumables	53.88	55.68	108.31	109.76	107.68	109.72	110.88	111.48	109.90	106.49
Fuel, electricity, water and other services	31.38	32.49	63.31	64.12	62.95	64.18	64.89	65.21	64.36	62.26
On and off-site administration	121.34	124.27	240.05	243.70	238.40	242.27	244.12	246.05	241.36	235.63
Environmental protection and monitoring	24.26	21.51	36.45	38.39	35.45	34.10	32.22	34.29	29.97	34.66
Transportation of workforce	0.04	0.04	0.06	0.07	0.06	0.06	0.06	0.06	0.05	0.06
Product marketing and transport	6.09	5.40	9.15	9.64	8.90	8.56	8.09	8.61	7.52	8.70
Non-income taxes, royalties and other governmental charges.	307.54	271.98	437.33	401.98	366.63	369.60	380.59	402.93	365.64	423.47
Contingency allowances.	93.74	98.26	193.26	195.27	192.44	196.87	199.83	200.17	198.84	190.47
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Workforce Employment.	73.54	73.30	70.55	71.19	69.95	31.83	14.05	14.39	14.36	8.36
Consumables	66.66	72.52	71.48	71.22	65.31	31.65	15.67	15.71	15.66	9.43
Fuel, electricity, water and other services	39.01	42.50	41.90	41.74	38.23	18.55	9.20	9.22	9.19	5.54
On and off-site administration	146.93	158.75	156.18	155.76	143.60	69.24	34.00	34.15	34.03	20.45
Environmental protection and monitoring	19.89	18.12	16.97	17.38	18.39	7.82	2.97	3.14	3.14	1.74
Transportation of workforce	0.04	0.03	0.03	0.03	0.03	0.01	0.01	0.01	0.01	0.00
Product marketing and transport	4.99	4.55	4.26	4.36	4.62	1.96	0.75	0.79	0.74	0.44
Non-income taxes, royalties and other governmental charges	249.77	230.54	216.87	221.68	230.64	98.89	37.86	40.18	37.60	22.28
Contingency allowances.	119.94	131.86	130.31	129.66	117.93	57.57	28.86	28.87	28.77	17.39

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OPERATING PROCESSES

Mining

In relation to our mining processes, all of our mines that are in operation as of December 31, 2025, operate as underground mines.

We use drill-and-blast method for mining and medium-length hole blasting for ore extraction. Primary mining and transportation equipment includes, among others, jumbo drills, bolting rigs, shotcrete sprayers, charging units, medium-to-deep-hole drill rigs, raise borers, scalers, load-haul-dump units, loaders, haul trucks, shaft hoists, skips, rail locomotives, and mine cars.

The mining workflow details are as follows:

- **Development engineering:** We establish access routes for personnel, equipment, materials, and ore transport across all mine levels. This includes creating independent and complete systems for transportation, ventilation, drainage, power distribution, water supply, and compressed air supply, establishing production conditions for subsequent exploration and extraction.
- **Secondary delineation of ore body:** We further define the ore body’s occurrence, grade, and depositional characteristics by drilling denser patterns from existing development drifts.
- **Stope design:** We conduct detailed planning before production, covering stopping blocks, chambers, pillars, slot raises, ventilation raises, backfill raises, and ore passes.
- **Stope preparation and slot cutting:** We execute stope preparation and slot-cutting works according to the design, including chambers, haulage drifts, drawpoint drifts, transfer chambers, and ore passes. This creates the necessary conditions for personnel access, medium-to-deep-hole drilling, blasting and ore draw, ore transport, and ventilation for subsequent mining.
- **Stope blasthole design:** We design deep-hole and medium-to-deep-hole drilling patterns for the stope.
- **Medium-to-deep-hole drilling:** We drill blastholes in the rock face using deep-hole drill rigs according to the design.
- **Slot raise and slot blasting:** The blast holes are charged with explosives and detonated, creating a free face and blasting space for subsequent production blasts.
- **Stope production blasting:** The blast holes are charged with explosives and detonated, with part of the blasted ore removed. This process is repeated until all production blast holes in the stope have been fired.
- **Hoisting operations:** Ramp hauling involves loading blasted ore onto haul trucks using load-haul-dump units or loaders, transporting it to the surface for stockpiling according to ore type, and then transferring it to the processing plant based on beneficiation requirements. Shaft hoisting involves transporting blasted ore from the stope to the main ore pass using load-haul-dump units, loading it into skips at the transfer chambers, and then hoisting it to the surface via the hoisting system, after which it is transferred by mine trucks to the processing plant.
- **Stope backfilling:** Cemented backfilling involves mixing sand, cement, fly ash, and water in specified proportions and pumping the mixture from a backfill plant to the stopes (or waste rock backfill areas) for stope filling. Dry waste rock backfilling involves filling mined-out stopes with waste rock either from underground or from the surface.

Processing

The metallurgical process at Jilin Banmiaozi Mining and Heihe Luoke Mining comprised two-stages closed-circuit crushing, “SAG mill — ball mill” configuration, two-stage closed-circuit grinding, all-slime cyanidation carbon-in-pulp (“CIP”) gold extraction, elution-electrowinning, and smelting.

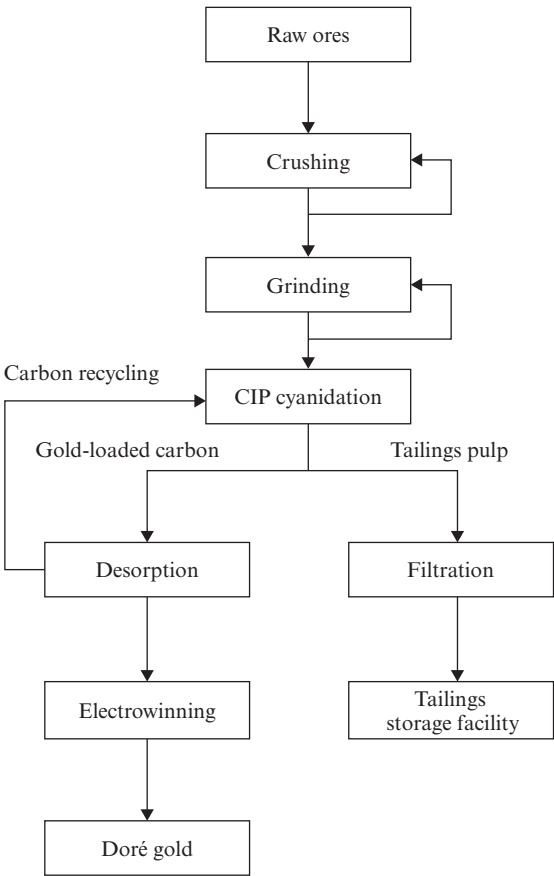
The processing workflow details are as follows:

- **Crushing circuit:** ROM ore is blended in the ROM stockpile before being fed to the primary crushing bin. Ore is fed via a plate feeder to a jaw crusher. The crushed product is screened by a circular vibrating screen, with the undersize reporting to the fine ore bin. The screen oversize is fed to a cone crusher, and the crushed product is returned to the vibrating screen, forming a closed circuit.
- **Grinding circuit:** Material from the fine ore bin is fed by a belt feeder to the ball mill feed conveyor belt, which supplies one primary overflow ball mill. The ball mill discharge flows to the primary slurry pump sump. Primary slurry pumps transfer the pulp to primary hydrocyclones for classification. The primary cyclone underflow returns to the primary ball mill, forming a closed circuit. The primary cyclone overflow flows by gravity to the secondary slurry pump sump. Secondary slurry pumps transfer the pulp to secondary hydrocyclones for pre-classification. The

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- secondary cyclone underflow returns to one secondary overflow ball mill, forming a closed circuit. The secondary cyclone overflow flows by gravity to a trash screen for trash removal. The trash screen undersize flows by gravity to a thickener for pre-leach thickening.
- **Leaching and adsorption circuit:** Thickener underflow is pumped by slurry pumps to a leaching tank for reagent addition. The leached pulp flows to an adsorption tank. The pulp from adsorption flows to a safety screen. Screen oversize is recovered for processing. Screen undersize proceeds to cyanide destruction. The cyanide-destroyed pulp flows to the plunger pump station and is pumped to the tailings filter press plant.
 - **Elution and electrowinning circuit:** Gold-loaded carbon from the CIP circuit is fed into acid washing tanks and soaked in hydrochloric acid. After acid washing and neutralization, it is pumped to the elution column for elution-electrowinning under high temperature and pressure. Electrowinned carbon requiring regeneration is pumped to the regeneration kiln and then returned to the CIP circuit; carbon not requiring regeneration is returned directly to the CIP circuit tanks. Gold sludge from the electrowinning cathodes proceeds to the smelting stage.
 - **Gold smelting:** Pyrometallurgical smelting and casting are employed. The gold sludge from elution and electrowinning is sent to the gold room for drying. Borax, soda ash, quartz, and other slag-forming agents are added to the dried sludge, which is then smelted and refined in a medium-frequency gold smelting furnace to produce doré gold.
 - **Tailings cyanide destruction, filtration, and dry stacking:** Pulp from the tail tank flows into two cyanide destruction agitation tanks. The pulp then flows to the plunger pump surge tank and is pumped to the tailings filter press plant. After filtration by filter presses, the filter cake is conveyed to the tailings storage facility via conveyor belts and mobile conveyor belt trestles.

The following diagram shows the processing flows at Jilin Banmiaozi Mining and Heihe Luoke Mining:



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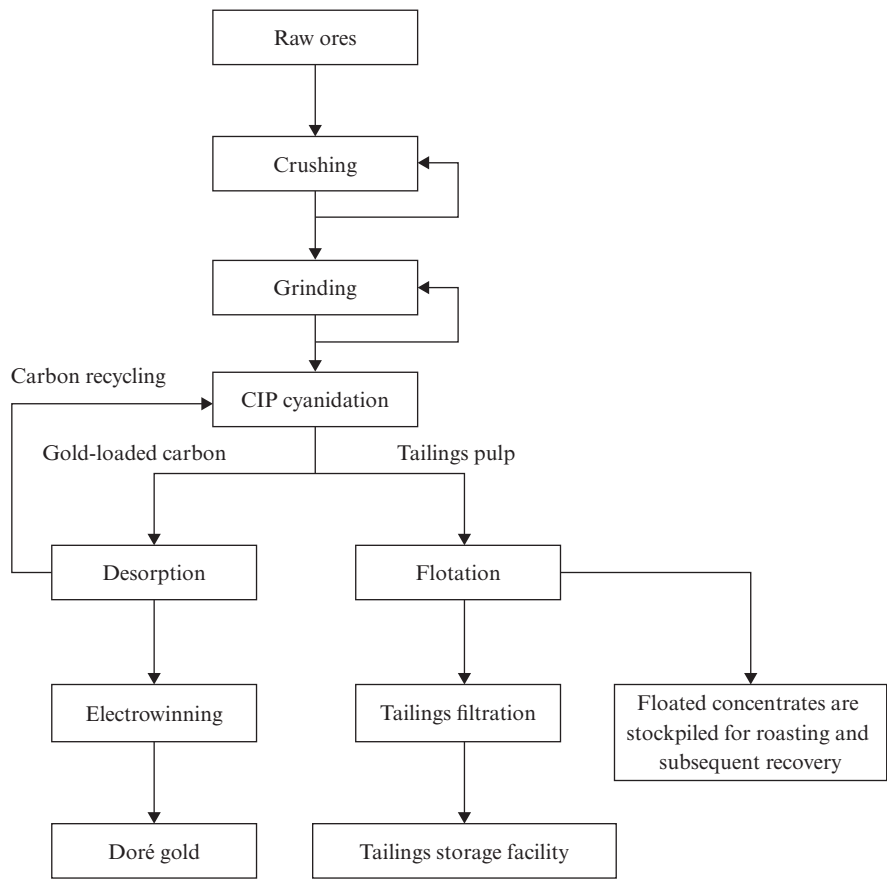
The metallurgical process utilized by Qinghai Dachaidan Mining comprises single-stage open-circuit crushing, single-stage closed-circuit grinding, all-slime cyanidation carbon-in-pulp gold extraction, elution-electrowinning, smelting, cyanide destruction, flotation of detoxified tailings to produce concentrate, and final tailings deposition.

The Flowsheet details are as follows:

- **Crushing circuit:** The plant employs a single-stage open-circuit crushing flow. ROM ore from the bin is fed via a heavy-duty plate feeder to a jaw crusher. Crushed material is conveyed to the fine ore bin.
- **Grinding circuit:** A single-stage closed-circuit grinding classification system is utilized. Ore from the fine ore bin is conveyed to a SAG mill. The SAG mill discharge reports to a vibrating screen. Screen oversize (pebbles) is conveyed to a cone crusher for pebble crushing, with the crushed product returned via conveyor to the SAG mill for regrinding. Screen undersize enters a cluster of hydrocyclones for classification. Cyclone underflow returns to the SAG mill; overflow pulp flows by gravity to the cyanidation circuit.
- **Cyanidation leaching circuit:** In the all-slime CIP process, cyclone overflow passes through a trash screen before sequentially flowing through leaching tanks. Lime and sodium cyanide are added during leaching, with oxygen injected. Pulp is lifted between tanks by interstage screens. Final tailings flow by gravity to detoxification. Fresh activated carbon is added to the last tank; carbon transfer pumps advance carbon counter-current to the pulp flow. High-grade loaded carbon is extracted from the first tank and sent to elution.
- **Flotation system:** The circuit approximates two roughing stages, one scavenging stage, and one cleaning stage. Detoxified tailings pulp is pumped to conditioning tanks, diluted with water, and mixed with flotation reagents before sequential processing through flotation cells. This produces flotation gold concentrate and flotation tailings.
- **Flotation concentrate filtration:** Flotation gold concentrate is dewatered by filter presses.
- **Concentrate roasting & dust collection:** Gold concentrate is pumped to a roasting feed storage tank, then flows by gravity to an elevated distribution box feeding spray guns. High-pressure air atomizes the slurry into a fluidized roasting furnace for oxidative roasting-desulfurization and decarbonization. Furnace off-gas dust is captured by an electrostatic precipitator and quenched in a water bath. Roast gas is processed in an acid plant, with arsenic precipitated and acid neutralized. Roast calcine quench slurry is pumped to the regrind pump sump, then fed to hydrocyclones. Underflow flows to a ball mill for fine grinding; mill discharge returns to the regrind sump, forming a closed circuit. Cyclone overflow flows to a thickener; thickener overflow water returns to roasting for calcine quenching. Thickener underflow is pumped to the calcine cyanidation circuit. Calcines are cooled in a quench tank before pumping to the regrinding section; quench water is recycled from the calcine cyanidation circuit.
- **Tailings disposal:** Flotation tailings pulp is pumped to the tailings storage facility.
- **Elution and electrowinning circuit:** Gold-loaded carbon from CIP undergoes acid washing in tanks with hydrochloric acid. After neutralization, it is pumped to the elution column for high-temperature/pressure elution-electrowinning. Carbon requiring regeneration is sent to the regeneration kiln before returning to CIP; non-regenerated carbon returns directly. Gold sludge from cathodes proceeds to smelting.
- **Gold smelting:** Pyrometallurgical smelting and casting are employed. Gold sludge is dried in the gold room. Borax, soda ash, quartz, and other fluxing agents are added before smelting and refining in a medium-frequency furnace to produce doré gold.

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The following diagram shows the processing flows at Qinghai Dachaidan Mining:



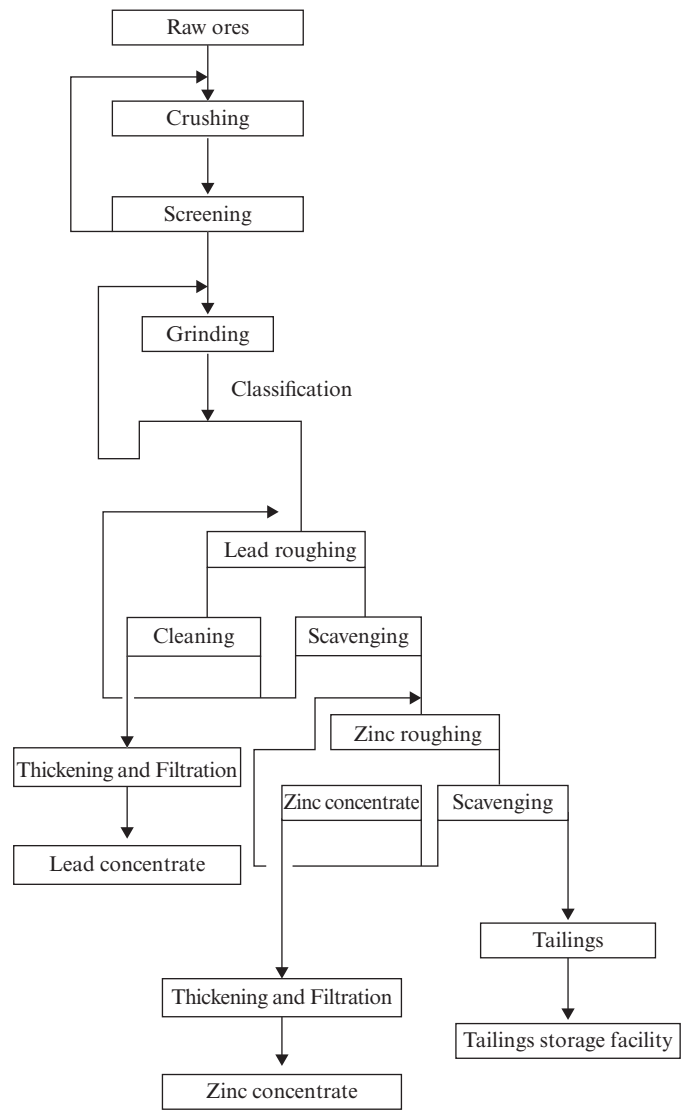
Yulong Mining primarily utilizes the flotation process. Our processing equipment mainly includes crushing circuits, grinding circuits, flotation circuits, filter machines, and conveyors.

The processing workflow details are as follows:

- **Crushing and grinding circuit:** The crushing and grinding circuit employs a “SAB” flow sheet design: primary crushing followed by SAG and ball milling. Given the medium to low hardness of this polymetallic ore and the current high grinding efficiency indicating relative ease of grinding, pebble crushing is not currently implemented. Pebbles are recirculated back to the closed-circuit SAG mill.
- **Flotation circuit:** We employ a sequential flotation process. This circuit comprises one roughers, three scavengers, and four cleaners, producing lead concentrate. The lead flotation tailings then enter the zinc flotation circuit, which also consists of one rougher, three scavengers and four cleaners, producing zinc concentrate and final tailings. The lead concentrate and zinc concentrate produced by flotation proceed to the concentrate dewatering stage. The tailings undergo thickening near the plant before being pumped to the tailings dam for storage.
- **Dewatering process:** Both the lead concentrate and zinc concentrate produced by flotation undergo a two-stage dewatering process involving thickening followed by filtration.

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The following diagram shows the processing flows at Yulong Mining:



Exploration activities

Our mineral exploration efforts are led by an internal team and supported by qualified third-party geological experts. Monthly and quarterly progress reports are submitted to our management for review, with exploration strategies adjusted dynamically based on ore discoveries. Geological prospecting is carried out either internally or via rigorously selected third-party teams based on their expertise and regional experience. Historical geological data is reviewed annually to inform the next year’s exploration plan, which undergoes internal review and approval by Headquarters. Mid-year adjustments are made based on progress. Production exploration is primarily handled by the internal team, using historical reports to develop targeted plans that refine understanding of ore body characteristics. These activities enhance the accuracy of resource estimates and provide reliable geological data to support high-quality mine development.

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SALES, OUR CUSTOMERS, MARKET COMPETITION, AND SEASONALITY

Sales and marketing

Our Group adopts a customer-centric and reputation-based approach to sales and marketing, primarily targeting customers in precious metals and other non-ferrous metals and related materials sectors. We do not rely on mass-market advertising or broad-based promotional campaigns. Instead, our marketing efforts are focused on building long-term partnerships with industrial customers, traders, and processors who value consistent quality, reliability, and supply assurance. Customer acquisition is largely driven by referrals, industry reputation, and direct outreach by our commercial team. Our Group’s established presence in precious metals and other non-ferrous metals industry, combined with our vertically integrated operations, positions us as a trusted supplier. We often engage with potential customers through industry conferences, technical workshops, and direct negotiations, where we showcase our production capabilities, quality control systems, and logistics reliability.

Once a potential customer is identified, our Group typically initiates engagement through commercial discussions. These include product specifications, delivery schedules, and quality assurance protocols. Our sales team works closely with the operations team to ensure that customer requirements are fully understood and met. Customer engagement is not limited to the point of sale. We maintain ongoing communication with our clients to monitor satisfaction, address any issues, and explore opportunities for expanded cooperation. This includes periodic site visits and collaborative problem-solving when supply chain disruptions occur.

Our Group typically enters into either long-term offtake agreements or spot sales contracts, depending on the customer’s needs and the nature of the product. Long-term agreements are common with strategic customers who require stable supply over multiple years. These contracts often include volume commitments, pricing formulas, and performance clauses.

Set forth below is a summary of the salient terms of our long-term offtake agreements during the Track Record Period.

- Duration: These agreements typically have a fixed term of one year.
- Pricing and payment: The buyer is typically obligated to pay for the products on a monthly basis, and they will have to pay the full invoiced amount before we arrange for shipment and delivery. The price is typically determined by the monthly arithmetic average price of the metal from a designated market, plus a fixed premium.
- Commitment: We would usually commit to supplying a predetermined quantity of gold, silver and other non-ferrous metal products each month, with the total annual volume specified in the contract.
- Termination: Typically, these agreements may be terminated if the buyer fails to make payment for goods within the stipulated monthly cycle. We can also be excused from performance due to production equipment maintenance or failure, provided it gives advance written notice.

Set forth below is a summary of the salient terms of our spot sale agreements during the Track Record Period.

- Duration: Our sale agreements typically have a one-year term.
- Payment terms: These agreements usually require the purchaser to make an advance payment, often covering a significant portion of the provisional invoice value, prior to the collection of goods.
- Performance: We are usually obligated to have the goods ready for collection by the buyer at the designated location.
- Termination: Either party may terminate the agreement in the event of a material breach by the other party, such as a failure to make required payments or to perform key obligations.

Our major customers

Our customers include downstream smelters and metal traders. In the year ended December 31, 2023, 2024 and 2025, revenue generated from our top five customers for each period during the Track Record Period accounted for 51.6%, 42.4% and 41.0% of our total revenue of such period, respectively, and revenue generated from our largest customer for each period during the Track Record Period accounted for 27.2%, 19.6% and 14.3% of our total revenue in the same periods, respectively. We typically settle payments with our top five customers by bank transfer. Some of these customers would pay upfront for our products, and thus would not have an applicable credit period.

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The following table sets forth details of our five largest customers during the year ended December 31, 2023:

Customer	Revenue generated (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship	Products provided by us	Credit period granted by us	Payment method
Customer A ⁽¹⁾	2,201,549	27.2	2018	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer B ⁽²⁾	1,241,740	15.3	2017	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer C ⁽³⁾	267,662	3.3	2022	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer D ⁽⁴⁾	241,332	3.0	2022	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer E ⁽⁵⁾	221,990	2.7	2021	Gold and other non-ferrous metal mining and trading business for other non-ferrous metal	N/A	Bank transfer
Total	4,174,273	51.6				

Notes:

- Customer A is a state-owned enterprise with a registered capital of RMB4,791.4 million, headquartered in Beijing, specializing in the exploration, mining, processing, and refining of gold, copper, silver.
- Customer B is a state-owned enterprise with a registered capital of RMB3,462.7 million, based in Nanchang, Jiangxi, primarily engaged in asset management and industrial investment, including ownership of major steel production facilities.
- Customer C is a state-owned enterprise with a registered capital of RMB100.0 million, headquartered in Wuxi, Jiangsu Province, China, specializing in financial investment activities and industrial development, with a focus on strategic sectors such as semiconductors, new energy, and advanced manufacturing.
- Customer D is a Chengdu-based company with a registered capital of RMB500.0 million, engaged in the wholesale of metals and minerals.
- Customer E is a private enterprise located in Jiyuan, Henan Province with a registered capital of RMB600.0 million, specializing in lead and zinc smelting, precious metal recovery, and battery recycling.

The following table sets forth details of our five largest customers during the year ended December 31, 2024:

Customer	Revenue generated (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship	Products provided by us	Credit period granted by us	Payment method
Customer B	2,656,063	19.6	2017	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer A	1,869,309	13.8	2018	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer F ⁽¹⁾	503,186	3.7	2024	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer G ⁽²⁾	389,216	2.9	2023	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer C	342,700	2.5	2022	Trading business for other non-ferrous metal	N/A	Bank transfer
Total	5,760,474	42.4				

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Notes:

1. Customer F is a Singapore-registered exempt private limited company founded in 2013, specializing in the wholesale of other non-ferrous metals and metal ores, with a paid-up capital of SGD 27.2 million and operations focused on international commodity trading.
2. Customer G is a Fuzhou-based company, engaged in supply chain management, international freight forwarding, and wholesale distribution of industrial goods, chemicals, and food products, with a registered capital of RMB100.0 million and a business scope covering import/export and logistics services.

The following table sets forth details of our five largest customers during the year ended December 31, 2025:

Customer	Revenue generated (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship	Products provided by us	Credit period granted by us	Payment method
Customer A	2,428,055	14.3	2018	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer B	2,286,674	13.5	2017	Gold and other non-ferrous metal mining	N/A	Bank transfer
Customer H ⁽¹⁾	810,133	4.8	2025	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer I ⁽²⁾	713,073	4.3	2025	Trading business for other non-ferrous metal	N/A	Bank transfer
Customer J ⁽³⁾	684,538	4.1	2024	Gold and other non-ferrous metal mining and trading business for other non-ferrous metal	N/A	Bank transfer
Total	6,922,473	41.0				

Notes:

1. Customer H is a Fuzhou-based private enterprise with a registered capital of RMB300 million, engaged in sales of metal products and metal fabrications.
2. Customer I is a Henan-based private enterprise with a registered capital of RMB101.2 million, primarily engaged in production and sale of copper-related products and overhead cables.
3. Customer J is a state-owned mining and smelting enterprise with a registered capital of RMB1,906.8 million, headquartered in Xining, Qinghai Province, China, specializing in the extraction, processing, and trading of other non-ferrous and precious metals including copper, lead, zinc, iron, gold, and silver.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Market competition

Industry concentration has continued to increase in light of the continuous mergers and integration of gold mining companies. According to F&S, most of the top gold producers are headquartered in the United States, Australia, Canada, South Africa, Russia, Uzbekistan and China. We compete with international players in acquiring attractive gold mining properties. The gold mining industry in China is relatively fragmented with the market dominated by small- and medium-sized gold mining companies accounting for majority of the market share. In the year ended December 31, 2025, we ranked 4th among gold producers in China in terms of gold reserves; and we ranked 6th among gold producers in China in terms of gold production, according to F&S. See “Industry Overview” in this document for further details of the competition landscape and our market position.

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Seasonality

Our Directors are of the view that, and as confirmed by F&S, our mining operations are generally subject to seasonal fluctuations, where our mining operations may be affected during the winter months, resulting in periodic shut downs, primarily disrupting transportation systems due to snowfall and freezing conditions.

Pricing

Pricing is determined recognized futures market benchmarks as the foundation, adjusted based on the current market basis. For certain products, our Group references published indices or third-party pricing data to ensure transparency and competitiveness. Volume, payment terms, and delivery logistics also influence pricing.

Trading

Overview

We conduct our trading activities as a strategic extension of our mining operations. This integrated approach significantly enhances our overall risk management capabilities, meaningfully contributes to operational efficiency, and strengthens our financial stability and credit profile.

We leverage our position as a producer to trade primarily in metal varieties directly aligned with our mining resources, with a core focus on precious metals complemented by active trading in other non-ferrous metals. Our dedicated trading subsidiaries centrally manages all trading activities, mineral product sales, and execution across the commodity trade value chain. We implement a disciplined blend of strategic long-term contracts and opportunistic spot purchases. We source primarily from established, large-scale smelters and highly reputable traders, ensuring supply chain reliability and quality control.

We execute sales predominantly to a rigorously vetted global client base. To manage price volatility risk within our physical trading positions, we implement systematic and disciplined derivative hedging strategies across all traded commodities. In addition, we strictly prohibit the use of derivatives for speculative purposes.

Strategic value of our trading operations

During the Track Record Period, our Group’s trading operations in metals recorded a gross profit margin ranging from 0.1% to 1.1%. Notwithstanding the relatively thin margin, we believe that our trading activities significantly enhance our overall risk management capabilities, meaningfully contribute to operational efficiency, and strengthen our financial stability and credit profile.

Our trading business is closely integrated with our risk management framework. Through active participation in both physical and derivative markets, we are able to hedge price risks associated with our core mining and production activities, thereby stabilizing our overall profitability even in volatile commodity markets. We have established and strictly implemented a comprehensive risk management policy, under which we maintain a high hedge ratio (approximately 88.5% by weight, after VAT adjustment) and do not permit naked long or short positions. As a result, recent significant price fluctuations in the metals market have minimal impact on our financial results. See “— Hedging transactions and policies.” Our trading activities also serve as an important channel for market intelligence, enabling us to better anticipate and respond to industry trends, which supports more informed decision-making for both trading and core operations.

In terms of operational efficiency, our trading activities allow us to optimize inventory and logistics management by leveraging our trading operations and centralized funding pools, which support rapid responses to market opportunities and customer needs. The trading business facilitates upstream and downstream integration, providing us with greater flexibility in sourcing and sales, and enabling us to maintain stable supply chains even in changing market conditions. In addition, our trading activities support our main business by expanding industry contacts and channels, which not only improves our pricing power but also provides valuable information for mergers and acquisitions and long-term strategic planning.

From a financial perspective, our trading activities diversify our revenue streams, reducing reliance on any single business segment and enhancing our resilience against sector-specific risks. The robust risk controls and stable cash flows generated by our trading business are recognized by financial institutions and counterparties, thereby strengthening our credit profile. Furthermore, our trading operations are structured to avoid significant losses through disciplined risk management and hedging. As a result, we are able to maintain a stable financial position, even though the gross profit margin from trading operations is thin. Accordingly, while the gross profit margin from our trading operations is modest, we consider the strategic benefits, particularly in risk

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management, operational efficiency, and financial stability, to be significant and integral to our overall business model. These benefits are not fully reflected in gross profit margin figures alone, but are evidenced by our Group’s stable performance and the effectiveness of our risk control measures during the Track Record Period.

Going forward, our Group’s trading business will continue to serve the dual functions of monetizing the Group’s resources and expanding its market reach. It will ensure more efficient sales of self-produced gold, silver and other products, enhance customer loyalty and capture market information through external trading, and further strengthen synergy between our mining operations and trading business. Our trading business will strictly control operational risks, enhance hedging capabilities, and deepen our expertise in price risk management and profit optimization. With our gradual expansion into overseas markets and the expected commencement of production at our Osino mine in 2027, our trading business will be further integrated into our global sales network and provide valuable strategic support for our overseas business operations.

We determine pricing for both purchases and sales transparently, using relevant market recognized futures market benchmarks as the foundation, and adjusted based on the current market basis. We leverage the inherent advantages of mineral resources to actively expand our upstream and downstream trade channels, thereby enhancing value-added services for industrial clients, and solidifying our standing as a reliable and knowledgeable participant in the global metals markets. Concurrently, we continuously evaluate and explore opportunities to strategically expand into other metals that align with market dynamics and our long-term vision.

Transaction flow

The following table illustrates a summary of the transaction flow of our trading operations:

Step	Description
1. Order placement	Procurement-first model; either long-term supplier contracts in place or short-term procurement secured prior to customer outreach
2. Payment terms	Negotiated per transaction; supported by centralized funding mechanisms
3. Physical transfer or paper-based settlement	Trading transactions may involve either the physical transfer of metals or paper-based settlement
4. Revenue recognition	Upon transfer of control to our Group for purchases or to customer for sales
5. Price risk management	Hedged using derivatives; no naked positions permitted; regular monitoring and reporting

In most cases, we would negotiate payment terms with both suppliers and customers based on prevailing market practices and the specific requirements of each transaction. The key stakeholders and intermediaries involved in the Group’s trading business primarily include upstream smelters or traders as suppliers and downstream traders or industrial factories, depending on different downstream customers’ needs for metal types as customers. We generally maintain flexibility in payment arrangements to ensure smooth fund flow and support the needs of both upstream suppliers and downstream customers. Our Group has also established mechanisms such as centralized funding pools to facilitate efficient fund transfers and support short-term cross-border transaction funding needs.

Order placement with suppliers

As for our procurement model with upstream suppliers, we have established strict supplier admission criteria. We collect supplier information and assess their commercial reputation, supply capacity and financial standing to qualify approved suppliers.

Procurement contracts are categorized into long-term supplier contracts and short-term procurement contracts. For long-term supplier contracts, we negotiate and enter into annual agreements with upstream suppliers with reference to product supply and demand, market outlook, macroeconomic conditions and national policies, setting forth annual procurement volumes and pricing mechanisms mainly based on the monthly average of benchmark prices plus an appropriate premium or discount. For short-term procurement contracts, we enter into contracts directly with suppliers based on prevailing market conditions and operational needs. Pricing is based on futures contract prices or quotations from platforms such as Shanghai Metals Market (SMM) plus an appropriate premium or discount.

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Payment terms with customers

As for our selling model with downstream customers, our trading business adopts a prudent, strictly risk-controlled sales model. Sales are made on a payment-before-delivery basis with no credit extension to customers, and we mainly cooperate with institutional clients and large-scale traders with good credit. Common arrangements include cash against documents (CAD), letters of credit (LC) and advance payments, selected based on risk appetite, liquidity needs, and the commercial relationship with the counterparty.

Sales contracts are categorized into annual contracts and ad-hoc orders. We determine pricing for both contract types based on futures contract prices or quotations from platforms such as the SMM, plus an appropriate premium or discount. The final price may be fixed at contract signing or determined during an agreed pricing period on a mutually selected price basis. Payment terms are typically aligned with industry standards, varying by product nature, counterparty credit profile, and transaction size.

The duration between the placement of customer orders and the physical delivery of products varies depending on the product, counterparty, and logistics arrangements. For certain metals, especially those sourced from external suppliers, our Group may experience a lead time between order placement and delivery. During this period, our Group is exposed to fluctuations in metal prices. To mitigate this risk, our Group employs a comprehensive risk management policy, including the use of futures and options to hedge price exposure. Our Group’s policy is to maintain a high hedge ratio (approximately 88.5% by weight, after VAT adjustment), which we had done so during the Track Record Period, and naked positions are not permitted. Our Group’s risk management procedures are documented in its internal policies and are subject to regular review and oversight.

Physical transfer of metals and paper-based settlement

Trading transactions may involve either the physical transfer of metals or paper-based settlement, depending on the product and customer requirements. Transactions involving the physical transfer of metals for which we are responsible for physical delivery account for approximately 4% of our total trading transactions. For physical trades, metals are typically delivered to or from our Group’s designated warehouses or directly to customer-specified locations and we normally dispatch goods to customers within 2 days of order receipt on average, with same-day dispatch available for eligible orders. The point at which products are considered delivered to our Group is generally when our Group obtains control and bears the risks and rewards of ownership. Customers make payment to us before delivery of the goods and delivery to customers is recognized when control is transferred to the customer, which is typically upon physical handover. Our accounting policy recognizes revenue at the point when control of the goods is transferred, in accordance with applicable accounting standards. In most cases, the duration between the placing of customer orders and physical delivery of products to the customers (i.e. completing a trading transaction) ranges from as early as same-day delivery to 10 days. For paper-based settlement trades for which we are not responsible for physical delivery, account for approximately 96% of our trading transactions, we either purchase in paper form from upstream suppliers and downstream buyers take delivery of physical metals or acquire physical metals from upstream suppliers and convert them into paper form for sale to downstream buyers. Settlement is effected upon the transfer of paper form or physical transfer of metals, and most metals involved in such paper-based trading transactions are already stored in the third-party warehouses when orders are received. Accordingly, we are not involved in the physical delivery or transportation of goods to customers, and there is no lead time from customer order placement to the physical delivery of products for transaction completion. In determining whether our Group’s trading operations are recognized on a gross basis or a net basis, we consider whether we have obtained control of the products before they are transferred to customers.

Trading model

Our Group’s trading model is primarily based on market demand and supply. None of our trading transactions are supported by back-to-back orders. For our trading operations, all customer sales contracts are signed only after we have secured procurement from suppliers. We either enter into long-term supply contracts with suppliers or finalize short-term procurement agreements before initiating customer outreach. Our Group’s risk management framework, including the use of derivatives and hedging strategies, is designed to minimize exposure arising from non-back-to-back transactions.

Hedging transactions and policies

We utilize hedging transactions to manage price volatility across our diverse product portfolio. We produce gold doré and lead and zinc concentrates containing silver, and externally procure copper, tin ingots, and zinc ingots for resale. To secure margins on our self-produced doré gold and silver-bearing concentrates, we

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actively enter into forward sale agreements. We also utilize derivatives when procuring external copper, tin, and zinc for our trading activities, to lock in purchase or sale prices across these trades. Our investment in derivative instruments after the [REDACTED] will be subject to the compliance with Chapter 14 of the Listing Rules.

Specifically, our hedging strategy primarily uses forward sale contracts and derivatives to pre-lock profit margins and control costs, serving as a key tool to stabilize our financial performance. It is implemented in three key steps: (i) Board approval: We have a rigorous approval process, prior to any hedging transactions (i.e., futures and options), the types of derivatives, specific trading tools and maximum capital allocation must be approved by the Board of Directors; (ii) Hedging plan implementation: Our professional execution team develops a comprehensive annual hedging plan based on approved parameters. During operations, the team dynamically optimizes the hedging ratio (the proportion of business volume covered by hedging instruments), promptly in response to significant metal price fluctuations, adjustments to the Group’s business plans or suboptimal hedging performance, to maintain risk mitigation effectiveness; and (iii) Real-time risk monitoring: We have a dedicated risk control department that conducts daily tracking of hedging transactions, including positions, margin requirements, profit and loss movements, and compliance with regulatory and internal standards. This continuous oversight ensures timely identification and resolution of potential risks, safeguarding the integrity of the hedging process.

We primarily utilize futures and options contracts from the Shanghai Futures Exchange and the London Metal Exchange, as well as options contracts from futures risk management subsidiaries, to execute our hedging strategies. Our hedging strategies primarily guard against market risks. In addition, our Group has established clear evaluation criteria to assess the effectiveness of its hedging strategy and the appropriateness of related transactions. Prior to any metal transactions (whether sales of self-produced doré gold and silver-bearing lead-zinc concentrates, or trading of externally sourced copper, tin and zinc ingots), we compare the spot purchase price with the projected selling price and monitor price spreads across different futures contracts and derivatives. Only when stable profitability is projected after comprehensive evaluation of these factors do we proceed with formal transactions and implement corresponding hedging measures to secure and stabilize the expected profit margin.

As a result of our successful hedging strategies, even though we recorded individual loss-making trading transactions (excluding relevant hedging profits) of RMB53.0 million, RMB120.3 million and RMB121.4 million as of December 31, 2023, 2024 and 2025, respectively, the reported losses on individual physical transactions were substantially offset by gains on related derivative instruments as the losses primarily arose from two scenarios. In the first scenario, a decline in metal prices after procurement resulted in losses on the physical contracts, while the economically hedging derivative positions generated offsetting gains; these were recorded in separate line items as we did not apply hedge accounting during the Track Record Period. In the second scenario, which is related to priced-forward sales and spot purchase contracts, the timing differences where sales were priced before procurement in a rising market created an accounting loss on the physical portion, which was similarly offset by gains on the corresponding derivatives. Accordingly, on an aggregated basis including hedging activity gains, our overall trading activities remained profitable.

We operate under a Board-approved hedging business management system. We use derivative instruments solely for hedging commodity price risks related to our production and trade of precious and other non-ferrous metals. We strictly prohibit speculative transactions and strictly follow the principles of futures-physical matching, which requires that our hedging transactions in derivatives correspond closely in volume, tenor and direction to the underlying physical metal positions and transactions. We trade contracts on domestic and international exchanges or other Board-approved instruments using dedicated accounts funded exclusively with our own capital, in compliance with applicable laws and regulations.

We manage our operations by maintaining a professional trading team, developing and executing annual trading plans, monitoring market dynamics, and promptly adjusting trading strategies. Our internal control department oversees risk management, ensuring policy compliance, auditing transactions, monitoring positions and margins, and reporting incidents.

We enforce strict authorization. We conduct due diligence on brokers, with contracts signed only by authorized representatives. Trading authority is granted formally by written documents, specifying permitted individuals, transaction types, and limits; changes are communicated immediately.

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PROCUREMENT, SUPPLIERS, CONTRACTORS, INVENTORY AND LOGISTICS

The Beijing headquarters has established a centralized procurement center, which is responsible for the unified procurement of materials listed in the centralized procurement catalog. Each mining site is also equipped with a dedicated procurement department and personnel. We employ a range of procurement methods, including open tendering, invited tendering, competitive negotiation, sole-source procurement, and inquiry-based procurement. The selection of the appropriate method is determined based on the nature, value, and specific requirements of the materials or services being procured.

We implement a qualified supplier certification system, which includes new supplier qualification reviews, ongoing supplier performance assessments, and annual supplier evaluations. In selecting suppliers, we consider a wide range of factors, such as the supplier’s qualifications, experience, pricing, service or product quality, reputation and delivery time, and any past business relationship we may have.

We consider it important to maintain good and long-term business relationships with our suppliers. We also employ a performance management program to evaluate our suppliers in order to confirm that each supplier remains capable to provide products and/or services that satisfy our production needs, as well as future development needs and future development needs. We may set out key performance indicators in our agreements with suppliers. In addition, we seek to diversify our supplier base to avoid disruptions in the provision of key supplies. We believe that most of the supplies we procure can be readily obtained from a wide range of suppliers at reasonable prices and we do not rely on any particular supplier. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any material business disruptions due to shortages or delays in the supply of raw materials, machinery, or equipment, and we were not involved in any material disputes or litigation with major suppliers. During the Track Record Period, we did not encounter any material disruption to our business as a result of shortage or delay in the supply of raw materials and machinery and equipment.

Our major suppliers

Our suppliers primarily consist of metal traders. In the year ended December 31, 2023, 2024 and 2025, purchases from our top five suppliers for each period during the Track Record Period accounted for 31.2%, 36.8%, and 34.0% of our cost of sales amount of such period, respectively, and the purchase from our largest supplier for each period during the Track Record Period accounted for 10.3%, 13.7%, and 8.1% of our total purchase amount in the same periods, respectively. We typically settle payments with our top five suppliers by bank transfer.

The following table sets forth details of our five largest suppliers during the year ended December 31, 2023:

Supplier	Purchase amount (RMB'000)	Percentage of total cost of sales (%)	Year of commencement of business relationship	Nature of purchase	Credit period granted to us	Payment method
Supplier A ⁽¹⁾	568,674	10.3	2021	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier B ⁽²⁾	508,830	9.2	2017	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier C ⁽³⁾	237,076	4.3	2022	Subcontractor for mining	N/A	Bank transfer
Supplier D ⁽⁴⁾	212,950	3.9	2019	Subcontractor for mining	N/A	Bank transfer
Supplier E ⁽⁵⁾	191,354	3.5	2021	Trading business for other non-ferrous metal	N/A	Bank transfer
Total	1,718,884	31.2				

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Notes:

- Supplier A is a state-owned energy conglomerate with a registered capital of RMB30,200.0 million, headquartered in Jinan, Shandong, China, with over 210,000 employees and 608 subsidiaries across 22 provinces and 17 countries, specializing in coal mining, coal chemical engineering, electric power, high-end equipment manufacturing, and new energy materials.
- Supplier B is a mining and metallurgy company based in Gejiu, Yunnan Province with a registered capital of RMB78.0 million.
- Supplier C is a Chinese company based in Inner Mongolia, operating in the mining engineering and construction sector with a registered capital of RMB40.0 million.
- Supplier D is a Chinese company based in Inner Mongolia, operating in the mining engineering and construction sector with a registered capital of RMB10.0 million.
- Supplier E is a company registered in Ningbo, Zhejiang, with a registered capital of RMB200.0 million, engaged in wholesale distribution of metals, chemicals, agricultural products, and industrial goods.

The following table sets forth details of our five largest suppliers during the year ended December 31, 2024:

Supplier	Purchase amount (RMB'000)	Percentage of total cost of sales (%)	Year of commencement of business relationship	Nature of purchase	Credit period granted to us	Payment method
Supplier A	1,302,561	13.7	2021	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier F ⁽¹⁾	879,197	9.2	2017	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier B	550,973	5.8	2017	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier G ⁽²⁾	395,342	4.2	2022	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier H ⁽³⁾	367,295	3.9	2024	Trading business for other non-ferrous metal	N/A	Bank transfer
Total	3,495,368	36.8				

Notes:

- Supplier F is a company with a registered capital of RMB100.0 million, headquartered in Ningbo High-Tech Zone, Zhejiang Province, China. Established in 2012, it operates primarily in the business services and investment sector, with activities spanning metals, chemicals, agricultural products, and international trade.
- Supplier G is a group of companies controlled by three natural persons.
- Supplier H is a company registered in Hong Kong in the metal trade business.

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The following table sets forth details of our five largest suppliers during the year ended December 31, 2025:

Supplier	Purchase amount (RMB'000)	Percentage of total purchases (%)	Year of commencement of business relationship	Nature of purchase	Credit period granted to us	Payment method
Supplier A.	1,018,769	8.1	2021	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier I ⁽¹⁾	978,560	7.7	2017	Gold and other non-ferrous metal mining and trading business for other non-ferrous metal	N/A	Bank transfer
Supplier J ⁽²⁾	915,644	7.3	2025	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier K ⁽³⁾	744,565	5.9	2025	Trading business for other non-ferrous metal	N/A	Bank transfer
Supplier L ⁽⁴⁾	634,425	5.0	2023	Trading business for other non-ferrous metal	N/A	Bank transfer
Total	<u>4,291,963</u>	<u>34.0</u>				

Notes:

- Supplier I is a company specializing in gold and other non-ferrous metal mining. Supplier I is headquartered in Beijing with a registered capital of RMB10,200.0 million.
- Supplier J is a company specializing in gold and other non-ferrous metal mining. Supplier J is headquartered in Xining with a registered capital of RMB1,600.0 million.
- Supplier K, is a group of companies controlled by two natural persons who are independent third parties. Supplier K comprises two entities, one headquartered in Shanghai and the other in Zhejiang, specializing in sales of metal and chemical products.
- Supplier L, is a UK-registered private limited company headquartered in London, specializing in business support services and commodity marketing.

We do not anticipate difficulty in securing substitute suppliers offering similar products on comparable terms to our current suppliers. During the Track Record Period and up to the Latest Practicable Date, no significant disagreements with our suppliers occurred that could disrupt our operations, halt their work, or otherwise cause material adverse impact. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material impact to our operation or financial condition due to any significant fluctuation in prices set by our suppliers or any material breach of contract on the part of our suppliers.

To the best of our knowledge, all of our five largest suppliers in each year/period during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year/period during the Track Record Period.

We enter into framework agreements with our major suppliers and place purchase orders on case-by-case basis. The following paragraphs set forth a summary of the salient terms of our framework agreements with suppliers.

- **Term:** Our long-term supplier agreements generally have terms of one to two years.
- **Prices:** Prices for general goods and equipment are established through competitive bidding procedures to ensure cost efficiency and transparency. Bulk materials, including steel and sulfuric acid, are priced via tender-based procurement underpinned by annual framework agreements.
- **Supplier qualification:** Suppliers must hold valid business licenses and requisite permits. For specific categories of supplies, specialized certifications or qualifications pertaining to the materials or goods provided are mandated.

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- **Delivery responsibility:** Transportation and delivery of procured materials or goods to our designated facilities is typically the responsibility of the supplier.

Contractors

In accordance with industry standards, we hire qualified contractors to outsource certain activities. We enter into multi-year or project-lifecycle contracts with various categories of contractors. Payments are settled based on the contract schedule or mutually agreed terms, after confirming that the delivered services satisfy the acceptance criteria outlined in the relevant agreements. These contracts typically require us to provide contractors with necessary maps and plans to enable access to mining areas for work performance. The contractors assume primary responsibility for their personnel’s safety and the quality of their work. In the event of safety production or quality issues, the agreements may be terminated by mutual consent. As we expand our production scale, we expect these outsourcing arrangements to adequately meet operational demands, reduce operating costs, and mitigate operational risks. We have taken comprehensive consideration before deciding which processes to outsource, including the mine production arrangements, our internal staffing and operational capacity, the level of technical expertise required, relevant qualification requirements and overall cost efficiency. In general, for activities that require specialised technical capabilities, specific industry qualifications or substantial labour and equipment resources, we typically engages qualified and experienced third-party contractors to perform such services. On the other hand, for operational tasks that are closely integrated with our day-to-day mining operations, or where we have sufficient personnel and management capability, such work is generally carried out by ourselves. According to Frost & Sullivan, such arrangements are consistent with common industry practice in the mining industry and allow us to enhance operational efficiency and optimize our allocation of internal resources.

The table below sets forth the breakdown of the category, number and fees incurred during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	No. of contractors	Fee incurred (RMB'000)	No. of contractors	Fee incurred (RMB'000)	No. of contractors	Fee incurred (RMB'000)
Exploration	10	63,619	13	91,588	12	62,601
Construction	19	38,391	32	124,012	32	117,602
Excavation and Mining	8	579,136	8	649,486	7	848,072
Other ⁽¹⁾	17	33,564	19	36,689	15	26,842
Total	54	714,712	72	901,766	66	910,673

Note:

1. Primarily included IT development, safety and security measures, design, consulting, and maintenance and repair work.

We typically select contractors through open bidding invitations. Our Group has established a robust contractor management framework through policies such as the Procurement Policy and Procedures Manual and the Supplier and Contractor Management Policy. These policies set out clear requirements for contractor safety qualification reviews, personnel training, allocation of safety resources, and supervision of safe production practices. Subsidiaries are required to assess contractors across multiple dimensions, including the validity of licences and certifications, credit standing, past performance, safety records, regulatory compliance capabilities, and adequacy of insurance coverage. In practice, departments responsible for safety, environmental protection, civil engineering, and procurement conduct thorough reviews of contractor qualifications and documentation. Contractor applications are submitted via the OA system under the “Supplier Master Data Management — Supplier Application” module. A request for appointment for contracts will only be approved when it meets our selection criteria that (i) it has valid and active licenses and permits to conduct the outsourced activities; (ii) it can demonstrate a good safety record in compliance with applicable laws and regulations as well as our internal control requirements; and (iii) it has demonstrated capability to perform the outsourced activities with a successful track record. Upon approval by the relevant department head, the application is confirmed by the master data administrator at the headquarters of the Group to complete the onboarding process. These departments also carry out ongoing reviews and on-site supervision of contractors, covering areas such as safety resource allocation, occupational health, environmental protection, and the validity of

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operating permits. In the event we discover significant non-compliance or other issues in the implementation of our project, we are entitled to suspend such contractor’s work and require them to take correctional actions within a requested period of time.

The competitive nature of the relevant contracting service market means we do not anticipate difficulty in securing substitute providers offering similar services on comparable terms to our current contractors. During the Track Record Period and up to the Latest Practicable Date, no significant disagreements with our contractors occurred that could disrupt our operations, halt their work, or otherwise cause material adverse impact. Our Directors are of the view that our contractors are in compliance with all material applicable laws and regulations and outsourcing will not be expected to have many material impacts for our control of our mining activities and daily operations.

Set forth below is a summary of the salient terms of our outsource agreements with contractors during the Track Record Period.

- **Duration:** Our outsource agreement typically has a fixed term in alignment with the expected performance cycle for each outsourced project.
- **Pricing:** Contractors are generally engaged on a fixed-price basis covering labor, materials and related service fees. Unless otherwise agreed, the contract price is generally not subject to adjustments due to fluctuations in material prices, rising labor costs or changes of market conditions.
- **Qualification and compliance:** Contractors are required to possess the relevant professional qualifications and operational experience and ensure that all materials used and works performed comply with applicable safety standards, technical specifications and quality requirements.
- **Project inspection and acceptance:** We conduct inspections and acceptance procedures upon completion of the relevant works to ensure that the services performed meet the agreed technical specifications and project requirements. Contractors are not permitted to alter materials, construction methods or mining plans without our prior written consent and are responsible for compensating us for any losses arising from unauthorized changes. Contractors are also required to complete the work within the agreed project schedule.
- **Warranty and insurance:** Contractors typically provide a warranty period of one to two years for defects arising from their construction or mining work and are responsible for rectification during the warranty period. Contractors are also required to maintain appropriate insurance coverage for their employees and equipment.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our contractors were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our contractors.

Inventory management

Our inventories mainly include raw materials, work in progress, and finished goods. We implement inventory management policies to control inventory levels, guided by our production plan and current market conditions.

Under our standard inspection protocols, inventory personnel inspect all incoming shipments against the relevant agreements or purchase orders to confirm they meet specified requirements for quality, quantity, and specifications. We segregate any shipments with incomplete documentation pending further verification. We reject supplies that fail to meet the agreed specifications, quality standards, or quantities and initiate corrective actions with the supplier. All inventory movements in our warehouses are governed by strict control procedures, recorded in our inventory management system, and reviewed and confirmed by the finance department.

Inventory information is recorded in our inventory system and categorized for ease of data analysis. We set the minimum and maximum inventory levels in our inventory system, which assists us arrange timely procurement. We undertake inventory review routinely and periodically. All personnel entering our inventory warehouses are subject to strict security check, and we have real-time video camera, alarm system, and security guards in place to prevent security issues. Furthermore, we have insurance coverage on our inventories.

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Utilities

Electricity

Our PRC operations

We mainly obtain electricity from the state electrical power grid. We generally enter into agreements with the state electrical power grid authority on an annual basis. The price of electricity is determined pursuant to the relevant electricity market rate by following related guidance thereon published by the governmental authorities in the PRC. We may enjoy a discounted price for electricity under clean energy policies promulgated in the PRC. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant interruptions in our operations in the PRC as result of power shortage or outages.

Our Namibia operations

We source electricity from Namibia’s national power utility under a grid connection agreement. To reduce overall power costs, the Twin Hills Project also includes plans for a solar plant to supply daytime energy for the processing plant. Electricity pricing follows our signed agreement and adheres to Namibian Government policies. Throughout the Track Record Period and up to the Latest Practicable Date, we experienced no material operational disruptions due to power shortages.

Water

Our PRC operations

The majority of our mines in the PRC are underground mines and we mainly use underground water, and to a lesser extent surface water, for industrial use. Water for domestic use is sourced from local water companies. Our Directors confirm that all industrial and domestic water consumed in the course of the Company’s business operations is paid for at prevailing market rates, in compliance with applicable regulations and stipulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant interruption in our operation as result of water shortage.

Our Namibia operations

We secure water for industrial and domestic use primarily from underground sources at the Twin Hills site in Namibia. To minimize consumption, the project design incorporates dry stack tailings technology. Our Directors confirm that, in Namibia, production water and certain domestic water utilized by the Company is in accordance with government permits and regulations, and is paid for at fixed fees. Backup water supply is sourced from municipal providers, with costs calculated based on market-based pricing. Throughout the Track Record Period and up to the Latest Practicable Date, we experienced no material operational disruptions due to water shortages.

Logistics

In relation to the transportation of products, most of our customers would arrange for the collection and transportation of our products on-site, and we do not have to take any responsibility in relation to the transportation of our products. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage of transportation capacity.

OVERLAPPING CUSTOMER AND SUPPLIER

For the years ended December 31, 2023, 2024 and 2025, we had one, one and one major customers (i.e. being among our top five customers in each period during the Track Record Period), that were also suppliers to our Group. During such periods, the revenue generated from such overlapping customers/suppliers amounted to RMB222.0 million, RMB2,656.1 million and RMB684.5 million, representing 2.7%, 19.6%, and 4.1% of our total revenue, respectively. During the same periods, purchases from such overlapping customers/suppliers amounted to RMB133.1 million, RMB12.7 million and RMB915.6 million, respectively, representing 2.4%, 0.1%, and 7.3% of total costs of sales. Such major customers comprised (i) refineries and smelters (in relation to our mining operations), to which we had sold our products, and from which we had purchased silver; and (ii) metal traders (in relation to our trading operations), to and from which we had traded various metals. Due to the nature of our business, certain of our top five suppliers, or their associates, in each period during the Track Record Period were also our customers, or vice versa. As advised by our Industry Consultant, overlapping customers and suppliers is an industry norm in the non-ferrous metals industry, and it is also commonplace for commodities trading companies to engage in both the purchase and sale of the same type of metals with their counterparts.

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For the year ended December 31, 2023, Customer E was both our major customer and supplier. Our Company sold lead concentrate and lead-zinc concentrate containing silver to Customer E, generating RMB222.0 million in revenue, which represented 2.7% of our total revenue. In return, Customer E supplied silver to us valued at RMB133.1 million, accounting for 2.4% of our total cost of sales.

For the year ended December 31, 2024, Customer B was the sole overlapping customer/supplier. Our Company sold gold doré to Customer B, generating RMB2,656.1 million in revenue, which represented 19.6% of our total revenue. In exchange, we purchased electrolytic copper from Customer B valued at RMB12.7 million, representing 0.1% of our total cost of sales.

For the year ended December 31, 2025, Customer J acted as both a customer and supplier. Our Company sold refined gold doré to Customer J, generating RMB684.5 million in revenue, which accounted for 4.1% of our total revenue. In return, Customer J supplied gold and silver to us valued at RMB915.6 million, representing 7.3% of our total cost of sales. Our Directors confirm that none of the transactions between us and such overlapping customers/suppliers were inter-connected or inter-conditional, and each of such overlapping customers/suppliers is an Independent Third Party. Our Directors affirm that the prices of transactions with such overlapping customers/suppliers are comparable to those of similar transactions conducted with other customers and suppliers of our Group. We also confirm that all products provided to or products received from such overlapping customers/suppliers were conducted at arm's length, under normal commercial terms, and in the ordinary course of business.

TECHNOLOGIES AND R&D

We are committed to continuous R&D, which we believe will ensure our competitiveness in the industry and enable us to sustainably grow our business in the future. As of December 31, 2025, we have 330 employees responsible for technical R&D works. The R&D team focuses on optimising process technologies across exploration transparency, mining, and mineral processing, with a particular emphasis on developing efficient mining and beneficiation techniques. This provides robust technical support for the high-quality development of our mining operations. Our efforts aim to improve metallurgical recovery rates, enhance resource utilisation, and conduct mineralization research to expand the resource base underpinning our business. In terms of geology and survey, we utilize advanced 3D modeling tools such as Leapfrog, Surpac, and 3DMine, complemented by a comprehensive geological information management system. This enables rapid integration of geological data, satellite imagery, and 3D models, thereby supporting exploration and resource augmentation of our mines, placing our digital management capabilities among the most advanced within the domestic industry. In mining, we employ medium-to-deep-hole underground methods across all sites to enhance efficiency and safety. At Qinghai Dachaidan Mining, we have successfully implemented the segmented caving continuous backfill method. Yulong Mining has built the first intelligent tailings paste filling system in high-altitude and cold regions in China. Our open-pit operations benefit from BMT, which effectively reduces dilution and loss rates. Our digital mining framework integrates big-data models for seamless design-to-construction management. Mechanization and automation are widely adopted, with remote-controlled loaders and unmanned systems improving productivity. In processing, our gold recovery technologies — such as pre-oxidation and oxidative roasting — achieve rates up to 97%, while Yulong Mining's SAB grinding and flotation system ensures efficient polymetallic extraction. Heihe Luoke Mining optimizes its mineral processing system to continuously improve metal recovery rates. These technologies collectively drive operational excellence and economic value.

In addition, our subsidiaries, Yulong Mining and Jilin Banmiaozi Mining, have been recognized as high and new technology enterprises. Therefore, each of these enjoys a preferential enterprise income tax rate of only 15%, as opposed to 25% for general enterprises in China.

Intellectual property

We believe that our intellectual property rights are critical to our continued success. As of the Latest Practicable Date, we had 50 registered patents, including 12 invention patents and 38 utility model patents, and filed 39 patent applications which were pending approval. As advised by our PRC Legal Advisor, pursuant to the Patent Law of the PRC, an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, an utility model patent registered in China is valid for a term of 10 years from the date of filing of the application for the patent, and since June 1, 2021, a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent. Despite our precautions, however, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of

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operations. Our Directors confirm that, we did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

To protect our intellectual property rights, we monitor whether there is any infringement of our brand by conducting internet searches, including searches on the website of the National Intellectual Property Administration of the PRC. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material dispute or litigation relating to infringement of trademarks and patents nor, to the best of our knowledge, did we infringe any trademarks and patents belonging to other parties.

Data and cybersecurity

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process personal data. We believe that confidentiality, integrity, and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols, and strict transmission policies to ensure the confidentiality and integrity of sensitive information. We have established clear and detailed protocols that govern the use, storage, and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers’ or distributors’ personal information.

QUALITY CONTROL

Quality assurance is fundamental to our business operations. Each of our departments is responsible for respective field’s quality control. In the event of a quality concern raised by a customer, we conduct thorough investigations and engage in consultations with the relevant customer; where necessary, disputes may be referred to accredited independent third-party bodies for arbitration. Throughout the Track Record Period and up to the Latest Practicable Date, we received no material complaints regarding the quality of our products.

For mining and processing activities, we employ a comprehensive quality monitoring framework to oversee quality at every critical stage. Further, we furnish suppliers with detailed quality and technical specifications and typically require them to provide warranties for supplied materials. Shipments of raw materials are inspected prior to acceptance. Third-party contractors are required to meet our qualification criteria and perform work in compliance with our internal standards, applicable industry standards, and relevant laws and regulations. Supplier performance is subject to regular inspections, and full quality inspections are conducted upon project completion. Throughout the Track Record Period and up to the Latest Practicable Date, we believe that there is no material quality issue or breach of warranties in respect of the supplies to us.

EMPLOYEES

As of December 31, 2025, we had 2,085 employees, among them, 105 employees were in Namibia and most of our employees are based in China, primarily located at our mining projects. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

	Number of employees	Percentage (%)
Production	1,270	60.9
Management and administrative	402	19.3
Technical R&D	330	15.8
Sales	32	1.5
Finance	51	2.4
Total	2,085	100.0

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We believe that, our business success rests with our ability to attract, retain and motivate qualified talents. We recruit talents, with high standards and rigorous procedures and through various methods, including online recruitment and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to various talent demands. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonus and promotion. As required under PRC labor laws, we enter into individual employment contracts with our employees that specify remuneration, working conditions, labor protection, and occupational hazard prevention. As required under PRC laws and regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund. We believe that we have been maintaining a good working relationship with our employees, and we had not experienced any material labor dispute or difficulty during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practice in our industry. Our employee-related insurance includes the social insurance and housing provident fund as required by PRC laws and regulations. However, in line with general market practice, we do not maintain any business interruption insurance, which are not mandatory under PRC laws. We provide supplemental commercial insurance to our employees, such as accidental injury protection, medical expense reimbursement, death benefits for disease-related fatalities, and transportation accident coverage. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims.

PROPERTIES

Our headquarters is located at 30F, North Tower, CenterPoint, No. 20 Jinhedong Road, Chaoyang District, Beijing (北京市朝陽區金和東路20號院正大中心北塔30層). As of the Latest Practicable Date, we held and leased various properties in the PRC, which were located in, among others, Inner Mongolia Autonomous Region, Heilongjiang Province, Jilin Province, Yunnan Province, Qinghao Province, Beijing and Shanghai. As of the same date, we also held and leased properties in Namibia.

PRC properties

We own and lease properties in the PRC for mining, industrial, business, and office purposes. As of the Latest Practicable Date: (i) land to which we owned land use rights had an aggregate site area of approximately 5,835,241 m²; (ii) land leased by us had an aggregate site area of approximately 1,092,852.73 m²; (iii) properties owned by us had an aggregate gross floor area of 207,405.74 m²; and (iv) properties leased by us had an aggregate gross floor area of 6,230.83 m².

Non-registration

As of the Latest Practicable Date, 23 of our leased properties had not been registered and filed with relevant land and real estate management departments in China. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. The aggregate maximum potential penalties for failing to complete the registration and filing within a prescribed period in relation to the 23 lease agreements would be RMB230,000. As advised by our PRC Legal Advisor, assuming no significant changes in current applicable laws, regulations and policies, as well as the implementation and supervision requirements of local governments, and that we register our lease agreements within the prescribed time period if and when requested by the competent government authorities, the likelihood that we would be subject to penalties for the non-registration of our lease agreements is remote. As of the date of this document, we have not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration and filing of lease agreements once we receive any requirements from relevant government authorities.

Title defects

As of the Latest Practicable Date, among the properties we owned, 226 properties with an aggregated area of approximately 125,463.84 m², had title defects. These properties lack building ownership certificates.

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Our Company’s relevant buildings are situated outside the construction land area designated by the urban and rural planning. Pursuant to Article 42 of the Law of the People’s Republic of China on Urban and Rural Planning, the planning authority shall not issue planning permission for areas outside the construction land area designated by the urban and rural planning. This constitutes the primary reason for the inability to obtain ownership certificates. Our Directors are of the view that the properties are situated on land use rights that we legally hold and the lack of building ownership certificates for such properties, whether individually or in aggregate, will not have a material adverse impact on our business. Our PRC Legal Advisor is of the view that, given: (i) our Company has obtained the land use rights for the land on which the relevant premises are situated, the primary reason for the inability to obtain a real estate ownership certificate is that the premises are located outside an urban and rural planning zone, and the planning authorities, based on relevant legal provisions, have not granted planning permission; (ii) the relevant planning authorities have confirmed that our Company’s buildings do not require planning permission, and the relevant construction authorities have confirmed that our Company has not incurred any administrative penalties as a result. Consequently, there are no outstanding disputes or controversies between our Company and these authorities concerning housing and construction matters; (iii) our Company has consistently used the buildings in question without incurring administrative penalties and our Company confirms that it is still using and plans to continue to use these buildings normally, these circumstances have not caused any material adverse impact on our Company’s production and operations. Furthermore, pursuant to Article 30 of the Rules for Implementation of the Mineral Resources Law of the PRC (中華人民共和國礦產資源法實施細則), our Company, as the holder of the mining rights, is entitled to establish production and living facilities necessary for mining operations within the boundaries of the mining area and our Company has not been involved in any legal claims or proceedings that affect our rights to explore or mine. Therefore, the risk that our Company may be required by the competent authorities to demolish its buildings due to the lack of real estate ownership certificates is low and our Company is not in need of identifying alternative relocation properties, and no estimated time or costs for relocation exist.

Properties in Namibia

We own and lease properties in Namibia for mining, business and office purposes. As of the Latest Practicable Date, (i) we owned four property, with an aggregate area of approximately 1,331.5 km²; and (ii) we leased five parcels of land, with an aggregate area of approximately 406.3 km². We have entered into commercial leasing agreements for our leased properties.

LICENSES AND PERMITS

Mining license and exploration permits in the PRC

As of the Latest Practicable Date, our PRC gold production business held a total of eight valid mining licenses, including (i) two mining licenses for Qinghai Dachaidan Mining, (ii) one mining licenses for Jilin Banmiaozi Mining, (iii) one mining licenses for Heihe Luoke Mining, (iv) one mining license for Mangshi Huasheng Mining, and (v) three mining licenses for Yulong Mining. These mining licenses covered a total mining rights area of approximately 18.3 km².

Our mining licenses in the PRC are generally valid for several years to 30 years. Our exploration permits are generally valid for five years and renewed accordingly subject to some conditions respectively. As of the Latest Practicable Date, our PRC operations held (i) five exploration permits for Qinghai Dachaidan Mining; (ii) two exploration permits for Jilin Banmiaozi Mining; (iii) one exploration permit for Heihe Luoke Mining, which is pending renewal; (iv) two exploration permits for Mangshi Huasheng Mining; and (v) six exploration permits for Yulong Mining. These exploration permits covered a combined mining rights area of approximately 236.3 km².

We shall apply for renewal procedures within the renewal period stipulated in the relevant mining licenses or exploration permits, in accordance with applicable laws and regulations. We and our PRC Legal Advisor do not expect any significant legal impediments to the renewal process, provided that we submit applications in compliance with the relevant laws and regulations.

We commence exploration activities within our permitted exploration areas. If we determine the results are economically viable, we will apply to relevant authorities for mining licenses over these areas. PRC mining laws and regulations grant exploration permit holders priority to obtain mining licenses following successful Mineral Resource discoveries.

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The following table sets forth information regarding our relevant mining licenses and exploration permits as of the Latest Practicable Date:

Qinghai Dachaidan Mining

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	C1000002011104120120032	2.3479	January 18, 2036	Valid
Mining License	C1000002010044120060797	6.7851	September 5, 2028	Valid
Exploration Permit	T6300002018014010054584	10.2229	October 15, 2030	Valid
Exploration Permit	T6300002022034050056745	3.89	March 16, 2027	Valid
Exploration Permit	T6300002008044010000384	17.74	June 23, 2026	Valid
Exploration Permit	T6300002022024010056718	62.984	June 19, 2026	Valid
Exploration Permit	T6300002021084010056482	6.4246	October 15, 2030	Valid

Jilin Banmiaozi Mining

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	C1000002011044110112056	2.1325	January 17, 2034	Valid
Exploration Permit	T2200002024114040058240	15.106	November 17, 2029	Valid
Exploration Permit ⁽¹⁾ . .	T220000200864010008497	5.8736	July 25, 2031	Valid

Notes:

- (1) One exploration permit owned by Jilin Shengxin is under the management of Jilin Banmiaozi Mining.

Heihe Luoke Mining

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	C1000002016044210142237	0.1387	May 18, 2033	Valid
Exploration Permit	T2300002010074010041223	18.69	August 2, 2025	Renewal in progress ⁽¹⁾

Note:

- (1) The exploration permit is under the renewal process, however, as advised by our PRC Legal Adviser, there is no legal impediment to the renewal of the permit.

Mangshi Huasheng Mining

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	C5300002009114120045284	0.6337	July 11, 2035	Valid
Exploration Permit	T5300002009114010035922	20.3793	August 6, 2026	Valid
Exploration Permit ⁽¹⁾ . .	T5300002008044010005958	35.60	March 25, 2027	Valid

Note:

- (1) One exploration permit owned by West Mining is under the management of Mangshi Huasheng Mining.

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Yulong Mining

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	C1500002011024210112496	1.7093	November 11, 2037	Valid
Mining License	C1500002012054210125299	1.0269	May 16, 2038	Valid
Mining License	C1525002024094210157402	3.4821	September 14, 2052	Valid
Exploration Permit	T1525002009123010037416	11.9746	November 8, 2029	Valid
Exploration Permit	T1525002009114010036050	21.7583	November 8, 2029	Valid
Exploration Permit	T1525002008043010006893	1.51	January 20, 2029	Valid
Exploration Permit	T1525002008043010006891	2.42	January 20, 2029	Valid
Exploration Permit	T1525002022054050056825	1.68	May 17, 2027	Valid
Exploration Permit	T1525002022054050056826	0.05	May 17, 2027	Valid

Other licenses

License holder	License number	Scope of license	Expiry date
Heihe Luoke Mining	黑FM安許證字[2020]HH3739號	Underground mining of gold and silver (mining depth: from 280 m to -100 m elevation)	September 10, 2026
Heihe Luoke Mining	黑FM安許證字[2023]HH3930號	Tailings dam operation (Class IV, valley-type tailings dam)	November 23, 2026
Yulong Mining	(蒙) FM安許證字[2024]001822號	Underground mining of lead, zinc, and silver; tailings dam operation	June 24, 2027
Yulong Mining	(蒙) FM安許證字[2025]006987號	Tailings dam operation	April 27, 2028
Yulong Mining	(蒙) FM安許證字[2025]006689號	Underground mining of lead, zinc, and silver	December 29, 2028
Qinghai Dachaidan Mining	(青) FM安許證字[2025]018號	Qinglonggou South and North ore sections (underground mining, 250,000 t/a, from 3,589 m to 3,360 m elevation)	September 1, 2028
Qinghai Dachaidan Mining	(青) FM安許證字[2025]017號	Qinglonggou II, III ore sections and Section 323 (South) (underground mining, 200,000 t/a, from 3,470 m to 3,245 m elevation)	September 1, 2028 ⁽¹⁾
Qinghai Dachaidan Mining	(青) FM安許證字[2007]026號	Tanjian Mountain Gold Mine mining (open-pit mining 600,000 t/a, from 3,556 m to 3,000 m elevation)	November 1, 2027
Qinghai Dachaidan Mining	(青) FM安許證字[2008]021號	Tanjian Mountain Gold Mine tailings dam operation (Class IV dam, dam height 43.2 m, capacity 3.55 million m ³)	July 31, 2026
Qinghai Dachaidan Mining	(青) FM安許證字[2024]004號	Tailings Dam No. 5 operation (Class IV dam, dam height: 21.5 m, capacity: 3.028 million m ³)	February 23, 2027
Jilin Banmiaozi Mining	(吉) FM安許證字[2023]DXBBY5132	Non-coal mineral resource mining; underground gold mining (production scale: 800,000 t/a, from 750 m to 200 m elevation)	October 19, 2026
Jilin Banmiaozi Mining	(吉) FM安許證字[2025]WK0113	Tailings dam operation	April 23, 2028

We are required to obtain various licenses, permits and certifications for our PRC operations. As advised by our PRC Legal Advisor, during the Track Record Period and as of the Latest Practicable Date, other than the relevant licenses and permits to be renewed, we have obtained the requisite licenses, permits and certificates required by PRC laws and regulations for our current operations in material aspects. With respect to the exploration permits that were pending renewal as of December 31, 2025, we have successfully obtained renewal approvals from the relevant regulatory authorities for our Qinghai Dachaidan and Jilin Banmiaozi mining areas before their expiration as of the Latest Practicable Date. Our Group has submitted renewal applications for the one expired exploration permit at the Heihe Luoke Mining. As advised by our PRC Legal

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Advisors, there is no legal impediment to the renewal of the expired exploration permit, since (i) Heihe Locke has completed the renewal registration procedures in accordance with relevant provisions. The renewal application documents have been accepted, and no material changes have occurred in respect of the conditions under which Heihe Locke obtained the relevant exploration permit; (ii) During the valid term of the exploration permit, Heihe Locke has paid the exploration right usage fees and completed the minimum exploration investment in accordance with the law, and there is no violation of relevant laws and regulations, such as *the Measures for the Administration of Registration of Mineral Resources Exploration Blocks* (《礦產資源勘查區塊登記管理辦法》); (iii) Heihe Locke has timely submitted the renewal application materials in accordance with the guidelines for exploration licence renewal applications issued by the Department of Natural Resources of the province where Heihe Locke is located; and (iv) As further confirmed by interviews with the staff of the Xunke County Bureau of Natural Resources where Heihe Locke is located, there is no legal impediment or material adverse issue in relation to the renewal of the exploration permit. We have met the renewal criteria set out in the relevant provincial guidelines and has provided all required documentation. As such, according to our PRC Legal Advisor, there are no material legal impediments to the renewal of the such permits.

Mining license and exploration permits in Namibia

As of the Latest Practicable Date, Osino Mining held one valid mining license covering a combined mining rights area of approximately 62.1 km². The latest mining license was granted with a term of 20 years from November 3, 2022.

In addition, as of the Latest Practicable Date, Osino Mining held 16 exploration permits, four of which are pending renewal, covering a combined mining rights area of 5,087.5 km². We firstly undertake exploration activities in the areas covered by our exploration permits. If we deem the return of our exploration activities economically reasonable, we will apply to the relevant competent authorities for mining licenses covering such areas.

The following table sets forth information regarding relevant mining licenses and exploration permits in Namibia as of the Latest Practicable Date. As advised by our Namibian Legal Adviser, there is no legal impediment for the renewal process for our expiring permits:

Type	Permit number	Mining area (km ²)	Expiry date	Status
Mining License	ML238	62.09	November 2, 2042	Valid
Exploration Permit . . .	EPL3739 ⁽¹⁾	174.498779	February 11, 2026	Renewal in progress
Exploration Permit . . .	EPL5196	1.401923	April 8, 2027	Valid
Exploration Permit . . .	EPL5658	163.79356	June 13, 2027	Valid
Exploration Permit . . .	EPL5880	323.511296	July 17, 2026	Valid
Exploration Permit . . .	EPL6167 ⁽²⁾	9.755074	November 21, 2024	Renewal in progress
Exploration Permit . . .	EPL7301	127.808232	June 8, 2027	Valid
Exploration Permit . . .	EPL8997	474.301076	June 2, 2027	Valid
Exploration Permit . . .	EPL8747	393.41	June 13, 2026	Valid
Exploration Permit . . .	EPL3195	103.865165	February 3, 2027	Valid
Exploration Permit . . .	EPL5282 ⁽¹⁾	428.064452	February 12, 2026	Renewal in progress
Exploration Permit . . .	EPL7370	59.984045	August 12, 2027	Valid
Exploration Permit . . .	EPL7403	344.711387	June 14, 2027	Valid
Exploration Permit . . .	EPL8155	373.957195	July 12, 2026	Valid
Exploration Permit . . .	EPL8156	541.19	September 27, 2027	Valid
Exploration Permit . . .	EPL8157	992.86	August 29, 2027	Valid
Exploration Permit . . .	EPL8158 ⁽¹⁾	574.368652	October 10, 2025	Renewal in progress

Notes:

1. The renewal application has been submitted before the expiration date. As advised by our Namibian Legal Adviser, the permits remain valid during the renewal process and there exists no legal impediment in respect of this application for renewal.
2. As advised by our Namibian Legal Adviser, Namibian law imposes strict timelines on the applicant, but no equivalent statutory deadline is imposed on the Ministry or Mining Commissioner to finalise a renewal application. The licence remains valid while the renewal is under consideration, provided the application was properly lodged in time. And there is no legal impediment exist for the renewal process, as of the Latest Practicable Date.

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As of the Latest Practicable Date, we aim to renew our mining licenses or exploration permits before their respective expiry dates. Our Namibian Legal Advisor is of the view that all renewal applications have been properly lodged and are proceeding through the normal administrative process prescribed by the Minerals (Prospecting and Mining) Act, 1992. Moreover, Osino Mining has duly met its statutory work and expenditure commitments under each of the above licences, and based on these compliance records, there are reasonable prospects of obtaining all outstanding renewals in a timely manner. For such reasons, Our Namibian Legal Advisor does not anticipate any legal impediment in the renewal process, subject to compliance with relevant laws and regulations. Specifically, our Namibian Legal Adviser considers that there is no legal impediment to the renewal process on the grounds that: (i) the Namibian Ministry applies the principle of security of tenure in respect of mineral licenses, including EPLs. A license holder, like us, will not be deprived of its rights under such licenses without due process, continued engagement and prior notice where any concerns arise. Delays relating to endorsement, substantive review or the finalization of ancillary approvals, including ECC sign-offs, are administrative in nature and do not, in practice, prejudice a license holder who has applied for renewal within the prescribed timeframe and continues to engage constructively with the authorities; and (ii) no notices have been issued to our Group or our related entities indicating any intention to refuse the renewal applications or to take adverse action in respect of the licenses. In these circumstances, and consistent with the Namibian Ministry’s established approach of security of tenure, the licenses are regarded as secure and expected to continue pending completion of the relevant administrative processes. We do not expect any material legal impediment in the renewal process.

TRANSFER PRICING AND TAXATION

Transfer pricing arrangements

Our transfer pricing arrangements during the Track Record Period principally concerned related-party transactions in mineral product sales and purchases, which accounted for approximately 99% of all such transactions, supplemented by a limited number of fund financing and service arrangements accounted for approximately 1% of the total value of related transactions.

In respect of mineral product transactions, the sales are divided into two types. The first involves mining and sales activities, whereby our major mining subsidiaries, Qinghai Dachaidan Mining, Yulong Mining, Jilin Banmiaozi Mining, and Heihe Luoke Mining, extract gold products and lead-zinc concentrates and sell these products to external third parties through our primary trading companies, YTYH and YTSH. The second type involves trading activities, where our trading companies also purchase or sell ore products, mainly electrolytic copper, from or to third parties, including overseas suppliers or customers, through other entities within the Group.

For fund financing transactions, several key arrangements were in place during the Track Record Period. These included a loan provided by Heihe Luoke Mining to Hainan Shengwei Trading Co., Ltd. (“**Hainan Shengwei**”) for working capital purposes; a loan with no fixed term from our Company to Hainan Shengwei for an overseas acquisition; a loan from Heihe Luoke Mining to YTSH for working capital; a RMB cash-pool arrangement between YTSH and Yintai Sheng Hong (Singapore) Pte. Ltd. (“**Yintai Sheng Hong**”); a loan with no fixed term provided by Yintai Sheng Hong to Osino Mining Investments Ltd. to support its local operations; a loan with no fixed term provided by Tenya HK to Osino Mining Investments Ltd. to support its local operations; a loan provided by Hainan Shengwei to Yintai Sheng Hong; and a loan provided by Yintai Sheng Hong to Tenya HK for working capital purpose.

Pricing strategy

For the pricing of related-party mineral product purchases and sales, the contractual terms provide that the price is determined by the parties based on the market price of gold or silver. The price is set by reference to the market price on any single day before actual delivery, adjusted by a mutually agreed premium or discount. This pricing principle also applies to mineral product transactions between the Group’s trading companies.

In relation to the key fund financing arrangements, as for the pricing policy, the applicable interest rate shall be determined through negotiation between the two parties to the transaction by reference to the prevailing market rate, taking into account such transaction terms as the borrowed and lent currencies, principal amount and tenor of the loan. Heihe Luoke Mining provided a loan of RMB900.0 million to Hainan Shengwei for a term of 2.5 years, which is expected to be extended to 7 years, carrying an interest rate of 2.70% to fund normal operating activities. Separately, our Company extended a perpetual loan of RMB800.0 million to Hainan Shengwei, with an expected actual duration of 7 years and an interest rate of 2.70%, for use in an overseas project acquisition. Heihe Locke also provided a 23-month loan of RMB220.0 million to YTSH at an interest rate of 3.45% for working capital purposes. We engaged the KPMG transfer pricing team to analyze these major fund financing transactions, as well as the principal cross-border and overseas financing arrangements.

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These included the RMB cash-pool arrangement between YTSH and Yintai Sheng Hong, under which the weighted average interest rate on funds provided by YTSH was 0.41%, and the weighted average rate on funds it received was 1.05%. Additionally, Yintai Sheng Hong provided a perpetual loan of USD30.0 million to Osino Mining Investments Ltd. at an interest rate of 6.80%. Tenya HK provided a perpetual loan of USD30.0 million to Osino Mining Investments Ltd. at an interest rate of 6.00% to support its local operations. Hainan Shengwei provided a credit loan of USD30.0 million to Yintai Sheng Hong with an interest rate of 6%. Yintai Sheng Hong provided a credit loan of USD30.0 million to Tenya HK with an interest rate of 6%, for working capital purpose.

Transfer pricing and tax obligation compliance

We have engaged the transfer pricing team of KPMG to analyze our compliance with relevant transfer pricing and tax obligation requirements. Based on KPMG’s professional opinion, our transfer pricing arrangements for our related-party transactions during the Track Record Period and up to the Latest Practicable Date comply with the arm’s length principle as set forth in the OECD Transfer Pricing Guidelines and applicable local laws and regulations during the Track Record Period and up to the Latest Practicable Date, assuming that the functional and risk profiles of the related parties within the value chain of the related party transactions are not expected to undergo significant changes.

For mineral product purchase and sale related transactions, the pricing of related procurement between the transacting parties was determined through bilateral negotiations based on prevailing market prices of mineral products. For fund financing related transactions, the applicable interest rates were agreed upon by both parties through negotiations, with reference to market interest rates and based on transaction terms including currency of the loan, principal amount, and loan tenure. The above transfer pricing methodologies for related transactions are common industry practices.

We have engaged a transfer pricing advisor to analyze the reasonableness of transfer pricing for related transactions conducted during the Track Record Period. As advised by our Transfer Pricing Advisors, both types of the related transactions comply with relevant transfer pricing and tax obligation requirements. For intra-group mineral product purchase and sale related transactions, based on value chain analysis, the trading companies assume routine functions such as procurement and sales, and bear routine risks. Accordingly, the transfer pricing advisor adopted the Transactional Net Margin Method (TNMM), established a comparable range, and the weighted average profit level of the tested related entities all fell within this range. For intra-group fund financing related transactions, our Group conducts fund lending and borrowing in the form of credit loans and cash pooling, based on the actual purpose and utilization of funds. The advisor applied the Comparable Uncontrolled Price Method (CUP). Specifically, as opined by the transfer pricing advisor, the related fund financing transactions primarily includes certain RMB loans, RMB cash pooling and USD loans. Using the third-party database Loan Connector DealScan, the transfer pricing advisor selected potential comparable loan transactions and compared the applicable interest rates of the tested fund financing transactions against the comparable range formed by the interest rates of such comparable loans. The results indicate that the applicable interest rates of the tested fund financing transactions all fall within the comparable interest rate range. Accordingly, the transfer pricing policies adopted in respect of the tested fund financing transactions during the Track Record Period and up to the Latest Practicable Date complied with the relevant transfer pricing and tax obligations requirements assuming that the functional and risk profiles of the related parties within the value chain of the related party transactions are not expected to undergo significant changes.

The transfer pricing advisor opines that, on the premise that the functional and risk positioning of each related party in the value chain of related transactions, as defined in the transfer pricing analysis, is not expected to undergo material changes from the Track Record Period and up to the Latest Practicable Date, it is reasonable to infer that the conclusions of the aforementioned transfer pricing analysis are applicable to the transfer pricing arrangements of related transactions from the Track Record Period and up to the Latest Practicable Date.

NON-IOSCO OPERATIONS

We conduct business in Namibia, and Namibia is a Non-IOSCO MMOU Country and have not signed any regulatory cooperation agreement or memorandum of understanding with the SFC or the Stock Exchange. We conduct business in Namibia through our subsidiary, Osino Mining. As of the Latest Practicable Date, Osino Mining holds one mining license covering 62.1 km² and 16 exploration permits covering a total area of 5,087.5 km². The Twin Hills Gold Mine project, which is our primary asset in Namibia and is expected to be the largest gold mine in the country upon commencement of production, is currently under development with the processing plant scheduled to commence production within the first quarter of 2027.

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During the Track Record Period, the Twin Hills Gold Mine project was in its construction and development phase. Consequently, it did not generate any revenue, net profit, or gold production volume during this period. However, as of December 31, 2025, Osino Mining held 131.2t (4,218.8 koz) of gold resources and 67.2t (2,160.5 koz) of gold reserves. We expect the Twin Hills Gold Mine to produce approximately 5.1 t (163.7 koz) of gold annually once it becomes fully operational. Hence, as of December 31, 2025, the gold resources and reserves of our Group’s operations in non-IOSCO MMOU countries (i.e. Namibia only) represented 46.7% and 45.0% of the total consolidated gold resources and reserves of our Group, respectively.

Our Company is headquartered in the PRC, and all of our Directors and senior management are PRC citizens and/or based in the PRC (including Hong Kong). The decision-making process and business activities of our operations in both the PRC and Namibia are centrally managed, monitored and approved by our headquarters in Beijing. In addition, our A Shares are listed on the Shenzhen Stock Exchange, and our principal books and records are maintained in the PRC. As such, we are subject to the supervision of the CSRC and the Shenzhen Stock Exchange and must comply with applicable PRC laws and regulations. Our Company and its Directors are required to provide the CSRC and the Shenzhen Stock Exchange with all relevant information concerning the Company’s affairs, including those relating to our Namibia operations, to facilitate regulatory understanding and respond to any enquiries or investigations. Taking into account the above, our Company’s place of central management and control is in the PRC. For such reasons, we believe that we are compliant with Rule 8.02A of the Listing Rule as the CSRC, as the statutory securities regulator of the Company’s jurisdiction of incorporation and of the place of central management and control, is a full signatory to the IOSCO MMOU.

AWARDS AND RECOGNITIONS

Some of the significant awards and recognitions we have received are set forth below:

Year	Award name	Awarding authority
2025 . .	The 13th Financial Sector “Golden Wisdom Awards” 2024	Jing Rong Jie
	16th Tianma Award for Investor Relations Management among Listed Companies	Securities Times
	6th Panorama Investor Relations Gold Award for Outstanding Institutional Attention	Shenzhen Panorama Network Co., Ltd., Nankai University China Corporate Governance Research Institute, Panorama Roadshow Platform
	16th Tianma Award for Investor Relations Management among Listed Companies	People’s Daily
	2024 Silver Persimmon Award for Value Company	Yinshi Finance
2024 . .	2024 Annual Listed Companies Selection “Top 100 Most Popular Listed Companies”	RoyalFlush Information Network
	18th Top 100 Main Board Listed Companies Value Award	People’s Daily, Securities Times
	Member Unit of the China Gold Association	China Gold Association
2023 . .	2022 Top 10 Chinese Gold Companies by Sales Revenue	China Gold Association
2021 . .	2021 China Top 100 Enterprises Award and 2021 Top 100 High-Growth Enterprises Award	21st China Top 100 Listed Companies Summit Forum
2020 . .	2020 “Golden Quality” Corporate Governance Award	Shanghai Securities News
	14th China Top 100 Main Board Listed Companies Value Award	Securities Times, People’s Daily Financial Media Group, China Listed Companies Development Alliance, eCompany, eCapital
2019 . .	13th China Top 100 Main Board Listed Companies Value Award	Securities Times, co-organized by New Fortune Magazine

LEGAL PROCEEDINGS AND COMPLIANCE

Legal proceedings

We have been and may from time to time continue to be, a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business.

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Before the Track Record Period, in relation to our trading business, on July 29, 2021 and December 15, 2021, YTSH and YTYH, two subsidiaries of our Group, respectively entered into Warehousing and Custody Agreements with Nanchu Warehousing Management Group Co., Ltd. Shanghai Branch (“Nanchu”), an independent third-party warehousing service provider with no equity or affiliated relationship with the Company. On March 28, 2022 and May 23, 2022, YTYH and YTSH procured 2,001.6t and 1,014.4t of aluminum ingots for their trading business, respectively, and stored the goods at Nanchu’s warehouse. After completion of inspection of the stored goods, Nanchu issued the corresponding Warehousing Acceptance Notes, certifying receipt of the goods and the subsidiaries’ right to take delivery at any time. In the trading business, it is standard practice for buyers to rely on such Warehousing Acceptance Notes as proof of title to the goods, without conducting physical checks to confirm whether the goods were stored in the agreed-upon warehouse.

However, on May 31, 2022, YTSH’s staff checked Nanchu’s warehousing system and found that the two batches of goods were in fact not registered under YTSH’s and YTYH’s names. Subsequently, Nanchu rejected our subsidiaries’ requests for inventory checks and denied their pick-up applications on the ground that its headquarter IT system was closed. After several rounds of unsuccessful negotiations and subsequent investigations, it was found that the refusal by Nanchu stemmed from the personal conduct of Mr. Qu Feng (渠峯), then manager of Nanchu, who had engaged in fraud and issued identical Warehousing Acceptance Notes to multiple companies in respect of the same batch of goods simultaneously.

As a result, our Group has initiated civil litigation against Nanchu, which was dismissed for lack of subject matter jurisdiction. Thereafter, the case was transferred to criminal proceedings, and the People’s Procuratorate prosecuted Mr. Qu Feng (渠峯) on the charge of contract fraud crime.

The following table sets forth the latest progress of the litigation with a chronology of events:

Legal Proceedings	Date and Litigation Results
Dismissal of Civil Actions . .	• June 2022: Two of our subsidiaries, YTSH and YTYH brought civil lawsuits against Nanchu for breach of contract at the People’s Court of Pudong New Area, Shanghai. • November 2023: The court served summons for a court session. • January 2024: The Court dismissed the civil lawsuits on the grounds that the case falls within the scope of criminal cases, and that the relevant materials should be transferred to the police department or People’s Procuratorate for handling.
Pending Criminal Litigation.	• February 2025: The Shanghai Railway Transportation Branch of the People’s Procuratorate, as the public prosecution authority, initiated criminal proceedings against the sole defendant, Mr. Qu Feng (渠峯), on the grounds of the crime of contract fraud at the Shanghai Railway Transportation Intermediate People’s Court. Following criminal investigations, the relevant authorities have confirmed that the alleged contract fraud constitutes Mr. Qu’s individual conduct and not a corporate crime on the grounds that (i) the Company was not involved in, nor had knowledge of Mr. Qu fraudulent activities; and (ii) Mr. Qu and the other third parties he colluded with kept the illegal proceeds without turning them over to the Company’s corporate assets. • October 2025: The criminal case was firstly heard and Mr. Qu pleaded guilty and waived his right to contest the charges in court and made his final statement • January 2026: The case was heard again.

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We have also subsequently made full provision of RMB63.5 million based on accounting principle of prudence for the total consideration paid by YTYH and YTSH for aluminum ingots purchased and stored in Nanchu Warehouse, which was recognized as the carrying amount of inventories by both companies. Of this amount, the carrying amount of inventories recognized by YTSH was RMB21.1 million, with the balance being the carrying amount of inventories recognized by YTYH. Subsequent to the litigation, our Group reclassified the carrying amount of all such aluminum ingot inventories to other receivables. See note 36 to Accountants’ Report in Appendix I for details.

To prevent similar incidents from recurring, we have comprehensively reviewed and continuously improved our internal control system. See “Internal Control and Risk Management.” We have established and enhanced trading-related internal controls covering contract review, logistics and warehouse supplier management and other relevant aspects. Going forward, we will further strengthen the supervision and inspection of the implementation of internal controls and effectively enhance our risk prevention capabilities. Besides, with uncertainty on the final outcome of the above litigation and the amount of damages, as it depends on the execution results of the preliminary judgement issued, it is difficult to estimate the actual loss to us although we have made full provision. However, based on prudent estimates, even in case that none of the provisions made were recoverable, the total amount of the estimated RMB63.5 million loss in relation to the litigation is relatively minimal, accounting for approximately 0.5% or less of our Company’s net assets for the same year. Accordingly, it did not have any material impact on the Company’s business operations and financial position.

As such, during the Track Record Period and up to the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against us or any of the Directors which could have a material and adverse effect on our financial condition or results of operations.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, results of operations and financial condition. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we did not commit any major violations of the relevant PRC laws and regulations.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (“ESG”)

Our ESG matters are overseen at the Board level. Our Board of Directors formulates ESG strategies and goals and integrates ESG considerations into our overall strategy and operations. We have established a two-tier ESG governance structure comprising our Board of Directors and the Board Strategic Committee. Our Board is the highest decision-making body for ESG governance and is responsible for approving ESG strategies, governance frameworks and key policies, reviewing ESG-related disclosures, evaluating ESG-related risks and significant adverse events, and approving response measures. Our Board Strategic Committee acts as an advisory body on ESG matters, monitoring ESG trends and policy developments, reviewing ESG strategies, management systems, performance indicators and disclosure reports, supervising implementation progress, identifying material ESG risks and opportunities, and submitting ESG reports and recommendations to the Board.

Under the Board Strategic Committee, we have established an ESG Working Group to coordinate ESG implementation across departments and subsidiaries. The ESG Working Group drafts ESG policies, prepares implementation plans, collects ESG data, compiles ESG reports and supporting materials, facilitates stakeholder engagement and manages material ESG topics. In addition, we have established a Green Mine Construction team led by our General Director and composed of department heads to coordinate green mine-related work, including goal setting, task allocation, implementation and self-inspection. We have formulated a Green Mine Management System to coordinate compliance with applicable laws, regulations and internal policies, and we have conducted ESG-related training and internal awareness activities.

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We apply ESG standards used in our overseas mining operations across our domestic operations. We conduct supply chain risk assessments and require our suppliers to comply with ethical, safety, environmental and occupational health standards and to manage environmental and social risks, with ongoing monitoring of compliance. We have established ESG-related metrics and targets, including indicators relating to carbon emissions and tailings management. Measures implemented include the use of energy-saving technologies, adoption of clean energy, deployment of energy-efficient equipment in new mineral processing plants, replacement of high-energy-consumption equipment at existing sites, increased use of renewable energy and participation in green power trading initiatives. We have set a long-term objective of achieving net-zero carbon emissions and have applied cleaner technologies to increase the proportion of recyclable tailings, including reuse through underground backfilling.

Our ESG core team works with department heads and site-level ESG officers to implement ESG initiatives approved by our Board and senior management. The team monitors implementation through data collection, performance analysis and regular reporting to senior management, with material ESG issues escalated through established reporting channels. Our environmental management practices cover water, energy and logistics efficiency, responsible resource use and circular economy measures, as well as controls over tailings, waste, wastewater and pollutants. We comply with host country labor laws and applicable international conventions, including requirements relating to fair compensation, prohibition of child and forced labor and protection of collective bargaining rights. We maintain age and identity verification procedures, employee grievance and reporting mechanisms, and require suppliers and contractors to comply with labor standards through contractual arrangements. To the best knowledge of our Directors, we complied with applicable international standards during the Track Record Period and up to the Latest Practicable Date.

Environmental protection

We are fully committed to environmental protection and to adhering to the highest standards for sustainable development. Our business operations are subject to various legal requirements in relation to environmental protection, such as air pollution, water discharge, waste disposal and noise control, under the relevant PRC and Namibian laws and regulations.

Our environmental protection policy

Our environmental protection policies and measures generally cover the major aspects of our operations, such as:

- ***Establishment of an environmental management system:*** We continuously reinforce the establishment of our environmental management system through (i) conducting comprehensive assessments of environmental factors throughout the entire mining process, with a focus on identifying high-risk areas such as mine wastewater, dust from mineral processing, smelting emissions, heavy metal contamination in soil, tailings dam failure risks, and potential landslide hazards, and formulating targeted risk prevention and control measures accordingly; (ii) establishing a dynamically updated database of environmental protection regulations to ensure that all production activities comply with national and local emission standards, administrative licensing requirements, ecological redlines, and the regulations governing protected areas; and (iii) strengthening monitoring and emergency response management by installing online monitoring equipment to track pollutant concentrations in real time, conducting regular monitoring and testing of soil and groundwater, to produce monitoring reports, developing emergency response plans for unexpected environmental incidents with clearly defined procedures, equipping necessary emergency supplies, and conducting regular emergency drills.
- ***Efficient use of resources:*** We strive to increase the efficiency of energy usage through the management of energy such as acquiring and developing machines and tools that reduces energy consumption and the management of water through redesigning our wastewater system to achieve 100% recycled water and zero discharge of waste water.
- ***Management of pollution and waste:*** Pollution and waste such as greenhouse gasses, water, noise and solid waste are part of all mining complexes. We take various steps to minimize our impact to the environment such as installing vacuum that collect ore powder, showers to suppress dust.
- ***Protection of geological environment:*** We partnered with renowned third-party consultants to evaluate the geological risks of our operating environments to prevent catastrophic events such as collapse of our mines. We have established secure tailings storage sites to ensure the stable and safe operation of the tailings storage facility.

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- **Restoration of mine ecology:** We have implemented a range of measures to restore the environment in areas where we operate, including the construction of drainage ditches and water retention ponds at mining sites to collect rainwater and reduce soil erosion, stabilizing geological structures in mined-out and subsidence areas, and planting trees and other vegetation to rehabilitate the ecological environment of the mountainous areas where we operate.

Our ESG practice in the PRC

We are committed to implementing the following procedures and standards to the mining locations in PRC:

- **Qinghai Dachaidan Mining:** Particulate matter from jaw crushers in the crushing section is treated with cartridge dust collection and cyclone dust removal. Particulate matter from gold smelting furnaces is treated with spray dust removal. Particulate matter from the roasting furnace is controlled through cyclone dust removal, electrostatic precipitation, spray dust removal, and electrostatic demisting. Arsenic is treated using an iron salt-based arsenic fixation method, while sulfur dioxide is managed through a combined approach involving catalytic conversion, sulfuric acid absorption, and limestone wet flue gas desulfurization. Particulate matter from lime preparation tanks is treated with bag filters.
- **Jilin Banmiaozi Mining:** To ensure stable and compliant discharge of mine water, Banmiaozi Gold Mine has adopted an advanced treatment solution. The treatment technology employs the “flocculation sedimentation method”, commonly used in water treatment plants. This solution has been reviewed and approved by experts from the Jilin Provincial Environmental Assessment Center. The treated mine water fully meets Grade I discharge standards and maintains stable compliance. The mine water treatment station at Banmiaozi Gold Mine has been completed and operates effectively, with all treatment results meeting regulatory requirements.
- **Heihe Luoke Mining:** During boiler operation, in-furnace desulfurization and dual-alkali desulfurization is applied, achieving a 90% sulfur removal efficiency; SNCR denitrification is used with a 55% nitrogen removal efficiency; and bag filter facilities achieve 99% dust removal efficiency.
- **Yulong Mining:** Ore dressing wastewater is discharged entirely into the tailings pond via the workshop outlet for reuse in mineral processing with zero external discharge. Biomass boilers at Yulong Mining are equipped with air pollution control measures as required by regulations and is regularly checked by independent third parties to ensure compliant emissions.

All subsidiaries in PRC have prepared “Emergency Environmental Incident Response Plans” in accordance with regulations and filed them with local ecological and environmental protection bureaus. These plans are periodically revised and reviewed based on operational conditions. Each subsidiary maintains emergency response facilities and supplies and conducts annual drills per the emergency exercise plan, effectively enhancing preparedness and response capabilities to mitigate environmental risks.

Our ESG practice in Namibia

We are committed to extending our commitment to ESG excellence to our operations in Namibia, conducted through Osino. Our approach in Namibia is guided by a dedicated strategic sustainability framework, aligned with international best practices including the UN Sustainable Development Goals, ICMM Sustainable Development Framework, and Namibia’s Best Practice Guide for Mining.

Environmental protection

In Namibia, we implement a comprehensive ESMMP, developed in accordance with the Namibian Environmental and Social Impact Assessment Guidelines. This plan establishes a rigorous policy framework, management system, and environmental monitoring protocols to ensure full compliance with all applicable regulatory requirements and international industry standards. The ESMMP undergoes systematic review and updating at minimum every three years to maintain its effectiveness and relevance.

Our environmental management system in Namibia focuses on:

- **Land and biodiversity stewardship:** We conduct operations in an area considered moderately sensitive from a biodiversity perspective. Our Standard Operating Procedures (SOPs) promote conservation through the preservation of flora and fauna. We enforce strict anti-poaching measures at our sites and are developing detailed Land Management and Biodiversity Management Plans. We have established a secure tailings storage facility designed to international best practices.

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- *Responsible water management:* Recognizing the critical importance of water in an arid country like Namibia, we have developed a diversified water strategy in collaboration with the national water utility and leading local water specialists. This strategy aims for the mine to become largely water-independent through the responsible use of groundwater, without affecting neighboring users. Furthermore, our commitment extends to ensuring that surrounding communities benefit from the water infrastructure developed during the mine’s lifecycle. Our dry-stack tailings facility design significantly reduces water consumption by targeting a moisture content below 15%, with process water being recycled.
- *Climate change and energy:* We are integrating climate adaptation and mitigation measures into our project design. We acknowledge the risks posed by climate change and are integrating mitigation measures into our mine design. The bulk of our current emissions result from diesel consumption for drilling and vehicles. We are progressing with plans for a large-scale solar PV plant to fulfil a significant portion of the mine’s energy needs, reducing our Scope 2 greenhouse gas emissions. We will develop a formal climate change and energy use strategy.

Corporate social responsibility (“CSR”)

We recognize that proactive social engagement is fundamental to sustainable development. By actively participating in community governance and driving targeted social welfare programs, we fulfill our corporate responsibility while strengthening community relationships. This commitment enhances our corporate image and reinforces our social license to operate. Through these initiatives, we directly contribute to societal progress while building meaningful community connections. Our dedication to social investment fosters shared value creation, advancing both community well-being and sustainable development.

Community management

We maintained communication mechanisms with local communities in areas where we operate.

Communication channels included online platforms, such as our official website and social media accounts, used to publish corporate and community-related information and receive feedback, and offline methods, including telephone communications, in person meetings and discussion sessions to collect community concerns and address issues raised. We also established a dedicated community management team responsible for regular community visits, feedback collection, meeting coordination and community development planning. We recruited local community members, ethnic minorities and veterans by publishing job vacancies through our official website, social media channels and other recruitment platforms.

Community contributions

We believe that community investment is the foundation of our corporate culture. We actively organize and participate in philanthropic initiatives, with particular focus on developing rural infrastructure and advancing educational opportunities. Our employees directly engage in community development efforts, including infrastructure construction assistance and support for nomadic community relocations.

These efforts, we believe, can collectively strengthen community resilience and promote sustainable regional development. Through sustained commitment to education, cultural preservation, and livelihood security, we deepen stakeholder trust and generate shared value. Our consistent community engagement ultimately fosters inclusive growth and strengthens vital local partnerships.

Qinghai Dachaidan Mining

From 2005 to 2025, Qinghai Dachaidan Mining invested RMB3.1 million in education-related initiatives, including donations to the Dachaidan Education Fund (大柴旦教育基金), construction of physics and chemistry laboratories and computer rooms for the central school, provision of desks, chairs, generators, computers, school bags and learning materials to Mahai Primary School (馬海小學), and living subsidies for junior high school, senior high school and university students from Mahai Village (馬海村). Qinghai Dachaidan Mining contributed RMB1.92 million to flood relief, earthquake recovery and epidemic response efforts. From 2005 to 2024, over RMB340,000 was invested in visits and assistance to elderly residents, disadvantaged households and families of burn-injured children in Mahai Village, including financial assistance and household visits. From 2020 to October 2023, Qinghai Dachaidan Mining purchased over RMB820,000 of locally sourced beef and mutton. It also invested RMB100,000 in a land leveling project covering 2,500 mu in Mahai Village (馬海村). Over RMB340,000 was invested to renovate the Mahai Medical Clinic (馬海醫務室) and purchase medical equipment. A three-year training program costing RMB570,000 was funded for medical staff at Dachaidan People’s Hospital. In 2008, RMB150,000 was invested to construct a cultural center in Beizhuang, Xireg, Ulan County (烏蘭縣希里溝北莊文化場所). In 2010, 2011 and 2014, RMB850,000 was invested across three phases for

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lighting and village beautification projects in Mahai Village (馬海村), including solar streetlights. Between 2012 and 2013, RMB2.48 million was invested over three years in infrastructure improvements, village environment upgrades and skills development initiatives. RMB500,000 was invested to donate a water spraying vehicle to address dust control in the Dachaidan area. Between 2018 and 2020, RMB160,000 was donated to paired assistance projects in Bulangou Village, Keke Township, Ulan County (烏蘭縣柯柯鎮卜浪溝村). From 2022 to 2025, over RMB180,000 was invested in Xihe Tanxia Village, Chahan Wusu Township, Dulan County, including the purchase of office equipment, installation of 50 solar streetlights and construction of 2,000 meters of fencing. Since 2005, RMB159,600 was invested in other assistance projects, including donations to the Public Security Police Martyrs Fund and support for police officers stationed at checkpoints.

Jilin Banmiaozi Mining

We have leased unused land in the host villages to develop and utilize it effectively, thereby increasing the villages’ economic income. It has also paved roads to improve transportation infrastructure in the host villages, enhancing its appearance and the quality of life for villagers. Every year, we provide support to Diao Shuihu Village in areas such as residential environment improvement, winter snow clearance, and assistance for students in need. Special care is given to the welfare of elderly villagers, with Spring Festival gifts distributed to those aged 60 and above.

Heihe Luoke Mining

In 2024, Heihe Luoke Mining provided 293 local employment opportunities. RMB80,000 was donated to the government of Xinxing Oroqen Ethnic Township for the Gulun Muta Festival (古輪木踏節). Scholarships totaling RMB41,000 were provided, including RMB3,000 to one student and RMB38,000 to four children of employees admitted to higher education institutions. In 2025, Heihe Luoke Mining Development Co., Ltd. donated 210 books, sports equipment and daily necessities with a total value of RMB8,354 to an ethnic middle school in Xunke County. In 2025, Heihe Luoke Mining also conducted two firefighting support operations in Laoxinxing Township and Sifenchang Village, deploying emergency equipment and personnel in response to requests from local fire authorities.

Yulong Mining

Following road erosion caused by snowmelt in Bayan Wenduri Gacha, Yulong Mining deployed front loaders over 90 times and ore trucks over 85 times, mobilizing over 160 personnel over 25 consecutive days to rebuild the road. During winter snowfall, Yulong Mining deployed snow clearing vehicles on 171 occasions, mobilized over 198 personnel and conducted 560 hours of snow clearing operations covering Bayan Hubo Gacha, Bayan Wenduri Gacha, roads connecting Highway 99 to Gaorihan Township and herders’ residences. Emergency rescue vehicles were deployed eight times during winter, rescuing over 12 individuals over a total of 29 hours. Repairs and maintenance assistance were provided for electrical circuits, fencing and daily use equipment through 18 vehicle deployments, involving over 38 personnel and totaling 80 hours of work. Over 20 herder households received rice, flour, cooking oil and tea through household visits. Yulong Mining donated 1,225 books to Bayan Hua Primary School (巴彥花小學) in West Ujimqin Banner. Contributions included RMB82,200 for pension insurance for herders in Bayan Hubo Gacha, RMB131,700 in assistance to seven herder households near the tailings storage facility and RMB5,000 in prize sponsorship for a horse racing event. In 2025, contributions were planned for universal medical and pension insurance for residents of Bayan Wenduri Gacha.

CSR in Namibia

We prioritize building strong, mutually beneficial relationships with our host communities in Namibia, viewing proactive social engagement as fundamental to our social license to operate. For instance,

- ***Community engagement and development:*** We maintain regular, transparent communication with community stakeholders through multiple channels, including direct meetings and a publicly accessible grievance mechanism. We engage regularly with diverse community stakeholders and conduct detailed baseline studies to understand community needs and impacts. In 2023, we spent N\$9.5 million with suppliers from our host communities.
- ***Local employment and procurement:*** We prioritize employing Namibian nationals and individuals from local communities. As of December 2023, approximately 97.0% of our staff in Namibia were Namibian nationals, and approximately 37.0% of all employees were from local host communities. We actively procure goods and services from local and national suppliers, with approximately 66.0% of our total procurement expenditure spent in Namibia.

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Occupational health and safety

We maintain high safety standards and continuously upgrade internal control procedure to enhance operational safety. Our production management systems and technologies enable high level automation, digitization, and intelligent control throughout the gold production process. During the Track Record Period and up to the Latest Practicable Date, no major workforce safety incidents occurred.

We have implemented safety guidelines on employees’ proper use and maintenance of equipment. Our employees are required to wear protective gear such as safety helmets, work clothes, gloves, waterproof boots, dust masks and self-rescue devices, to ensure their safety at work, taking into account the level of risk of the particular task or production site. We conduct inspections on the condition of our employees’ protective gear before they enter production sites. We offer regular training on health, safety and accident prevention to our employees from time to time.

In addition, we implement comprehensive safety protocols and periodically assess their adequacy. Through regular evaluations aligned with our internal work safety policies, we identify and address potential health and safety risks, ensuring all production activities maintain safe operating conditions. For mine safety facilities, we conduct routine inspections and maintenance to guarantee reliable protection. A dedicated safety responsibility team actively monitors implementation of safety measures, identifies potential issues, and takes immediate corrective actions.

We convene monthly cross-functional safety meetings with representatives from all operational units. These structured sessions involve step-by-step reviews of our production processes to identify critical safety risks before they materialize. We develop targeted preventive actions to mitigate safety hazards.

Tailing management

To ensure the safety of the tailings storage facilities and mitigate operational risks, we deploy an online monitoring system for real-time surveillance of tailings storage facilities’ conditions. Our personnel conduct safety inspections of the tailings storage facility areas every shift, tracking critical parameters including the phreatic line. We perform regular manual monitoring of the dry beach, dam settlement, and horizontal displacement of the dam structure, with intensified frequency during flood seasons.

Annually, we execute flood regulation simulations and issue formal reports. We engage certified agencies to inspect drainage structure integrity while implementing routine checks and maintenance to ensure operational reliability. An emergency supply depot is maintained with essential resources subject to regular audits and replenishment. Comprehensive emergency drill plans are developed, and regular drills are conducted to enhance incident preparedness.

Occupational health and safety in relation to our PRC operations

Our business in the PRC is subject to extensive work safety laws and regulations governing our operations. We have also put in place stringent internal policies and procedures with respect to equipment and consumables safety standards, hazardous material and waste handling procedures, systematic identification and resolution of safety concerns and mandatory facility-wide safety inspections. In particular, we maintained detailed hazardous waste management guidelines that address storage, transportation, treatment, and disposal according to PRC environmental protection standards.

In the year ended December 31, 2022 shortly prior to the current Track Record Period, we recorded one general production safety incident involving an on-site contractor in China. According to our PRC Legal Advisor, our Group’s legal exposure arising from this incident is relatively minor, as it involved a contractor for whom our Group has no direct employment liability, and the contracted party bears the relevant legal responsibilities. As advised by our PRC Legal Advisor, under Article 3 of the Regulations on the Reporting, Investigation and Handling of Production Safety Accidents, the above safety incident is classified as a general safety accident and does not fall within the categories of major, serious, or extraordinarily serious accidents. The incident has not resulted in any material litigation against our Group. The relevant production safety authorities have completed their investigation and issued a certificate confirming that the incident does not constitute any material violation. We also recorded seven, three, and five work-related injuries involving our on-site staff in China for the years ended December 31, 2023, 2024, and 2025, respectively. The circumstances and causes of these injuries were mainly caused by inadequate operational practices, non-compliance with safety procedures, and insufficient mechanical assistance, such as improper manual handling, unauthorized entry into operating equipment areas, and failure to follow standard operating protocols. Our Group has strengthened its internal controls and completed all required rectification measures to ensure the continued safety of our mining operations.

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For the year ended December 31, 2024, our Group recorded a Total Recordable Injuries Frequency Rate (TRIFR) of 0.63 per one million hours worked (calculated by dividing the total number of fatalities or recordable injuries by total hours worked and multiplying by one million), compared with a range of 0.91 to 4.36 for major gold mining peer companies. According to F&S, our Group’s operating gold mines are located in China, where gold mining activities are subject to stricter safety supervision and generally higher management standards compared with many overseas jurisdictions. What’s more, we have also internally employed high safety standards for stringent safety control measures with low tolerance for non-compliant on-site mining operations. As a result, the frequency of work-related injuries and fatalities for our Group tends to be relatively lower.

During the Track Record Period and up to the Latest Practicable Date, we have adopted all the necessary occupational safety measures as required under the PRC laws.

In addition, we have adopted relevant systems for recording and handling accidents during operations and provided work safety trainings to our employees on an annual basis in order to strengthen their knowledge and awareness. To maintain a safe work environment, our employees are required to report accidents to a designated person for further actions. Our operations are subject to regulations and periodic examinations by local work safety authorities. We have obtained all the material work safety permits, approvals and registrations necessary to conduct our business.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date: (i) we believe we were in compliance with all applicable work safety laws and regulations in the PRC in all material respects; (ii) we did not have any material or unusual incidents in respect of production safety; (iii) we had not been subject to any claims for personal or property damages and compensation to our employees which were material to our business operations; and (iv) no material administrative sanctions or penalties had been imposed upon us for any violation of work safety laws and regulations. We have not incurred, and do not expect to incur material costs in connection with the compliance with work safety laws and regulations.

Occupational health and safety in relation to our operations in Namibia

We maintain robust health, safety, and environmental systems to safeguard our employees. We constantly strive to identify hazards and mitigate the risk of injury. We provide regular training and have implemented emergency preparedness plans. We are implementing additional operational readiness measures to enhance our safety performance during the upcoming construction phase.

Governance and oversight

Osino’s Board provides extensive oversight of sustainability performance, which is managed on a day-to-day basis by a dedicated sustainability team. We have developed a comprehensive operational readiness plan that integrates sustainability across all phases of the project, from construction to operation and closure. This structured governance model ensures clear accountability and the timely escalation of material ESG issues. We uphold fundamental human rights for employees, partners, and community members, integrating these principles into our management systems, Code of Conduct, and supplier expectations.

Through these concerted efforts, we are not only building a modern, efficient mining operation but also forging a lasting legacy of positive socio-economic development and environmental stewardship in Namibia.

Internal control measures

We have established comprehensive internal control measures for ESG-related matters, with a specific focus on safety management. Our subsidiaries have each implemented a Work Safety Management System that governs organizational safeguards for safety production, potential hazard investigations, management of production process systems, worksite safety management, occupational health, safety investments, industrial injury insurance, and safety incident investigations.

Our safety department is responsible for production safety, environmental protection, emergency firefighting, and occupational health. The department conducts daily on-site inspections to identify potential safety hazards, supplemented by comprehensive weekly and quarterly safety audits. When issues are identified during routine inspections, the safety department immediately notifies the responsible personnel for rectification. For problems discovered during major safety audits, the department issues formal hazard rectification notices to relevant departments, specifying required corrective actions, deadlines, and responsible persons, with all findings documented in the corresponding safety audit reports.

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We perform quarterly assessments of all employees’ fulfillment of their work safety responsibilities through our production safety accountability system. Additionally, we develop annual safety training plans at the beginning of each year, which the safety department subsequently implements in coordination with various departments throughout the organization.

Potential ESG-related risks and our strategies

Our mining operations create potential ESG risks, including gas emissions, wastewater, noise, solid waste, tailings management issues, and land remediation and biodiversity risks. To reduce these negative impacts, we’ve implemented the following measures:

- **Gas emission:** We strengthen the supervision of gas emissions at all stages of production and take various measures on-site to reduce emissions, such as greening, water sprinkling, and installing dust removal devices;
- **Wastewater:** We implement enhanced wastewater management measures. Wastewater emission will only be allowed if it meets the environmental protection standards. Moreover, we improve the wastewater utilization system to achieve internal water resource recycling within the mine;
- **Noise:** We purchase and use equipment and noise reduction technologies that could reduce the overall noise levels, equip relevant technical personnel with necessary noise reduction gear and conduct regular inspections of noise generation;
- **Solid waste:** We implement waste sorting management, requiring all departments and individuals to store different types of solid waste at designated locations, which are then cleaned up and sealed for transportation by third-party professionals. At the same time, to reduce the pollution and danger of solid waste, we strive to recycle treated waste again in the production process;
- **Tailing management:** We strictly adhere to international standards for tailings management and take various measures to properly handle tailings residues, such as striving for dry tailings disposal, using impermeable membranes, and improving ore dressing reagents, to avoid potential hazards to the surrounding ecological environment and communities. We also regularly conduct strict inspections and supervision of the safety, environmental protection, and anti-seepage aspects of tailings dams to ensure that tailings do not collapse, leak liquids, or cause other major disasters. At the same time, we have established strict disposal processes and measures for closed tailings storage facility, and carried out greening and mountain restoration work on closed tailings to ensure that the restored tailings do not pose any harm or negative impact on the environment and surrounding communities;
- **Land remediation and biodiversity:** We rely on the existing site conditions to plan land use reasonably, striving to preserve the original appearance of the surrounding mountains during the process of mineral resource extraction. In the construction of open-pit mines, we will try to avoid soil erosion caused by the construction process and minimize land occupation. We will strictly design the construction machinery, operation modes, and construction seasons to reduce soil erosion caused by construction from entering water bodies. In addition, we strictly require our employees to prohibit hunting and capturing birds and other wild animals; and
- **Local community’s concerns:** We engage in regular communication with local residents in an open and honest manner, listening to the real needs of community members, and allocate resources to address actual issues. We also focus on the goals of community co-construction and sustainable development, such as supporting community projects, and improving road and water and electricity facilities, to provide a safe and convenient living environment for community residents.

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Emissions disclosure

We started publishing scope 1, 2 greenhouse gas emissions, generation of hazardous waste and use of resources in our ESG report since 2023. The following tables illustrates the scope 1, 2 greenhouse gas emissions, generation of hazardous waste and use of resources in 2023, 2024 and 2025:

- Greenhouse gas emission**

Indicator	For the year ended December 31,		
	2023	2024	2025
Scope 1 emissions (tonne of carbon dioxide equivalent)	39,646.26	41,019.90	39,985.16
Scope 2 emissions (tonne of carbon dioxide equivalent)	137,079.16	144,983.38	153,235.55
Total emissions (tonne of carbon dioxide equivalent)	<u>176,725.42</u>	<u>186,003.28</u>	<u>193,220.71</u>

Note: We have not yet disclosed our Scope 3 greenhouse gas emissions, but we are in the process of improving our Scope 3 emissions accounting system and will gradually cover our business's upstream and downstream activities. We expect to disclose our Scope 3 greenhouse gas emissions around the year of 2028.

- Generation of hazardous waste**

	For the year ended December 31,		
	2023	2024	2025
Hazardous Waste (kt)	1,688.99	1,819.15	1,717.06
Non-hazardous Waste (Mt)	0.000681	0.001107	0.00098

- Use of Resources**

Indicator	For the year ended December 31,		
	2023	2024	2025
Coal consumption (t)	13,251.10	11,230.78	9,995.20
Diesel consumption (L)	6,891,953.37	7,923,658.82	7,721,833.33
Gasoline consumption (L)	365,837.08	1,225,558.62	273,630.10
Biomass fuel consumption (t)	3,059.36	4,073	4,885.17
Natural gas consumption (m ³)	nil	300	nil
Electricity Consumption (kWh)	243,775,303	270,021,203	295,283,100
Water Consumption (t)	1,332,371	1,354,763	1,605,517

- Water**

	For the year ended December 31,		
	2023	2024	2025
Water Reuse Rate (%)	88.74	80.95	67.14
Waste Water (kt)	455.58	959.57	1089.61

- Noise**

	For the year ended December 31,		
	2023	2024	2025
LAeq (dB(A))	Day≤55dB Night≤45dB	Day≤51dB Night≤44dB	Day≤54dB Night≤45dB

We believe our business operations achieved average environmental performance compared to other companies in our industry. According to Frost & Sullivan, for gold mining companies in China, the 2024 average discharge per ounce of gold was 187.8 tons for non-hazardous waste and 34.3 tons for wastewater. Our Company's noise control complies with the Class I standards specified in the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348–2008). We also received an ESG rating of A in 2025, which ranked top 3 among 11 A-share listed gold producers in the Wind ESG rating.

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In addition, due the rapid advancement of environmental protection laws, regulations and industry standards, we closely monitor the latest developments in regulations and standards and regularly update our environmental protection policies and measures with the aim to ensure and uphold the highest standards possible.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal control

We are subject to various risks during our operations, please see “Risk Factors” in this document for details. As a joint stock company incorporated in the PRC with our A shares listed on the Shenzhen Stock Exchange and regulated by the CSRC, which is a full signatory to the IOSCO MMOU, we maintain a centralized management and control in the PRC. The decision-making processes, and the coordination and management of the implementation of the corporate matters are conducted by our Directors and management team from its PRC headquarters. The business activities of our subsidiaries in the PRC and Namibia are managed, monitored, and approved and disapproved by us from our PRC headquarters. Through our centralized management system, our Directors and senior management have, and are expected to continue to have, full and timely access to books and records regarding our operations outside of the PRC. The principal books and records of our Company are also located and maintained in the PRC. The audit department of the PRC headquarters regularly carry out internal audits work for all of our overseas operations.

We engaged an independent internal control consultant to conduct an assessment of our internal control systems relevant to the listing. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management, human resource management and other procedures for our operations. The independent internal control consultant had identified several deficiencies, including those relating to risk management, information system management and financial management. We have subsequently adopted and implemented corresponding enhanced internal control measures which have improved our internal controls.

The internal control consultant performed a follow-up review of our enhanced internal control measures and raised no further recommendations during this review. Going forward, we will continue to periodically review and refine these internal control policies, measures, and procedures.

Internal Control Measures

We have implemented compliance management measures through our Compliance Management Measures policy, which establishes a comprehensive framework for our compliance system. The Internal Audit and Legal Department serves as the dedicated compliance function, responsible for overseeing group-wide compliance management. Its primary duties include supervising business units’ compliance performance, reviewing major compliance matters, coordinating compliance operations, developing response plans for significant compliance risks, and guiding subsidiaries’ compliance efforts while promoting a culture of compliance across the organization.

Over-mining and mining product safety certification requirements

We have established an Underground Mine Over-mining Prevention Management Policy that clearly defines mining boundary management, daily operations monitoring, and procedures for identifying and addressing over-mining incidents. Our Production Technology Department provides technical support for over-mining prevention, while the Safety Department implements national and local safety regulations alongside our internal safety rules. We conduct annual self-inspections of mining licenses to ensure compliance and promptly address any license modifications or renewals.

Properties with title defects and unregistered lease agreements

We have established a License Management Policy. The policy sets forth formal requirements for monitoring the certificate, license, and permit needs of our business operations, including title registration for owned properties and registration for relevant lease agreements. It also defines the division of responsibilities for managing and renewing such certificates, licenses, and permits, as well as for the custody and regular updating of license-related documents. In practical operations, all of our corporate certificates and permits, including those pertaining to real property ownership, are centrally retained by the General Office, which is also responsible for coordinating the updating of the license ledger and uniformly managing license renewal processes.

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Social insurance and housing provident fund contributions

Our Employee Handbook mandates strict compliance with regulations for all social insurance and housing fund contributions. For instance, our subsidiary Yulong Mining has implemented a Social Insurance and Housing Fund Management Policy where the Administrative Management Department handles contribution processing, using the previous year’s average salary as the contribution base for existing employees and position-based salaries for new hires. Similarly, Heihe Luoke’s Human Resources Management Policy requires unified social insurance coverage for all formal employees from their start date, with contributions shared between the company and employees according to relevant regulations, and personal portions deducted monthly from salaries.

Risk management

Our management has developed and implemented risk management policies to address various risks we have identified, such as operational, financial and corporate governance risks. Our risk management policy outlines processes for identifying, analyzing, mitigating, and monitoring pertinent risks. We are committed to building a comprehensive and effective risk management system appropriate for our sustained business growth.

In addition, we have established internal control policies and procedures. We intend to continually assess and enhance these management processes to guarantee their effective operation aligns with our business expansion and sound corporate governance principles. To persistently elevate our internal control standards, we have implemented the following measures:

- (i) we have established an audit committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of these members, please see the section headed “Directors and Senior Management” in this document;
- (ii) we have engaged external legal advisors to provide timely legal advice to our Board and other relevant personnel on the applicable laws, rules and regulations concerning our operations;
- (iii) we have appointed three independent non-executive Directors to provide independent view, monitoring and advice to our Group;
- (iv) our independent non-executive Directors continuously provide an independent review of the effectiveness of the financial reporting process, internal control and risk management system of our Group and oversee the audit process and performs other duties and responsibilities as assigned by the Board; and
- (v) our Directors have attended, and will continue to undertake, relevant training conducted by our legal advisors on the ongoing obligations, duties and responsibilities of directors of publicly listed companies under applicable laws and regulations.

Our Directors are of the view that we have taken all reasonable steps to establish a proper internal control system. As such, our Directors are of the view, that our internal control measures are adequate and effective.

Specific risks associated with our mining operations

The mining industry is inherently subject to material risks due to geological and operational uncertainties, including unpredictable variations in ore body characteristics, deposit geometry, grade distribution, mining recovery rates, and mineral processing efficiency.

The table below summarises the principal risks assessed by the Competent Person, including risk ratings and evaluation outcomes:

Risk Factors	Level	Potential Impact	Methods of Mitigation
Commodity prices	High	Similar to other mining operations, commodity prices are the most important factors which materially affects the profitability of operations. Low commodity price may bring significant negative impact to financial health of the operation.	Using financial instruments to hedge if applicable. A focus on efficiency upgrade throughout the operation will minimize the impact.

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Risk Factors	Level	Potential Impact	Methods of Mitigation
Resources	Low	The earliest drilling and exploration program were carried out in early 2010s. Further supplemental exploration programs were subsequently undertaken. The geology, mineralization and resources of the properties are relatively well-known or defined in terms of spatial extent and continuity. Measured, Indicated and Inferred Resources have been reasonably classified based on the grade and mineralization continuity. Area affected by potential fault zone has been reasonably downgraded to Inferred Resource.	Additional in-fill drilling activities may further reduce the resource risk for subsequent mine planning. Acquisition of exploration properties to expand the resource portfolio.
Mining Operation	Moderate	Extraction is planned to be carried out in the way of open-pit shovel and truck mining which is a common mining method adopted in the mining industry. BAW is of the opinion that this mining method reasonable and appropriate for this type of deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly. BAW recognizes that slope stability of the open pit is a critical factor influencing mining operations due to the relatively poor engineering geological conditions in the mien-site.	As the mine is currently in the crucial infrastructure construction phase, strict adherence to the construction plan for timely completion is paramount. To achieve its mining targets, the mine management should allocate additional financial and human resources to enhance overall operational management and improve skillsets for open-pit mining operations. This includes organizing experienced technical personnel to establish a robust production system, ensuring the effective implementation of production plans, and strictly adhering to key mining indicators such as mining loss and dilution.
Mining License⁽¹⁾	Moderate	While all Mineral Resources and Ore Reserves for the Huasheng Property are situated within the Client's mineral licenses, it appears to be necessary that stripping should be conducted in close proximity to the boundaries of the mining licenses.	To manage this, the Client has implemented strategies to ensure compliance with all applicable regulations for these stripping activities and has taken measures to optimize operational efficiency and minimize potential interference with the overall mining operation.
Geotechnical and Hydrological Study	Moderate	The absence of comprehensive geotechnical engineering and hydrogeological research, particularly the lack of dedicated slope stability analysis to establish acceptable design parameters, or the continued reliance on analogous empirical data from similar mines, may lead to the adoption of excessively conservative parameters for mining production benches. This could preclude the optimal minimization of the stripping ratio, consequently impacting the project's profitability	A relatively conservative parameter strategy has been adopted, and relevant technical studies have concurrently been arranged.

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Risk Factors	Level	Potential Impact	Methods of Mitigation
Production Targets	Moderate	Current overall mine planning indicates that the mine management will operate at the planned production level till end of the LOM. BAW considers that this production target is reasonable and achievable for the mine-site.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones.
		The proposed processing flowsheet and equipment selection are technically sound for each ore type, featuring suitable crushing-grinding circuits and modular carbon adsorption/desorption systems. However, heap leaching efficiency may be limited by the untested kinetics of dolomite ore.	Additionally, the scalability of the Huasheng FS 2022 needs validation through pilot trials due to historical operational gaps.
Infrastructure	Low	The Huasheng Property is generally located in mountainous region. Part of the access roads are rugged near the mines.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment.
		Water supply is generally sufficient but could be a problem during dry seasons.	Construction of small-scale reservoir will reduce the risk of water shortage.
		Electricity is generally sufficient for production.	
CAPEX	Low to Moderate	Projected CAPEX includes sustaining CAPEX and Development and Expansion CAPEX have been reasonably budgeted.	CAPEX budgeting should be an ongoing practice till the end of LOM.
Materials and labour prices	Low to Moderate	The overall economics is founded on a combination of pricing for metals, materials and labor. Therefore, it is sensitive to materials and labor prices over which it has limited control.	Further optimization of all operation processes to minimize cost of production shall assist in reducing the economic impact of high materials and labor prices.
Environment	Low	Increasing concern of environmental protection by the PRC Government may have negative impact on the mining activities.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.
		The mine-site is not located in an environmentally sensitive area and is expected to have a minimal adverse impact on the environment.	
		The dry-stack TSF demonstrates sound design rationality with a 12.6Mm ³ capacity and safety measures, though the long-term stability of cyanide-laden tailings under a 108 m dam height warrants rigorous seepage monitoring and contingency planning to mitigate environmental risks.	

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Risk Factors	Level	Potential Impact	Methods of Mitigation
Occupational Health and Safety	Low	No safety issues were identified during BAW's site visit to the mine-site. The mine management is committed to social responsibility and community engagement.	Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects. BAW recommends building a positive community relationship through contributions such as educational donations, local education programs, disaster relief, support for vulnerable groups, and targeted poverty alleviation projects.
Community	Low	Potential miscommunication with minority groups may lead to conflicts with local residents. Signed land use rights with local individuals may lead to potential conflicts in the future.	Establish long-term funding plans to maintain sustainable community relationships.

Note: Risks associated with the mining license apply solely to Mangshi Huasheng Mining and to mitigate the risk, our Group is also actively consolidating surrounding mining rights of the Mangshi Huasheng Mining to enhance its scale and performance. See “— Mangshi Huasheng Mining.”

As of the Latest Practicable Date, we have made reasonable efforts and endeavors to address such risks. Whilst we acknowledge that some risks might be beyond our scope of control, we will continue to work with the relevant advisors to minimise the potential impact of such risks.