FUTURE PLANS

See "Business — Our Growth Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] commissions and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK$[REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative range of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per [REDACTED]), without the exercise of the [REDACTED].

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below, subject to adjustments based on our evolving business needs and changing market conditions:

- [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used over the next five years for the continuous effort in the construction and exploration of our mines in the PRC and overseas. This includes:

  (1) [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used, over the next three years, to support Osino Mining's construction activities in Namibia. This includes capital expenditure in relation to processing plant infrastructure and dry-stack tailing storage facilities to support the construction and operations at the Twin Hills Gold Mine. The total planned [REDACTED] would be RMB[REDACTED], which will be funded by the net [REDACTED] as allocated, our Group's operating cash flow, and other financial sources. The [REDACTED] will cover construction works, open-pit stripping, and procurement of major processing equipment. The project will be implemented in phases from 2026 to 2027, ensuring systematic progress and operational readiness.

  - In 2026, construction activities will continue with an [REDACTED] of RMB[REDACTED] to complete additional site buildings, tailings facilities, and supporting infrastructure. Open-pit stripping will commence during this period, requiring RMB[REDACTED] to prepare the mining area for large-scale extraction. Equipment procurement will also [REDACTED], with RMB[REDACTED] dedicated to acquiring additional crushing, grinding, and mineral processing systems to expand capacity. RMB[REDACTED] will be used to finance the reserve fund, working capital, and design and consulting fees for the mining construction. The total [REDACTED] for 2026 will reach RMB[REDACTED], marking the peak year of capital expenditure for this project.

    In 2027, the remaining works will focus on completing open-pit stripping and final adjustments to infrastructure. RMB[REDACTED] will be [REDACTED] in stripping activities to ensure full operational readiness of the mining area. RMB[REDACTED] will be used for further construction activities for additional infrastructure, and RMB[REDACTED] will be used for the final stage of financing for the reserve fund, working capital, and design and consulting fees; and

  (2) [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used in the construction and exploration of our domestic mines. This includes deep-level exploration and construction at the Qinglonggou Gold Mine to increase its resources and reserves and extend its life of mine. The total planned [REDACTED] amounts to approximately RMB[REDACTED], which will be funded by the net [REDACTED] as allocated, our Group's operating cash flow, and other financial sources. Such [REDACTED] spread across land acquisition, construction, shaft and tunnel engineering, and equipment procurement. The [REDACTED] will be executed in phases from 2026 through 2031 to ensure systematic progress and optimal resource allocation.

  - In 2026, the focus will shift to major underground development and structural construction. RMB[REDACTED] will be [REDACTED] in building warehouses, central control rooms, and maintenance workshops. Shaft and tunnel engineering will accelerate with RMB[REDACTED] allocated to extend the north inclined shaft and develop multiple mid-level sections, including the 3120 and 3000 levels, as well as auxiliary shafts and ventilation shafts. RMB[REDACTED] will be used to finance the reserve fund, working capital, and design and consulting fees for the mining construction. The total [REDACTED] for 2026 will reach RMB[REDACTED].

    In 2027, tunnel engineering will maintain momentum with another RMB[REDACTED] for deep-level expansions and auxiliary works. Equipment procurement will be [REDACTED] at RMB[REDACTED] for additional hoisting and control systems. RMB[REDACTED] will be used to finance the reserve fund, working capital, and design and consulting fees for the mining construction. The total [REDACTED] for 2027 will be RMB[REDACTED].

In 2028, RMB[REDACTED] will be allocated for shaft tower construction to support operational needs. Tunnel engineering will require RMB[REDACTED] for further deep-level development, while equipment procurement will continue at RMB[REDACTED] and financing fees for the reserve fund, working [REDACTED] and design and consulting fees for the mining construction remain stable at RMB[REDACTED]. The total [REDACTED] for 2028 will amount to RMB[REDACTED].

In 2029, RMB[REDACTED] will allocated for construction needs for office buildings, while RMB[REDACTED] for further deep-level developments in tunnel engineering. RMB[REDACTED] will be used to finance the reserve fund, working [REDACTED], and design and consulting fees for the mining construction. The total [REDACTED] for 2029 will be RMB[REDACTED].

in 2030, RMB[REDACTED] will be [REDACTED] in completing deep-level tunnel engineering across multiple sections, ensuring full operational readiness. RMB[REDACTED] will be allocated to shaft tower construction. Equipment procurement will be allocated with RMB[REDACTED] for installations. RMB[REDACTED] will be used to finance the reserve fund, working capital, and design and consulting fees for the mining construction. The total [REDACTED] for 2030 will be RMB[REDACTED].

In 2031, the remaining work for the final construction and improvement of the Qinglonggou Gold Mine will be concluded with a further [REDACTED] of RMB[REDACTED]. Specifically, RMB[REDACTED] will be used for the completion of the shaft tower construction and auxiliary facilities such as the cement preparation station. RMB[REDACTED] will be used for the completion of the shaft and tunnel engineering. An additional RMB[REDACTED] will be allocated for equipment procurement, and the allocated financing fees will be finalized at RMB[REDACTED].

- [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used to acquire relatively sizable, high-quality mining assets. Our preferred potential mining acquisition targets are expected to generate an annual production from two to five t of gold and have more than 30 t of Mineral Resources of gold. These potential acquisition targets are preferably located in regions with stable political and economic environments such as Southern Africa, Western Africa, Central Asia, and Southeast Asia. In China, we prioritize the Northeast and Southwest regions and target projects with medium- to large-scale deposits. In terms of project development stage, we focus mainly on production, under construction, and post-feasibility and pre-construction projects. After consultation with Frost & Sullivan, our Directors are of the view that it is estimated that no less than 20 potential acquisition targets available in the global market meet our selection criteria. We expect such acquisition would expand our resources and reserves, increase our production volume, enhance our financial performance, and improve our competitive edge in the market. Currently, we are still in the process of searching for potential targets and have not identified any specific target, participated in any commercial negotiation or entered into any memorandum of understanding or letter of intent with respect to any potential target. For future acquisition activities, we will comply with relevant regulatory requirements;
- [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used for the repayment of the interest-bearing indebtedness related to Osino Mining, the interest rate of which is 2.7% with a maturity date of September 2031; and
- [REDACTED]% of the net [REDACTED], or HK$[REDACTED], is expected to be used for general corporate purposes.

The above [REDACTED] of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the mid-point of the indicative [REDACTED] range. We will receive net [REDACTED] of HK$[REDACTED] assuming an [REDACTED] of HK$[REDACTED] (being the low-point of the indicative range of the [REDACTED]), and net [REDACTED] of HK$[REDACTED] assuming an [REDACTED] of HK$[REDACTED] (being the high-point of the indicative range of the [REDACTED]), without the exercise of the [REDACTED]. Any additional [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we will receive net [REDACTED] of HK$[REDACTED] (after deducting the estimated [REDACTED] commissions and other fees and [REDACTED] payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of our indicative [REDACTED] range).

To the extent that the net [REDACTED] are not immediately applied to the above purposes, we will only deposit the net [REDACTED] into interest-bearing account at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions, so long as it is deemed to be in the best interests of our Company.

FUTURE PLANS AND [REDACTED]

As of the Latest Practicable Date, we believe that such future plans and use of [REDACTED] are still within the estimated range of our operational and financial needs and would not incur any material adverse impact on the future business operation and financial performance. If any part of our development plan does not proceed as planned for any reasons, such as changes in regulatory policies that would hinder the development of any of our projects or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED] accordingly.