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Application Proof of



Shanjin International Gold Co., Ltd.
山金國際黃金股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Shanjin International Gold Co., Ltd.
山金國際黃金股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

Joint Sponsors, [REDACTED]

CITIC SECURITIES　CICC 中金公司　UBS 瑞銀集團

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A copy of this document, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VIII to this document, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (on behalf of the [REDACTED]) and us on the [REDACTED] Date. The [REDACTED] is expected to be on or around [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than [REDACTED] per [REDACTED] and is currently expected to be not less than [REDACTED] per [REDACTED], unless otherwise announced. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED] between the [REDACTED] (on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse. Applicants for [REDACTED] may be required to pay, on [REDACTED] (subject to [REDACTED] channels), the maximum [REDACTED] of [REDACTED] for each [REDACTED] together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] as finally determined is less than HK$[REDACTED].

The [REDACTED] (on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] will be published as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Such notices will also be available on the website of our Company at **https://www.sji-gold.com** and on the website of the Stock Exchange at **www.hkexnews.hk**. Further details are set forth in "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this document.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this document, in particular, the risk factors set out in "Risk Factors". The obligations of the Hong Kong [REDACTED] under the Hong Kong [REDACTED] Agreement are subject to termination by the [REDACTED] (on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Such grounds are set out in "[REDACTED]" in this document. It is important that you refer to that section for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within or to the United States, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside of the United States in offshore transactions in accordance with Regulation S.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

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[REDACTED]

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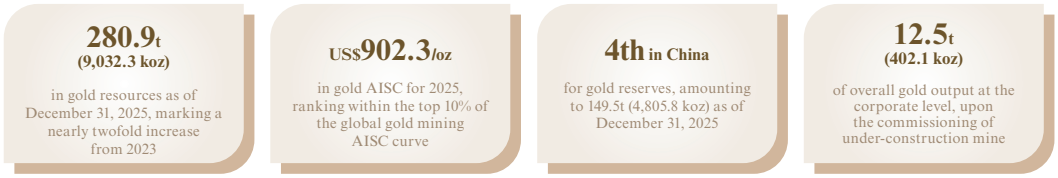
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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined in "Definitions" and "Glossary of Technical Terms" in this document.

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. For the year ended December 31, 2025, our gold AISC 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). In terms of future development plans, Qinghai Dachaidan Mining's Xijinggou open-pit extension project is expected to be completed and commence production by 2028;

(ii) Jilin Banmiaozi 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. In terms of future development plans, we are actively advancing the conversion of its exploration right at Banshigou into a mining right, with an aim to provide additional reserves for future production;

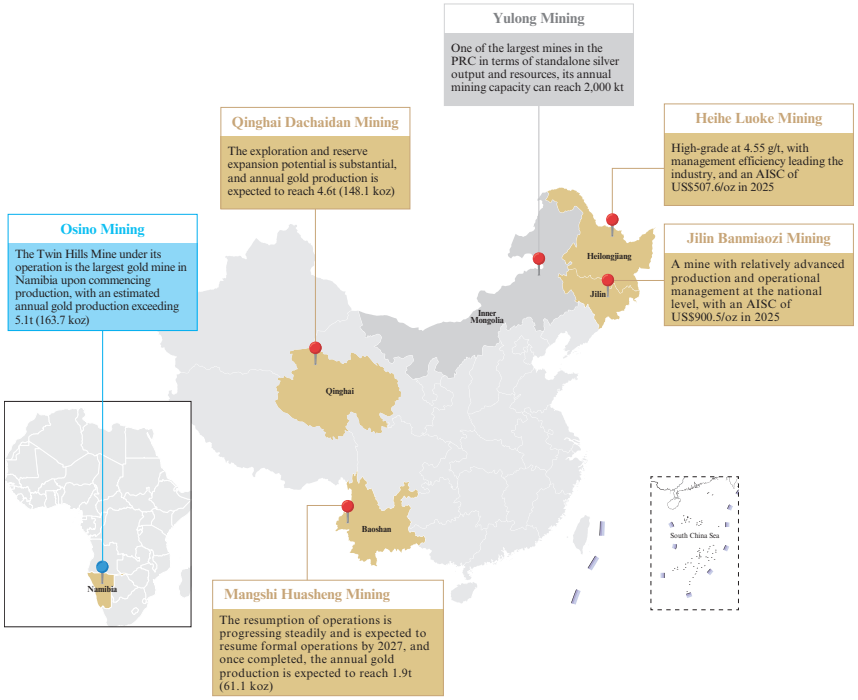
(iii) Heihe Luoke Mining operates one of China's high-grade gold mines, with grades at 4.55 g/t, and its gold AISC for 2025 was US$507.6/oz. In terms of future development plans, exploration activities are being accelerated within the existing permit area, with active efforts to convert its exploration permit into a mining license;

(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. In terms of future development plans, 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. In terms of future development plans, 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). In terms of future development plans, 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.

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.

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, management standards, and robust financial foundation, we believe that we can be well-positioned to achieve promising growth.

For the years 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 in terms of our revenue generated from our mining operations reached RMB3,299.2 million, RMB4,423.2 million and RMB5,504.7 million, respectively, representing a CAGR of 29.2%. For the same years, our profit for the years were RMB1,565.6 million, RMB2,438.2 million and RMB3,282.0 million, respectively, representing a CAGR of 44.8%.

SUMMARY

OUR STRENGTHS AND STRATEGIES

We believe that our Company possesses the following competitive advantages: (i) we are one of China's leading gold producers, our AISC is among the lowest in the world; (ii) we demonstrate asset identification capabilities that have led us to well-endowed resources; (iii) we managed to continue to grow our reserves while maintaining cost efficiency; (iv) we possess technologies in geological exploration, mining, and mineral processing, with innovation in production techniques; (v) we can derive governance and operational benefits from our mixed ownership structure; (vi) we benefit from enhanced ESG Practices; and (vii) we are led by an experienced management team and supported by our Controlling Shareholder.

We plan to implement the following strategies: (i) we will continue to expand our resources and reserves through exploration to strengthen our resource security; (ii) we will accelerate our pace in acquiring premium resources, in China and abroad, to strengthen our global strategic position; (iii) we will continue to pursue technological updates and optimize our operational efficiency to boost our profitability; (iv) we will further increase our R&D investment to drive continuous technological innovation; (v) we will continue our efforts to attract and retain mining talent to build a high-caliber, professional, and global team; and (vi) we will continue to enhance our ESG Governance and align our ESG practices with international standards.

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

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%	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)	Underground mining	2030
Mangshi Huasheng Mining	China	60.00%	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)	—	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

Our Directors confirm that none of our Group's mining rights are pledged to secure the Group's banking facilities.

SUMMARY

The following set forth a summary of our revenue, gross profit, and gross profit margin for the periods indicated:

	For the year ended December 31,								
	2023			2024			2025		
	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
Mining operations									
Qinghai Dachaidan Mining									
— Gold	1,201,563	884,934	73.6	1,918,245	1,550,542	80.8	2,301,547	1,901,407	82.6
— Silver	3,326	2,308	69.4	2,960	2,193	74.1	4,125	3,491	84.6
Sub-total	1,204,889	887,242	73.6	1,921,205	1,552,735	80.8	2,305,672	1,904,898	82.6
Jilin Banmiaozi Mining									
— Gold	912,113	473,537	51.9	1,287,345	874,850	68.0	1,574,592	1,235,127	78.4
— Silver	2,062	2,062	100.0[(1)]	2,946	2,946	100.0[(1)]	2,670	2,670	100[(1)]
Sub-total	914,175	475,599	52.0	1,290,291	877,796	68.0	1,577,262	1,237,797	78.5
Heihe Luoke Mining									
— Gold	1,185,548	643,564	54.3	1,217,597	831,850	68.3	1,628,551	1,364,082	83.8
— Silver	93,692	47,147	50.3	123,451	80,203	65.0	127,103	101,142	79.6
Sub-total	1,279,240	690,711	54.0	1,341,048	912,053	68.0	1,755,654	1,465,224	83.5
Yulong Mining									
— Lead	129,811	53,794	41.4	154,206	68,042	44.1	168,704	82,322	48.8
— Zinc	229,608	90,883	39.6	287,996	134,977	46.9	277,674	108,898	39.2
— Silver	798,410	390,939	49.0	858,157	436,263	50.8	1,026,571	512,425	49.9
Sub-total	1,157,829	535,616	46.3	1,300,359	639,282	49.2	1,472,949	703,645	47.8
Total from mining operations	4,556,133	2,589,168	56.8	5,852,903	3,981,866	68.0	7,111,537	5,311,564	74.7
Trading operations	3,538,704	3,595	0.1	7,727,526	88,852	1.1	9,978,561	137,939	1.4
Total	8,094,837	2,592,763	32.03	13,580,429	4,070,718	29.97	17,090,098	5,449,503	31.9

Note:

(1) The gross profit margin for silver of Jilin Banmiaozi Mining was 100% throughout the Track Record Period because silver is a by-product of the gold mining and production process, since the silver content of the Jilin Banmiaozi mining is relatively low and accordingly the related cost of sales is classified under gold.

In terms of our businesses, 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 metal prices. 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 products traded.

In terms of 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 the 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 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.

In terms of our mines, during the Track Record Period, the revenue growth at each of our mines was primarily attributable to higher market prices for our products. Specifically, driven by the increasing prices for gold and silver products, the revenue from Qinghai Dachaidan Mining increased from RMB1,204.9 million in 2023 to RMB1,921.2 million in 2024 and further increased to RMB2,305.7 million in 2025; the revenue from Jilin Banmiaozi Mining increased from RMB914.2 million in 2023 to RMB1,290.3 million in 2024 and further increased to RMB1,577.3 million in 2025; the revenue from Heihe Luoke Mining increased from RMB1,279.2 million in 2023 to RMB1,341.0 million in 2024 and further increased to RMB1,755.7 million in 2025; and the revenue from Yulong Mining increased from RMB1,157.8 million in 2023 to RMB1,300.4 million in 2024 and further increased to RMB1,472.9 million in 2025.

The following set forth our average selling price ("**ASP**") and sales volume of our products for the periods indicated:

	For the year ended December 31,											
	2023				2024				2025			
	Sales vol.	Unit	ASP	Unit	Sales vol.	Unit	ASP	Unit	Sales vol.	Unit	ASP	Unit
Qinghai Dachaidan Mining												
— Gold	86	koz	13,981	RMB/oz	113	koz	16,979	RMB/oz	99	koz	23,349	RMB/oz
— Silver	23	koz	145	RMB/oz	17	koz	176	RMB/oz	17	koz	246	RMB/oz
Jilin Banmiaozi Mining												
— Gold	65	koz	13,969	RMB/oz	75	koz	17,230	RMB/oz	64	koz	24,650	RMB/oz
— Silver	13	koz	163	RMB/oz	15	koz	191	RMB/oz	12	koz	229	RMB/oz
Heihe Luoke Mining												
— Gold	85	koz	13,953	RMB/oz	71	koz	17,116	RMB/oz	66	koz	24,606	RMB/oz
— Silver	622	koz	151	RMB/oz	647	koz	191	RMB/oz	519	koz	245	RMB/oz
Yulong Mining												
— Lead	9	kt	13,699	RMB/t	11	kt	14,010	RMB/t	11	kt	15,125	RMB/t
— Zinc	18	kt	12,872	RMB/t	17	kt	17,056	RMB/t	18	kt	15,382	RMB/t
— Silver	5,600	koz	143	RMB/oz	4,982	koz	172	RMB/oz	4,757	koz	216	RMB/oz

The ASP for gold from Qinghai Dachaidan Mining increased from 13,981 RMB/oz in 2023 to 16,979 RMB/oz in 2024 and further increased to 23,349 RMB/oz in 2025 and the ASP for silver increased from 145 RMB/oz in 2023 to 176 RMB/oz in 2024 and further increased to 246 RMB/oz in 2025 benefiting from favorable price trends for gold and silver products.

The ASP for gold from Jilin Banmiaozi Mining increased from 13,969 RMB/oz in 2023 to 17,230 RMB/oz in 2024 and further increased to 24,650 RMB/oz in 2025 and the ASP for silver increased from 163 RMB/oz in 2023 to 191 RMB/oz in 2024 and further increased/decreased to 229 RMB/oz in 2025 benefiting from favorable price trends for gold and silver products.

The ASP for gold from Heihe Luoke Mining increased from 13,953 RMB/oz in 2023 to 17,116 RMB/oz in 2024 and further increased to 24,606 RMB/oz in 2025 and the ASP for silver increased from 151 RMB/oz in 2023 to 191 RMB/oz in 2024 and further increased to 245 RMB/oz in 2025 benefiting from favorable price trends for gold and silver products.

The ASP for lead from Yulong Mining increased from 13,699 RMB/t in 2023 to 14,010 RMB/t in 2024 and further increased to 15,125 RMB/t in 2025 because of rising prices for lead products. The ASP for zinc from Yulong Mining increased from 12,872 RMB/t in 2023 to 17,056 RMB/t in 2024 and further decreased to 15,382 RMB/t in 2025, which is in line with the fluctuations of zinc market prices, primarily driven by product demand dynamics and global trade policy developments. The ASP for silver from Yulong Mining increased from 143 RMB/oz in 2023 to 172 RMB/oz in 2024 and further increased to 216 RMB/oz in 2025 because of rising prices for silver products.

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%	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		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		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**

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:

Subsidiary	Percentage of ownership (%)	Category	Tonnage (mt)	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 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**	**—**	**—**	**—**	**—**	**—**	**—**

Subsidiary	Percentage of ownership (%)	Category	Tonnage (mt)	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)
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**

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**
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 . . .		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 . . .		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**

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 Luoke Mining and Yulong Mining, as of December 31, 2025:

Subsidiaries	Percentage of ownership	Category	Ore	Ag grade	Metal contained (Ag)	Metal contained (Ag)	Pb grade	Metal contained (Pb)	Zn grade	Metal contained (Zn)	Cu grade	Metal contained (Cu)
	(%)		kt	(g/t)	(t)	(koz)	(%)	(t)	(%)	(t)	(%)	(t)
Heihe Luoke 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**

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**
Ore mined *(kt)*			
— 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
Ore processed *(kt)*			
— 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
Production volume *(t)*			
— 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
Production volume *(koz)*			
— 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
Processing capacity *(kt/a)*			
— 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
Utilization rate *(%)*			
— 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

For the years 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 forth quarter of 2025, the global AISC fluctuated between US$1,399.4/oz and US$1,629.5/oz.

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

	Year ended December 31,		
	2023	2024	2025
Qinghai Dachaidan Mining			
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$/oz)	685.9	792.8	1,189.0
Jilin Banmiaozi Mining			
Total AISC (RMB million)	381.5	440.2	457.5
Total AISC (US$ million)	54.1	61.9	64.0
Gold Production (oz)	58,024.3	74,714.8	71,071.5
AISC (US$/oz)	932.7	828.3	900.5
Heihe Luoke Mining			
Total AISC (RMB million)	201.0	180.7	263.8
Total AISC (US$ million)	28.5	25.4	36.9
Gold Production (oz)	69,321.2	71,035.7	72,691.7
AISC (US$/oz)	411.3	357.6	507.6
Our Group			
Total AISC (RMB million)	1,057.0	1,256.5	1,574.8
Total AISC (US$ 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
Ore mined *(kt)*			
Heihe Luoke Mining	461.7	465.2	531.0
Yulong Mining	1,275.6	1,284.7	1,462.4
Ore processed *(kt)*			
Heihe Luoke Mining	427.1	435.0	439.2
Yulong Mining	1,185.7	1,369.9	1,448.8
Production volume *(metal content)*			
Heihe Luoke 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
Processing capacity *(kt/a)*			
Heihe Luoke Mining	375.0	375.0	375.0
Yulong Mining	1,122.0	1,122.0	1,122.0
Utilization rate *(%)*			
Heihe Luoke Mining	113.9	116.0	117.0
Yulong Mining	105.7	122.1	129.0

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 Dachaidan 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 Banmiaozi 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

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 Banmiaozi Mining

Item	2026	2027	2028	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
Workforce Employment	29.35	29.46	28.90	28.29	16.02
Consumables	37.54	37.68	36.97	36.88	25.33
Fuel, electricity, water and other services	23.67	23.76	23.31	23.05	14.55
On and off-site administration	114.14	93.75	89.56	71.97	22.45
Environmental protection and monitoring	13.18	8.61	7.91	5.12	4.24
Transportation of workforce	0.00	0.00	0.00	0.00	0.00
Product marketing and transport	0.95	0.62	0.57	0.37	0.31
Non-income taxes, royalties and other governmental charges	9.32	6.57	6.84	10.52	2.22
Contingency allowances	25.47	25.56	25.08	24.44	13.17

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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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

Item	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Workforce Employment	73.54	73.30	70.55	71.19	69.95	31.83	14.05	14.39	14.36	13.93	8.36
Consumables	66.66	72.52	71.48	71.22	65.31	31.65	15.67	15.71	15.66	15.55	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	9.13	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	33.74	20.45
Environmental protection and monitoring	19.89	18.12	16.97	17.38	18.39	7.82	2.97	3.14	3.14	2.94	1.74
Transportation of workforce	0.04	0.03	0.03	0.03	0.03	0.01	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	0.79	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	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	28.64	17.39

LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we have obtained the requisite licenses, permits and certificates required by the relevant laws and regulations for our current operations in all material aspects.

OUR CUSTOMERS AND SUPPLIERS

Our customers include downstream smelters and metal traders. In the years 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. Our suppliers primarily consist of metal traders. In the years 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.

KEY RISK FACTORS

Our business faces various risks to different degrees As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the section headed "Risk Factors" in this document in its entirety before you decide to participate in our [REDACTED]. Some of the major risks that we face include: (i) our operations are susceptible to risks that are commonly associated with mining companies; (ii) changes in the market price for gold, which in the past have experienced significant volatility, affect the profitability of our operations and the cash flows generated by those operations; (iii) we are subject to uncertainty in the results of exploration, and we may not be able to expand or replenish our resources and reserves through further exploration; (iv) failure to increase our reserves, either through enhancing existing reserves, or developing new projects, or may adversely affect our business and results of operations; and (v) we may not be able to effectively execute our business strategies. In addition, estimates relating to expansion projects of existing operations are uncertain and we may incur higher costs and lower economic returns than estimated. Furthermore, as of December 31, 2023, 2024 and 2025, we had intangible assets of RMB6,053.4 million, RMB8,054.3 million and RMB7,884.7 million, respectively, mainly representing the net carrying amount of our exploration and mining rights. The carrying value of our mining and exploration rights may incur impairments, which may adversely affect our results of operations.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our historical financial information as of and for the year ended December 31, 2023, 2024 and 2025 extracted from the Accountants' Report set out in Appendix I to this document. The summary below should be read in conjunction with the consolidated financial information in Appendix I, including the accompanying notes and the information set forth "Financial Information."

Summary of consolidated statements of profit or loss

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**8,094,837**	**100.0**	**13,580,429**	**100.0**	**17,090,098**	**100.0**
Cost of sales	(5,502,074)	(68.0)	(9,509,711)	(70.0)	(11,640,595)	(68.1)
Gross profit	**2,592,763**	**32.0**	**4,070,718**	**30.0**	**5,449,503**	**31.9**
Other net income	56,454	0.7	44,091	0.3	43,298	0.3
Profit from operations	**2,127,825**	**26.3**	**3,232,423**	**23.8**	**4,342,735**	**25.4**
Finance costs	(44,806)	(0.6)	(50,737)	(0.4)	(57,075)	(0.3)
Profit before taxation	**2,083,019**	**25.7**	**3,181,686**	**23.4**	**4,285,660**	**25.1**
Income tax	(517,454)	(6.4)	(743,496)	(5.5)	(1,003,624)	(5.9)
Profit for the year	**1,565,565**	**19.3**	**2,438,190**	**18.0**	**3,282,036**	**19.2**

Our net profit

During the years ended December 31, 2023, 2024 and 2025, our Group's net profit experienced fluctuations primarily as a result of changes in revenue, cost of sales, other gains and losses, and operating expenses. For the year ended December 31, 2023, net profit was RMB1,565.6 million which increased to RMB2,438.2 million for the year ended December 31, 2024, before reaching RMB3,282.0 million for the year ended December 31, 2025. The increase was mainly attributable to the growth in revenue from both mining and trading operations, as well as an improvement in gross profit. Gross profit margin also improved due to a combination of higher selling prices and effective cost control measures. However, net profit was also affected by fluctuations in other gains and losses, including gains and losses on disposal of financial assets and changes in fair value of derivatives, as well as changes in finance costs and income tax expenses.

Summary of consolidated statements of financial position

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Non-current assets	10,291,365	12,665,311	13,440,739
Current assets	6,007,584	5,523,779	7,184,730
Current liabilities	2,406,422	1,853,853	2,229,831
Non-current liabilities	523,880	1,523,395	1,615,806
Net current assets	3,601,162	3,669,926	4,954,899
Net assets	**13,368,647**	**14,811,842**	**16,779,832**

Our net current assets

Our Group's net current assets were RMB3,601.2 million as of December 31, 2023, RMB3,669.9 million as of December 31, 2024, and RMB4,954.9 million as of December 31, 2025. The fluctuation in net current assets was primarily attributable to changes in key statement of financial position items, including cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss, inventories, trade receivables, and current liabilities such as trade and bills payables and bank and other borrowings. Our net current assets remained relatively stable as of December 31, 2023 and 2024, with a slight increase resulting from an increase in cash and cash equivalents and a decrease in trade and bills payables, offset by a decrease in inventories, restricted cash and prepayments, deposits and other receivables. As of December 31, 2025, the further increase in net current assets was mainly due to an increase in cash and cash equivalents, restricted cash and prepayments, deposits and other receivables, partially offset by an increase in current liabilities, particularly trade and bills payables and current taxation, and a decrease in financial assets at fair value through profit or loss.

Our net assets

Our Group's net assets were RMB13,368.7 million as of December 31, 2023, RMB14,811.8 million as of December 31, 2024, and RMB16,779.8 million as of December 31, 2025. The fluctuation in net assets during the Track Record Period was primarily attributable to the profit for the year, dividends declared, and other comprehensive income. The increase in net assets was mainly driven by the accumulation of retained profits as a result of the Group's profitability. Each year, a portion of profit was appropriated to statutory reserves in accordance with relevant regulations. Dividends declared to shareholders reduced retained profits and, consequently, total equity. Other factors affecting net assets included the repurchase of shares, acquisition of a subsidiary and non-controlling interests, and changes in other reserves arising from foreign currency translation and fair value adjustments.

Summary of consolidated cash flow statements

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Net cash flows generated from operating activities	2,179,893	3,871,259	4,680,086
Net cash flows generated from/(used in) investing activities	480,149	(2,849,216)	(837,905)
Net cash flows used in from financing activities	(1,625,581)	(431,310)	(1,535,130)
Net increase in cash and cash equivalents	1,034,461	590,733	2,307,051
Cash and cash equivalents at beginning of year	789,843	1,836,128	2,413,424
Effect of foreign exchange rate changes, net	11,824	(13,437)	(16,299)
Cash and cash equivalents at the end of the year	**1,836,128**	**2,413,424**	**4,704,176**

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods or as of the dates indicated:

	For the year ended/As of December 31,		
	2023	2024	2025
		(RMB'000)	
Rates of return			
Return on assets	9.6%	14.1%	16.9%
Return on equity	12.0%	17.3%	20.8%
Liquidity ratios			
Current ratio	2.5	3.0	3.2
Quick ratio	1.9	2.3	2.7
Gearing ratio	3.5%	9.3%	8.5%

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since 2000, our Company has been listed on the Shenzhen Stock Exchange. During Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the listing rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

RELATIONSHIP WITH SHANDONG GOLD MINING

As of the Latest Practicable Date, Shandong Gold Mining, held 802,251,840 A Shares, accounting for approximately 28.89% of the issued share capital of our Company. Immediately following completion of the [REDACTED], Shandong Gold Mining will be interested in approximately [REDACTED]% of our total share capital (assuming the [REDACTED] Option is not exercised) or approximately [REDACTED]% of our total share capital (assuming the [REDACTED] Option is exercised in full) and will continue to be our Controlling Shareholder upon [REDACTED]. See "Relationship with Shandong Gold Mining" in this document for further details about our Controlling Shareholders and our relationship therewith.

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 covering 62.1 km^2 and 16 exploration permits covering a total area of 5,087.5 km^2. 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.

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 5.1t (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 Rules 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.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, we had maintained our growth trajectory in terms of our sales volume in gold and other non-ferrous metals and maintained a healthy proportion of our revenue from trading operations. We have also been progressing with our efforts to further exploration and construction via Osino Mining, and to improve our R&D and operational efficiencies. Whilst we are preparing for fund raising to support our future strategies we remain mindful that as our capital expenditure may become much higher than the [REDACTED] from the [REDACTED], we will have to remain resilient toward cash control and forward outlook. Since December 31, 2025, the gold spot price has been fluctuating from US$4,308.0 per ounce on December 31, 2025 to US$4,650.7 per ounce on March 20, 2026, according to London Bullion Market Association (LBMA) AM Gold Price. Fluctuations in gold prices may affect our results of operations and financial performance in 2026 and going forward. Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since December 31, 2025, being the period end date of our consolidated financial statements as set out in Appendix I to this document, and up to the date of this document.

[REDACTED] STATISTICS

Our Directors confirm that we are applying for [REDACTED] under Rule 8.05(3) and as a mineral company, we are subject to Chapter 18 of the Listing Rules. All statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] are [REDACTED] pursuant to the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] are [REDACTED] and outstanding following the completion of the [REDACTED]:

	Based on an [REDACTED] of [REDACTED] per [REDACTED]	**Based on an [REDACTED] of [REDACTED] per [REDACTED]**
[REDACTED] of our Shares[(1)]	HK$[REDACTED]	HK$[REDACTED]
[REDACTED] of our [REDACTED][(1)]	HK$[REDACTED]	HK$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per Share[(2)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation of [REDACTED] of our Shares is based on (i) [REDACTED] expected to be [REDACTED] pursuant to the [REDACTED], assuming [REDACTED] is not exercised; and (ii) [REDACTED] in [REDACTED] with an average closing price for the five business days immediately prior to the Latest Practicable Date of RMB[REDACTED] equivalent to approximately HK$[REDACTED]) per A Share, representing in aggregate [REDACTED] Shares expected to be in [REDACTED] immediately following the completion of the [REDACTED], assuming [REDACTED] is not exercised.

(2) The unaudited [REDACTED] adjusted net tangible asset per Share as of December 31, 2025 is calculated after making the adjustments referred to in "Unaudited [REDACTED] Financial Information" in Appendix II to this document.

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$[REDACTED] million, assuming an [REDACTED] of HK$[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: (i) [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, is expected to be used over the next five years for the continuous effort in the construction and exploration of our mines in the PRC and overseas; (ii) [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, is expected to be used to acquire relatively sizable, high-quality mining assets; (iii) [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, is expected to be used for the repayment of the interest-bearing indebtedness related to Osino Mining; and (iv) [REDACTED] of the net [REDACTED], or HK$[REDACTED] million, is expected to be used for general corporate purposes.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commission and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), [REDACTED] to be borne by us are estimated to be approximately HK$[REDACTED], comprising: (i) [REDACTED] fees of HK$[REDACTED]; and (ii) non-[REDACTED]-related expenses of HK$[REDACTED], which are further categorized into: (a) fees and expenses of legal advisors, reporting accountants and the competent person of HK$[REDACTED]; and (b) other fees and expenses of HK$[REDACTED]. Among the estimated aggregate amount of our estimated [REDACTED], (i) HK$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, of which HK$[REDACTED] was recognized as our profit or loss during the Track Record Period; and (ii) HK$[REDACTED] is directly attributable to the [REDACTED] of the [REDACTED] in the [REDACTED] and is expected to be accounted for as a deduction from equity upon [REDACTED] in accordance with relevant accounting standards. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDEND

We declared and paid dividends to our Shareholders of RMB777.5 million, RMB777.5 million and RMB1,013.5 million respectively, for the years ended December 31, 2023, 2024 and 2025.

Pursuant to Subject to PRC laws and regulations, including the PRC Company Law《(中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions and shall be considered and resolved at our general meeting.

Future profit distributions may be conducted in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Whilst we do not have a pre-determined payout ratio, our Group's dividends are guided by a formal dividend policy. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this document.

"Accountants' Report"	the accountants' report of our Group for the Track Record Period as set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted on September 22, 2025 with effect upon the [REDACTED] Date (as amended from time to time), a summary of which is set out in Appendix VI to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of our Company
"Business Day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	[REDACTED]
"Canadian Dollars" or "CAD"	Canadian dollars, the lawful currency of Canada
[REDACTED]	[REDACTED]
"China" or "PRC"	the People's Republic of China, except where the content or context requires otherwise
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance" or "Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司), a company established under the laws of the PRC in 1999 and listed on the Shenzhen Stock Exchange (stock code: 000975.SZ) on June 8, 2000
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Shandong Gold Mining
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

DEFINITIONS

[REDACTED]	[REDACTED]
"F&S" or "Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., an independent global market research and consulting company
"F&S Report"	the report prepared by Frost & Sullivan
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Group," "our Group," "we," "us" or "our"	our Company and its subsidiaries, or where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the entities or the predecessors of the present subsidiaries (as the case may be) which carried on the business of the present Group at the relevant time
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which will be [REDACTED] for and [REDACTED] in HK dollars and [REDACTED] on the Stock Exchange
[REDACTED]	[REDACTED]
"Heihe Luoke Mining"	Heihe Luoke Mining Development Co., Ltd.* (黑河洛克礦業開發有限責任公司), a limited liability company established under the laws of PRC on October 9, 2007, a wholly-owned subsidiary of our Company
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"HK$," "Hong Kong dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards, as issued by the Hong Kong Institute of Certified Public Accountants
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China

DEFINITIONS

"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Intime International"	Intime International Holdings Ltd.* (中國銀泰投資有限公司), a company incorporated in PRC on June 18, 1985, which used to be our largest shareholder of our Company
"IOSCO MMOU"	the International Organization of Securities Commissions Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information
"IOSCO MMOU Country"	country or region whose statutory securities regulator is a full signatory to the IOSCO MMOU
"Jilin Banmiaozi Mining"	Sino Gold Jilin BanMiaoZi Mining Limited* (吉林板廟子礦業有限公司), a limited liability company established under the laws of PRC on November 14, 2003, a non wholly-owned subsidiary of our Company

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Joint Sponsors"	the joint sponsors of the listing of the H Shares on the Hong Kong Stock Exchange as named in the section headed "Directors and Parties Involved in the [REDACTED]" in this document
"Latest Practicable Date"	March 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	[REDACTED]
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
[REDACTED]	[REDACTED]
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Mangshi Huasheng Mining"	Mangshi Huasheng Gold Mine Development Co., Ltd.* (芒市華盛金礦開發有限公司), a limited liability company established under the laws of PRC on July 17, 2009, a non wholly-owned subsidiary of our Company
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Namibian Legal Advisor"	Cronje Incorporated
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Non-IOSCO MMOU Country"	country or region whose statutory securities regulator is not a full signatory to the IOSCO MMOU
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"N$"	the Namibian dollars, the lawful currency of Namibia
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Osino Mining"	Osino Resources Corp., a mining company incorporated in Canada on November 22, 2005, which is a subsidiary acquired by our Group during the Track Record Period, as detailed in the section headed "History, Development, and Corporate Structure — Major acquisitions, disposals and mergers" in this document

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Parent Group"	Shandong Gold Mining and its subsidiaries, excluding our Group
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Legal Advisor"	Zhong Lun Law Firm, the legal advisors of our Company as to the PRC laws
[REDACTED]	[REDACTED]
"Qinghai Dachaidan Mining"	Qinghai Dachaidan Mining Co., Ltd.* (青海大柴旦礦業有限公司), a limited liability company established under the laws of PRC on July 11, 2000, a non wholly-owned subsidiary of our Company
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SDG Group"	Shandong Gold Group Co., Ltd. (山東黃金集團有限公司), a limited liability company incorporated in the PRC on July 16, 1996, the holding company of Shandong Gold Mining
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of our Share(s)
"Shandong Gold Mining"	Shandong Gold Mining Co., Ltd.* (山東黃金礦業股份有限公司), an A-share listed (stock code: 600547.SH) and H-share listed (stock code: 1787.HK) company incorporated in the PRC on January 31, 2000, the Controlling Shareholder of our Company, and a subsidiary of SDG Group
"Shandong SASAC"	State-owned Assets Supervision and Administration Commission of Shandong Provincial Government of the PRC (中國山東省人民政府國有資產監督管理委員會)
"Shanghai Shengwei"	Shanghai Shengwei Mining Investment Co., Ltd.* (上海盛蔚礦業投資有限公司), a limited liability company established under the laws of PRC on March 25, 2016, a wholly-owned subsidiary of our Company
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025
"Treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Yulong Mining"	Inner Mongolia Yulong Mining Co., Ltd.* (內蒙古玉龍礦業股份有限公司), a limited liability company established under the laws of PRC on December 29, 2002, a non wholly-owned subsidiary of our Company
"YTSH"	YTSH Supply Chain Management Co., Ltd.* (上海盛鴻融信國際貿易有限公司), a limited liability company established under the laws of PRC on August 31, 2016, a subsidiary of our Company
"YTSH Singapore"	YTSH Singapore Pte Ltd.* (上海盛鴻新加坡有限公司), a limited liability company established under the laws of Singapore on January 3, 2018, a non wholly-owned subsidiary of our Company
"YTYH"	Ningbo YTYH Trading Co., Ltd.* (寧波永盛融信國際貿易有限公司), a limited liability company established under the laws of PRC on July 9, 2018, a wholly-owned subsidiary of our Company
"%"	per cent

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

Unless otherwise stated, the 2,624,229 A Shares repurchased by our Company and held as Treasury Shares as of the Latest Practicable Date have been included in the total number of issued shares of our Company as of the Latest Practicable Date and immediately following the completion of the [REDACTED]. See "Change in share capital of our Company" in Appendix VII to in this document.

* *For identification purposes only*

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain technical terms used in this document in connection with our Company and our business. Such terms and their meanings may not correspond to standard industry definitions or usage.

"all-in sustaining costs" or"AISC"	a metric which means operating costs excluding amortisation and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. It generally comprises cash costs (net of by-product credits), sustaining capital, exploration expenses, resource tax and general and administrative expenses
"annual production capacity"	the maximum annual production capacity that can be achieved by our Group in the usual and ordinary course of business based on our existing resources and mine design
"Ag"	the chemical symbol for silver
"Au"	the chemical symbol for gold
"average dividend payout ratio"	dividends paid to our shareholders of the year/period divided by the profit attributable to equity shareholders in the same year/period
"backfill"	material used to fill mined-out areas in a mine after ore is removed
"ball mill"	a machine that grinds ore using steel balls
"beneficiation"	improving the quality of ore by removing impurities
"blast displacement"	movement of rock caused by blasting in mining
"BMT"	blast movement technology
"carbon-in-pulp"	a process where gold is absorbed onto activated carbon from a cyanide solution
"cathode"	a negative electrode
"concentrate"	a powdery or wet product containing an upgraded mineral content resulting from initial processing of mined ore to remove some waste materials. A concentrate is an intermediary product, which would still be subject to further processing, such as smelting, to effect metal recovery
"crusher"	a machine for crushing rocks to smaller grain size
"cyanidation"	a method of extracting gold from ore using cyanide solution
"cyanide destruction"	neutralizing cyanide used in gold extraction to make it safe
"Cu"	the chemical symbol for copper
"deposit"	natural occurrence of a useful mineral, or an ore, sufficient in extent and degree of concentration to invite exploitation
"designed mining capacity"	the production capacity planned based on the mine's design, equipment, and technical parameters
"desorption"	removing absorbed substances from a surface, like gold from carbon
"desulfurization"	removing sulfur from ore or gas
"dilution"	the reduction of grade for mined ore due to the inclusion of waste material in the mined ore
"doré gold" or "gold doré"	unrefined gold bar produced at the mine site or other gold sources before sending to a refinery where the gold is refined or processed to meet specific requirements
"drilling"	use of a machine to create holes for exploration
"electrowinning"	an electrolytic process where metals are extracted from a solution and deposited onto a cathode
"exploration"	activity to prove the location, form, reserve, and grade of an orebody

GLOSSARY OF TECHNICAL TERMS

"exploration permit"	permission to search for minerals in a specific area
"flotation"	a technology that separates useful minerals from ores and gangues through bubble adsorption
"g/t"	grams per tonne, a unit to measure metal concentration in ore
"gold bullion"	refined gold in the form of bars
"gold production"	refers to the total amount of gold extracted and processed from mining operations over a specific period, serving as a key indicator of a mining project's performance
"gold recovery rate"	the percentage of gold produced compared to the amount of gold contained in the feed ore in the context of a processing plant, or the percentage of gold produced compared to the amount of gold contained in the feed concentrates in the context of a smelting plant
"grade"	ratio of the content of a useful element or its compound in an ore, for which the greater the content, the higher the grade. For gold, grade is commonly expressed in grams per tonne (g/t)
"hydrocyclone"	a device that separates particles of different sizes in a liquid based on their mineral particle size and density
"Indicated Mineral Resource" or "Indicated Resource"	is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered
"Inferred Mineral Resource" or "Inferred Resource"	is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
"kg"	kilogram(s), the basic unit of mass in the international system of units
"km"	kilometer(s), a metric unit measure of distance equal to 1,000 meters
"km^2"	square kilometer(s)
"koz"	thousand ounces, a unit of weight
"kt"	thousand metric tonnes, a metric unit of weight, being equivalent to 1.0 million kg
"kt/a" or "ktpa"	kilo tonne per annum
"kWh"	kilowatt hours
"LBMA"	london Bullion Market Association, a wholesale over- the-counter market for the trading of gold and silver, which sets gold prices twice daily at 10:30 am and 3:00 pm London BST with the price set in U.S. dollars
"leaching"	extracting minerals from ore by dissolving them in a liquid

GLOSSARY OF TECHNICAL TERMS

"LOM"	life of mine. It refers to the shortest timeframe that the portion of mineral resources of a mine are estimated to be fully utilized after considering the actual situation of the mine and strategic plan of the mining operation. Should the mine owner decide to reduce the mining and processing volume per annum and/or discover additional reserves, it would take longer time to utilize the reserves of the mine and the life of mine would be lengthened
"m^2"	square meter(s)
"Measured Mineral Resource" or "Measured Resource"	is that part of a resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered
"metallogenic belt"	a region with a high concentration of mineral deposits
"metallogenic district"	a smaller area within a belt known for mineral deposits
"metallogenic zone"	an area known for having mineral deposits
"metallurgical recovery"	the percentage of metal that can be extracted from ore
"mined volume"	the volume of ores mined from gold mines
"mineralization"	the process by which minerals are deposited in a rock
"mining license"	permission to extract minerals from a specific area
"mining rights"	the rights to mine resources and obtain mineral products in areas where mining activities are licensed
"Modifying Factors"	see the definition under the JORC Code as set out in the section headed "Summary of the JORC Code" in this document
"open pit mine"	a deposit from a pit open to surface and usually carried out by stripping of overburden materials
"ore"	rock that contains valuable minerals
"ore processing" or "processing" or "ore processed"	process which in general refers to the extraction of usable portions of ores by using physical and chemical methods
"ounce(s)" or "oz"	unit of weight for precious metals, and one troy ounce equals 31.1034768 grams
"oxidative roasting"	heating ore in air to remove impurities before extracting metals
"paste filling"	using a thick mixture to fill mined-out areas underground
"Pb"	the chemical symbol for lead
"pre-oxidation"	treating ore with oxygen before extracting metals
"processing plant"	a facility where ore is treated to extract valuable minerals
"Probable Ore Reserve"	is the economically mineable part of an Indicated Mineral Resource and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is sufficiently reliable to demonstrate that, at the time of reporting, extraction could reasonably be justified

GLOSSARY OF TECHNICAL TERMS

"Proved Ore Reserve"	is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A Proved Ore Reserve represents the highest confidence category of Ore Reserve estimate and implies a high degree of confidence in geological and grade continuity, and in the Modifying Factors
"refining"	final stage of the metallurgical process of refining crude metal products to a pure or very pure end-product
"regrinding"	grinding ore again to make it finer for further processing
"rehabilitation"	in the context of mining, the process of returning the land to another productive use or the restoration of land and environmental values to a mine site after the mining has been completed
"R&D"	research and development
"reserves"	portion of the measured and/or indicated resources that can be economically mined, which is an estimate after a pre-feasibility study, feasibility study or equivalent technical and economic evaluation, with possible ore losses and depletion, and the reasonable use of conversion factors fully taken into account to make mining technically feasible and economically viable. This contains both probable and proved reserves
"resources"	solid Mineral Resources identified by mineral resource exploration, generally reviewed, and expected to be economically minable, which quantity, grade or quality is estimated with reference to geological information, geological understanding and relevant technical requirements including Inferred Resources, Indicated Resources and Measured Mineral Resources
"ROM"	run-of-mine, of or relating to ore that is in its natural and unprocessed state produced from a mine
"SAG mill"	a machine that grinds ore using steel balls and the ore itself
"smelting"	heating and melting ore to extract metal
"standard gold"	gold bullion which satisfies both standard content requirements (Au99.99, Au99.95, Au99.9, Au99.5) and standard weight requirements (50g, 100g, 1kg, 3kg, 12.5kg) set by the Shanghai Gold Exchange
"stockpile"	a temporary storage area where mined ore are accumulated before processing, allowing for operational flexibility and continuous workflow
"stope"	an underground excavation from which ore is being extracted
"stripping ratio"	is the amount of waste that needs to be removed to extract a certain amount of ore, divided by the amount of ore extracted
"t/a" or "tpa"	tonne per annum
"tailings"	waste materials left after extracting valuable minerals from ore
"tailings storage facilities" or "TSF"	a storage facility for tailings
"tonne" or "t"	metric tonne, a metric unit of weight, being equivalent to 1,000 kg
"Zn"	the chemical symbol for zinc

SUMMARY OF THE JORC CODE

SUMMARY OF JORC CODE

The Mineral Resource and Ore Reserve statements in this document have been prepared in accordance with the JORC Code. The JORC Code is one of the internationally accepted Mineral Resource and Ore Reserve classification systems established in Australia, which was first published in February 1989 and last revised in December 2012. This is commonly used in Competent Person's Report and competent person's reports for reporting Mineral Resource and Ore Reserve for public companies reporting to the Stock Exchange. This is used by the competent person to report the resources and reserves of our mines in this document.

The JORC Code defines "Mineral Resource" as a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided in order of increasing geological confidence into the following categories:

- *Inferred Mineral Resource* — is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
- *Indicated Mineral Resource* — is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

  Geological evidence — is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered; and
- *Measured Mineral Resource* — is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

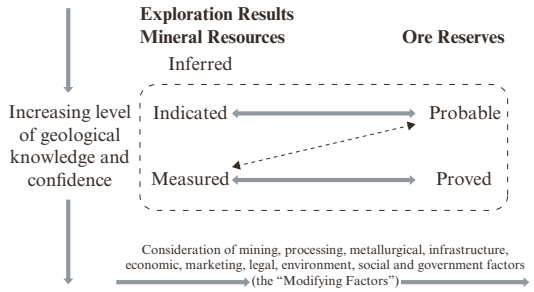
  Geological evidence — is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

The JORC Code defines "Ore Reserve" as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Ore reserves are sub-divided into the following categories:

- *Probable Ore Reserve* — is the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve; and
- *Proved Ore Reserve* — is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

The following diagram summarizes the general relationship between Exploration Results, Mineral Resources and Ore Reserves under the JORC Code:



Source: the JORC Code, 2012

Reserves are generally quoted as comprising a portion of the total resources rather than the resources being additional to the reserves quoted. Under the JORC Code either procedure is acceptable, provided the method adopted is clearly identified. The Compenent Person's Report in this document reports all of the reserves as part of the resources.

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "going-forward," "next," "under-estimate," "expect," "hope," "confirm," "navigate," "intend," "might," "anticipate," "justify," "need," "estimate," "believe," "moving forward," "looking forward," "ought to," "plan," "potential," "predict," "project," "seek," "could," "should," "would," "aim," "around," "can," "may," "will," and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our Company's management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These forward-looking statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in the sections headed "Risk Factors," "Business," "Financial Information" and other sections in this document. You should read thoroughly this document with the understanding that our actual future results may be materially different from and worse than what we expect.

You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company that could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals;
- our future business development, financial conditions and results of operations;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- the future developments and competitive environment in our industry;
- our ability to stay in compliance with the laws and regulations that currently apply or may become applicable to our business both in China and internationally;
- margins, overall market trends, risk management and exchange rates;
- the actions and developments of our competitors;
- capital market development;
- other statements in this document that are not historical fact; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this document.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [REDACTED] against placing undue reliance on any such statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no responsibility to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of any subsequent unanticipated event. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

[REDACTED] in our H Shares involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (i) risks relating to our business and industry; (ii) risks relating to the jurisdictions in which we operate; and (iii) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our operations are susceptible to risks that are commonly associated with mining companies.

Our operations are subject to a number of operational risks typically associated with the mining industry, some of which are beyond our control and cannot be completely mitigated. Such risks may include: unexpected maintenance or technical problems; interruptions to our mining operations due to hazardous weather conditions and natural disasters, such as floods, including, but not limited to, surface and underground flooding, landslides and earthquakes; electricity or fuel supply interruptions; critical equipment failures in our mining, processing and production operations; the handling and storage of certain dangerous substances and the use of heavy machinery; unusual or unexpected variation in the mine and geological or mining conditions, such as instability of the slopes and subsidence of the working areas; seismic events; exposure to health-related hazards, such as inhalable dust, silicosis and noise; surface or underground fires and explosions, including those caused by flammable gas or in connection with blasting; cave-ins, blockages, wall collapses or gravity induced falls of ground; discharges of gases and toxic substances; releases of radioactivity; electrocution; falling from height; accidents related to the presence of mobile machinery, including underground trains and shaft conveyances; industrial accidents, including, but not limited to, accidents and conditions resulting from drilling, blasting and removing and processing material which would also include, but is not limited to, the inhalation of dust and noise induced hearing loss; human errors and conduct; environmental degradation, including pollution of ground and surface water, air or soil; environmental issues, including production disruption due to weather conditions; and other accidents or conditions resulting from mining activities, such as blasting and the transport, storage and handling of hazardous materials. Should any of such events occur, our operations may be materially adversely affected.

Changes in the market price for gold, which in the past have experienced significant volatility, affect the profitability of our operations and the cash flows generated by those operations.

During the Track Record Period, part of our revenue was derived from the sale of gold. Historically, the price of gold has experienced significant volatility, and in recent periods, global gold prices have experienced particularly sharp fluctuations due to changes in global monetary policies, heightened geopolitical tensions, inflationary pressures and shifts in investor sentiment. See "Industry Overview" in this document. Gold price has been affected by numerous factors beyond our control, including, among others, the strength or weakness of the U.S. dollar (the currency in which gold price generally is quoted) and of other currencies, including the Renminbi; the demand for gold for industrial uses and use in jewelry; the demand for gold from relatively new emerging markets and the emerging middle class in these markets; inflation in the markets in which we operate and globally; the actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers; international or regional political and economic events or trends; the demand for exchange traded funds which replicate the performance of gold; the demand for gold for investment purposes; the demand for gold investment alternatives, including the emerging demand for Bitcoin and other cryptocurrency; investor confidence in gold and the gold business; speculative trading activities in gold; the overall level of forward sales by gold companies; the overall level and cost of production of gold; financial market expectations regarding the rate of inflation; and interest rates.

It is not possible for us to predict the aggregate effect of these factors. If gold price falls below the amount it costs us to produce gold and remains at such levels for any sustained period, our revenue and profit would be materially and adversely affected. As a result, we may be forced to curtail or suspend some or all of our projects or operations, or reduce operational capital expenditures in part or completely. In addition, we might not be able to recover any losses incurred during or after such periods. Moreover, our reserves estimates and production may also be affected by significant deviations from and fluctuations in actual gold prices.

Due to the recent changes in the global geopolitical and economic environment, the price of gold has experienced significant volatility, including periods of rapid appreciation and sharp corrections. To mitigate the risks arising from fluctuations in metal prices and maintain our profitability at a stable level, we have implemented a comprehensive risk management policy through our trading business using financial derivatives, with a high hedge ratio (approximately 88.5% by weight, after VAT adjustment). See "Business — Trading — Strategic Value of Our Trading Operations." Such fluctuations in gold prices have contributed to, and may

continue to contribute to, fluctuations in our revenue and gross profit during the Track Record Period. A sustained period of significant gold price volatility may adversely affect our ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations, or to make other long-term strategic decisions, particularly where investment returns are highly sensitive to long-term gold price assumptions. In addition, as we also generate revenue from the sales and trading of other non-ferrous metals, our results of operations would also be affected by the global prices of such metals, which may themselves exhibit volatility similar to that of gold. See "Industry Overview" in this document.

We are subject to uncertainty in the results of exploration, and we may not be able to expand or replenish our resources and reserves through further exploration.

Resources and reserves are non-renewable, and the exploration of new and potential resources is crucial to a mining enterprise. However, exploration of resources bears uncertainties, and therefore substantial expenses may be incurred from initial drilling to production. The success of any mining exploration program depends on various factors including, among other things, (i) whether ore bodies can be located; (ii) whether the location of ore bodies are economically viable to mine; (iii) whether appropriate metallurgical processes can be developed and appropriate mining and processing facilities can be economically constructed; and (iv) whether necessary governmental permits, licenses, and consents can be obtained. Furthermore, there can be no assurance that our resources may be ultimately extracted at a profit. Should this occur and we operate at a loss, our business and prospects may be materially and adversely affected.

In order to maintain our production level of gold and other non-ferrous metals beyond the life of the current proved and probable reserves, we must identify further reserves capable of economical exploitation. However, due to the unpredictable and speculative nature of our industry, there is also no assurance that any exploration can lead to the discovery of economically feasible reserves. If we fail to replenish our mineral resource levels in existing or new mining areas, we may not be able to maintain the current production levels after the remaining usable life of the existing mining areas lapses. In addition to the possibility that our exploration efforts may generate futile outcomes, we cannot assure that we will be able to obtain the necessary exploration permits in the future. Such events may materially and adversely affect our business and future prospects.

Failure to increase our reserves, either through enhancing existing reserves, or developing new projects, or may adversely affect our business and results of operations.

To access additional reserves in explored areas, we will need to successfully complete development projects, including extending existing mines and developing new mines. We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies. In addition, there are a number of uncertainties inherent in the development and construction of any new mine or an extension to an existing mine, including: (i) the availability and timing of necessary governmental approvals; (ii) the timing and cost necessary to construct mining and processing facilities, and the availability and cost of smelting and refining arrangements; (iii) the availability and cost of labor, utilities, auxiliary materials and other supplies and the accessibility of transportation and other infrastructure; and (iv) the availability of funds to finance construction and production activities. Furthermore, there can be no assurance that such efforts to expand our resources and reserves will succeed. They may be delayed or adversely affected by various factors, including, but not limited to, failure to obtain relevant regulatory approvals to expand the original scope of our permits and licenses, failure to secure sufficient financing to fund our expansion and production, the occurrence of geotechnical difficulties, constraints on managerial, operational, technical and/or other resources, and operational costs exceeding our expectations.

In addition, if a viable deposit is discovered, it could take us several years and a large amount of capital expenditure from the initial phases of exploration to production commencement, during which time the presumed market price of gold may change, and the capital cost and economic feasibility of such deposit may change. There is also no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to any exploration properties in which we have or may acquire an interest. Furthermore, there can be no assurance that reported resources will be converted into reserves, and actual results upon production may materially differ from those anticipated at the time of discovery. In the event we fail to replace our depleted resources and reserves, to expand our resources or reserves base or our future expansion plans are delayed or fail to deliver the expected economic benefits, our business, financial condition, results of operations and future growth may be materially and adversely affected.

We may not be able to effectively execute our business strategies. In addition, estimates relating to expansion projects of existing operations are uncertain and we may incur higher costs and lower economic returns than estimated.

The ability to grow our business and to ensure a robust and sustainable growth will depend on the successful implementation of our existing and proposed strategic initiatives, such as to improve productivity, reduce cost and enhance profitability, and to continue to obtain resources and reserves quality gold assets. The successful implementation of our strategies depends upon many factors, including those outside our control, and could have a material adverse effect on our business, financial condition and results of operations.

Our future expansion may place a significant strain on our managerial, operational, technical and financial resources. If we fail to maintain sufficient internal sources of liquidity and secure external sources of funding for future growth, we may encounter, among other things, significant delays in production and operational difficulties. If we are unable to effectively manage our growth and the associated increased scale of our operations, the efficiency of our operations, our ability to attract and retain key personnel and our business and prospects could be materially and adversely affected.

We may be subject to risks relating to developing our overseas business.

In the year ended December 31, 2024, we acquired 100% equity interest in Osino Mining, which holds 100% equity interest in Twin Hills Gold Mine in Namibia. See "History, Development and Corporate Structure — Corporate Developments" in this document for details. As we plan to further expand our operations overseas in the future, we may be exposed to various risks associated with conducting business in foreign countries and territories, which may include:

- an increase in competition from foreign players or failure to anticipate changes to the competitive landscape in overseas markets due to lack of familiarity with the local business environment;
- difficulties integrating business and management systems overseas with our existing operations;
- political risks, including civil unrest, acts of terrorism, acts of war, regional and global political or military tensions and strained or altered foreign relations, which may lead to interruptions in our business operations and/or loss of property;
- economic, financial and market instability and credit risks;
- difficulties and costs associated with complying with, and enforcing remedies under, a wide variety of complex domestic and international laws, treaties and regulations;
- inability to obtain or maintain the requisite licenses, permits, approvals and certificates in foreign jurisdictions;
- economic sanctions, trade restrictions, discrimination, protectionism or unfavorable policies against Chinese companies;
- difficulties with staffing, potential loss of key employees and managing overseas operations after localization, including with respect to compliance with local labor laws;
- exposure to litigation or third-party claims outside of China;
- foreign currency exchange controls and fluctuations;
- uncertainties in the interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions;
- potential disputes with, and loss of, foreign customers or other foreign parties we work with;
- the infringement of our intellectual property rights in foreign jurisdictions;
- illegal or unauthorized actions of third-parties (for instance, illegal or artisanal mining) on-site or in the vicinity;
- lack of a well-developed or independent legal system in certain foreign countries in which we conduct our business, which may create difficulties in the enforcement of legal rights; and
- cultural and language difficulties.

Any of the above factors could lead to, among others, business disruptions, increased costs and losses, which could have a material and adverse effect on our business, results of operations and overall growth strategies.

We may not be able to exercise effective overall planning and in terms of control project executions, which may result in significant timeline delays, budget overruns and value erosion.

The management of mining projects may involve complex coordination of resources, contractors, and regulatory approvals. Various factors beyond our control, for example, any delays in obtaining government permits, non-performance or errors by third-party contractors, shortages of labor or materials, unforeseen engineering difficulties, adverse weather or other force majeure events, could disrupt our project timelines and cost estimates. In addition, planned production schedules may not proceed due to a myriad factors beyond our control. If we are unable to mitigate these issues, our projects may not be completed on schedule or within budget. As a result, we might not achieve the intended economic benefits or projected returns. Moreover, significant delays or cost overruns can erode the value of our investments and may require us to seek additional capital, materially and adversely impacting on the commercial viability of the projects and our overall financial performance.

The implementation of our ESG policies and practices may affect our reputation, business success, and future prospects.

Mining development can be highly synergistic with environmental protection and ecological development. We strive to adhere to international standards and have adopted international standards to guide the development of our ESG system, integrating ESG concepts into the our corporate development process. We enhance the foundation for green and sustainable development, established ecological restoration and environmental protection plans which are highly adaptable to our projects, and strive to promote the implementation of effective measures to reach carbon neutrality and carbon reduction to help achieve global green sustainable development and net zero targets. Maintaining and increasing compliance with such ESG

standards and building our reputation could increase our operational costs. The continued success of our existing operations and future projects will in part rely on the support of, and a healthy relationship with, the local communities in which our operations are located, in addition to conducting operations in a manner that is not detrimental to the environment. While formal permission to operate is ultimately controlled by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively, sustainably and profitably.

The consequences of negative community reaction could therefore give rise to material reputational damage which can pose obstacles to our ability to develop our projects and maintain our operations, and have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. If our operations are delayed or shut down as a result of political and community instability, our earnings may be constrained and the long-term value of our business could be adversely impacted. Although there have not been any material adverse action taken against us up to the Latest Practicable Date, the uncertainty associated with such political or community instability could negatively impact the perceived value of our assets and mining investments and, consequently, have a material adverse effect on our financial condition. In order to maintain our social license to operate, we may need to design or redesign parts of our affected mining operations to minimize their impact on the relevant communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, by changing planned capital expenditures, or by relocating the affected people to an agreed location.

Specifically, some of our current and potential mining activities overseas are or may be located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. It has become common in Namibia for communities surrounding mines to rely on the business prospect brought by the mines to improve standards of living in the area. Such communities may engage in protest action, which may affect access to the mine and production. For example, the local regulations and MEPA between mining right holders and government stakeholders in Namibia stipulate that every mining right holder is required to promote local employment, advance social and economic welfare, contribute to transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate. Failure to comply with such social obligations may result in the suspension and/or cancelation of the environmental certificate and the corresponding suspension or stoppage of project implementation and activities.

Globally, there has been a gradual push from financial and investment communities, including asset managers, sovereign wealth funds, public pension funds, universities and other groups, to promote improvements in ESG performance by mining companies. The compliance with the various ESG disclosure requirements and standards such as TCFD, and gold industry standards such as the World Gold Council Conflict-free Gold Standard and the World Gold Council Responsible Gold Mining Principles, may result in significant costs and managerial resources, particularly where standards change rapidly or duplication in reporting is required. Conversely, should we be perceived as deficient in relation to ESG practices and strategies, our ability to raise funds may be affected, this may lead to a material and adverse impact on our reputation, business, financial condition and results of operations.

We may fail to obtain, maintain or renew the government permits, licenses, and approvals required for our operations.

As a gold and other non-ferrous metal mining company, we are subject to extensive laws, rules and regulations imposed by the governments in the respective jurisdictions in which we operate. For instance, under the PRC Mineral Resources Law, all resources in China are owned by the state. Mining companies, including ourselves, are required to obtain mining licenses and exploration permits prior to undertaking any mining or exploration activities, and the mining licenses and exploration permits are limited to a specific geographic area and a certain time period. In addition, pursuant to relevant PRC and Namibian laws and regulations, before commencing production, we are required to pass a number of inspections and obtain various approvals, permits, and licenses with respect to environmental protection, land use, and production safety, among other requirements.

Changes in local laws, regulations and policies, including those with respect to environmental protection, land use, mining, and exploration activities, that are out of our control, may affect our ability to obtain timely renewals for such licenses and permits. Should we fail to obtain, renew and/or maintain such approvals, permits, and licenses, our current operations may be ordered to suspend and our future operations may not be able to commence at all. As advised by our PRC Legal Advisor and Namibian Legal Advisor, whilst as of the Latest Practicable Date, other than the mining licenses and exploration permits being renewed, we had obtained the requisite approvals, licenses and permits for our current operations in all material aspects, there can be no assurance that we will be able to obtain or renew such approvals, licenses or permits, comply with all conditions requested by government authorities to maintain those permits, or obtain, retain or renew other approvals, licenses and permits necessary for our business operations in the future, either in respect of our existing mines or at any mines we may operate in the future. In particular, as of the Latest Practicable Date, there remains a material risk that Mangshi Huasheng Mining may not ultimately obtain the approval for registration of mineral resource report and modification of mining rights, as a prerequisite for the renewal of the safety production permit to resume full operations. The licensing process is inherently complex and involves multiple regulatory

stages, including completion and approval of the reserve verification report, expansion of the designated mining area, and review of the mining plan and ecological restoration scheme by authorities at the municipal, prefectural, and provincial levels. Each stage carries uncertainty in terms of timing and outcome, and any delay, change in approval standards, or adverse assessment could prolong or prevent the issuance of the mining license. Although our Group has initiated the required procedures and is actively engaging with the relevant authorities, the approval process is not within our Group's control. As a result, there is no assurance that Mangshi Huasheng Mining will obtain the mining license on the anticipated timeline, or at all, which could adversely affect the redevelopment schedule, production resumption plans, and overall business prospects of our Group.

We have in the past experienced, and may experience, instances where our mining output exceeded the scale as specified under our mining licenses. Under the relevant PRC laws and regulations, we may be subject to administrative penalties, including fines or orders to rectify within a prescribed period. As advised by our PRC Legal Advisor, our excess in the scale of mining output did not constitute material non-compliance of any applicable PRC laws and regulations, and the risk that we will be ordered by the competent authorities to suspend production as a result thereof is low. However, the competent authorities may hold a different view. Any failure to obtain, retain or renew, or any delay in obtaining or renewing, such approvals, licenses or permits could subject us to a variety of administrative penalties or other government actions and adversely impact our business operations.

Intense market competition may affect our ability to acquire favourable resources.

We compete with a gold companies in China and abroad. Our competitors may have certain advantages over us, including, for example, diversified sources of fundings, better financial performance, greater technical and resources, greater economies of scale, broader name recognition and more established relationships in certain markets. As a result, these competitors may be able to devote more resources to the discovery of new resources and reserves and acquire new resources or other gold mining companies. Competition could also have an adverse impact on the demand for, and pricing of, our products, which in turn affects our business growth and financial condition. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position. If we fail to compete effectively, it will have a material adverse effect on our businesses, results of operations and financial condition.

We may experience valuation and integration risks associated with acquisitions or joint ventures.

We may strategically pursue acquisitions, joint ventures or strategic collaborations to strengthen our industry leadership. Any such acquisition, joint venture or strategic collaboration may change the scale of our business and operations and may expose us to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks, including but not limited to:

- significant changes in commodity prices after we have committed to complete a transaction and established a purchase price or share exchange ratio;
- mineral ore bodies that may not meet expectations;
- difficulties integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls;
- higher costs of integration than we anticipated;
- diversion of management's attention from our day-to-day business;
- inability to manage the newly acquired entities due to new operating and regulatory requirements;
- undetected liabilities which may be significant;
- disputes or breaches by our joint venture partners or strategic business partners, or the inability of our joint venture partners or strategic business partners to fulfill contractual obligations due to their businesses or financial condition; and
- difficulties in obtaining various governmental approvals.

In respect of future acquisitions, we may encounter difficulties in identifying suitable targets and integrating acquired operations, services, corporate culture and personnel into our existing business and operations. Further, we may discover previously unidentified liabilities or other issues that we did not discover in our pre-acquisition due diligence investigations. These activities may divert significant management attention from existing business operations, which may harm our business. In addition, acquisitions will require our management to develop expertise in new areas, manage new business relationships and attract new types of customers. There can be no assurance that any acquisition, joint venture or strategic collaboration will achieve the results intended. Any problems experienced by us in connection with an acquisition, joint venture or strategic collaboration as a result of one or more of these or other factors could have a material and adverse effect on our business, financial condition and results of operations.

In relation to strategic acquisitions, we have also added a certain level of goodwill to our balance sheet, primarily arising from the purchase of new mining business. Such goodwill represents the premium paid over the fair value of identifiable net assets, based on the anticipated future cash flows from the acquired operations. However, there is a risk of impairment losses if the production schedules of these newly acquired mines cannot proceed as planned. Such risks may arise from regulatory delays, technical or geological challenges, or adverse market conditions. If the cash operating costs or total production costs, as illustrated above, exceed

expectations, or if the mine underperforms in terms of output or profitability, the projected cash flows may fall short. In such cases, the carrying value of goodwill or other related assets may need to be written down, which could negatively impact our financial results.

In addition, acquisitions inherently involve significant valuation risks. When assessing potential targets, we rely on public financial information, recommendations from financial advisers, resource estimates, production forecasts, market assumptions and management representations that may ultimately prove to be inaccurate, incomplete or overly optimistic. The valuation of mining assets in particular depends on commodity prices, ore grade assumptions, extraction costs and reserve estimates, each of which is subject to uncertainty and external factors beyond our control. If the performance of an acquired business falls short of the assumptions used in determining the purchase price, we may be required to recognise impairment losses, experience reduced returns on investment or fail to recover the capital deployed. There are also substantial integration risks associated with acquired businesses and brands. Integrating new operations may require aligning different operating systems, production processes, internal controls, compliance practices, information technology systems and organisational structures. Cultural misalignment between existing personnel and the workforce of acquired entities may also create inefficiencies, morale issues or employee turnover. Integration efforts may take longer or cost more than expected and may divert managerial, financial and operational resources away from our core business. Failure to integrate acquired businesses effectively could prevent us from achieving the intended strategic objectives.

Furthermore, we may be unable to realise the anticipated benefits, synergies, cost savings or operational efficiencies from acquisitions. Expected synergies may not materialise due to under-performance of the acquired assets, unexpected regulatory requirements, changes in commodity prices, differing corporate cultures, loss of key personnel, customer disruption or challenges in consolidating supply chains and sales channels. If these expected synergies or efficiencies do not occur on schedule or at all, the financial returns from acquisitions may be significantly lower than anticipated.

We may not be able to effectively manage our growth and business expansion.

For the years ended December 31, 2023, 2024 and 2025, our revenue was RMB8,094.8 million, RMB13,580.4 million and RMB17,090.1 million, respectively. Our overall gross profit margin for the same period were 32.0%, 30.0% and 31.9%, respectively. Our growth and future expansion may place a significant strain on our managerial, operational, technical and financial resources. In order to better allocate our resources to manage our growth, we must hire, recruit and manage our workforce effectively and implement adequate internal controls in a timely manner. Our risk management and internal control system may not be effective or adequate. If we fail to maintain sufficient internal sources of liquidity and secure external sources of funding for future growth, we may encounter, among other things, significant delays in production and operational difficulties. If we are unable to effectively manage our growth and the associated increased scale of our operations, the quality of our gold products, our ability to attract and retain key personnel and our business and prospects could be materially and adversely affected.

Our resource and reserve estimates and gold production estimates are based on a number of assumptions, which, if changed, may require us to lower our estimates. We may not be able to achieve our production estimates.

Our resources and reserves estimates are based on a number of assumptions. Neither estimates are precise calculations. Reserves estimates are based on available assumptions and considerations on extraction of measured and indicated mineral resources; and resources estimates are dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The accuracy of the estimates depends on the quantity and quality of available data, the assumptions made, and the judgments used in engineering and geological interpretation, which in each case may prove to be unreliable. The reserves estimates contained in this document represent the tonnage and grade of gold and other resources that we believe can be economically mined and processed and are estimated based on a number of economic and technical assumptions, including, among other things, currency exchange rates, dilutions, metallurgical and mining recovery assumptions, many of which are beyond our control. Reserves estimation is a time-related behavior and activity, and the reserves presented in this document has reflected the considerations and assumptions made being valid on the date of the Competent Person's Report. There is no assurance that our estimates will prove accurate or that the reserves can be mined or processed profitably.

In addition, compared to measured or indicated mineral resources, inferred mineral resources have a greater amount of uncertainty as to their existence and as to whether they can be mined economically as such mineral resources are inferred from geological evidence and assumed but not verified. We cannot assure you that all or part of the inferred mineral resources will ever be upgraded to a higher category.

The inclusion of resources estimates should not be regarded as a representation that all these amounts can be economically mined or processed, and nothing contained in this document should be interpreted as assurances of the economic viability of the mines that we hold mining licenses or exploration permits to or the profitability of our future operations. A reduction of our resources and reserves, including due to any of the above could have a material adverse effect on our business, financial condition and results of operations.

Resources and reserves estimates in this document may differ from those in our prior public filings

In our previous public filing up to the year ended December 31, 2022, for our A-shares, our Company reported resources and reserves estimates in accordance with technical standards issued by the Ministry of Natural Resources of the PRC. These standards differ materially from the JORC Code, which has been adopted for the purposes of this document and applied in the Competent Person's Report. As a result of this change in reporting standards, the figures presented in this document may not be directly comparable to those disclosed in our earlier filings. Moreover, in compliance with the JORC Code, we have updated the relevant data as of December 31, 2023 and December 31, 2024, and prepared the resources and reserves report as of December 31, 2025 based on the latest exploration and production data. Discrepancies in reported resources and reserves have occurred in respect of certain mines. These differences arise from the distinct classification systems and technical criteria used under the PRC standards and the JORC Code. For example, the JORC Code requires a higher level of geological confidence and the application of modifying factors, such as mining, processing, economic, legal, environmental, and social considerations, before reserves can be declared. The PRC standards may include categories such as "Possible Reserves" that are not recognized under JORC, and may rely on broader assumptions or historical data.

Our existing mining operations have a finite life and their eventual closure will entail certain costs and risks.

Our existing mining operations have a finite life and will eventually close. The key costs and risks for mine closures relate to (i) long-term management of permanent engineered structures; (ii) achievement of environmental remediation, rehabilitation and closure standards (including the assessment, funding and implementation of post-closure polluted and extraneous water pumping treatment); (iii) orderly retrenchment of employees; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on our ability to successfully implement negotiated agreements with the relevant government authorities, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to on-going environmental rehabilitation costs and damage to our reputation if a desired outcome cannot be achieved, all of which could materially and adversely affect our business and results of operations.

We may not be able to meet our estimated production volume.

Our production estimates are based on, among other things, reserves estimates, recovery rates, and the assumptions regarding ground conditions and physical characteristics of reserves, our mining schedule, utilization of production facilities, costs of production, conditions of the industry, political stability and the general economy.

Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this document, including, but not limited to:

- actual ore mined varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- encountering unusual or unexpected geological conditions;
- mining dilution;
- actual recovery rate in formal production lower than estimates during the testing;
- restrictions imposed by government authorities;
- industrial accidents;
- equipment failures;
- natural phenomena such as weather conditions, floods, rock slides and earthquakes;
- changes in the costs of utilities;
- decreases in price of gold and other minerals which may cause Ore Reserves that are currently economic to become uneconomic;
- labor unrest, strikes or turnover;
- interference from local communities and competitors;
- socio-economic impact; and
- shortages of supplies needed for operation.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. New mining operations frequently experience unexpected issues during the initial development phase. Delays can often occur in the commencement of production. Estimates of production from projects not yet in production or from operations that are to be expanded may also be affected by similar factors (including, in some instances, feasibility studies prepared by our personnel and/or outside consultants), but it is possible that actual facilities utilization, gold recovery rate, cash operating costs and economic returns will differ significantly from those currently estimated. There is no assurance that we will achieve our production estimates. If we are unable to achieve our production estimates, this could have a material and adverse effect on our business, financial condition and results of operations.

In addition, our ability to achieve the estimated gold production volume is subject to a variety of risks and uncertainties that could materially affect our operations. These include, but are not limited to, operational challenges such as equipment failures, labor disputes and adverse weather conditions, as well as risks and hazards of the types discussed elsewhere in this document, which may disrupt our mining activities. Additionally, geological uncertainties, including unexpected variations in ore grade and mineral reserves, could lead to discrepancies between projected and actual production levels. Compliance with environmental regulations and obtaining necessary permits may also impact our production capabilities, as delays or changes in regulatory requirements could hinder our operations. Furthermore, fluctuations in gold prices and demand may necessitate adjustments to our production plans, potentially resulting in lower output than anticipated. Supply chain disruptions, technical and engineering risks, and financial constraints are additional factors that could adversely affect our ability to meet production targets. As a result, there can be no assurance that we will achieve our estimated gold production volume, which could have a material adverse effect on our future cash flow, business, financial condition and results of operations.

We may face delays, increased costs, and other potential risks from safety and maintenance issues or equipment breakdowns.

We cannot guarantee the success of commissioning and trial production for smooth operation of our facilities and equipment, as they may face aging infrastructure, unplanned breakdowns and stoppages that may result in production delays, increased costs and industrial accents. Once shafts reach the end of their planned lifespan and begin operating under extended LOM conditions, additional maintenance, condition monitoring and care is required. Although we have comprehensive strategies in place to address these issues, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on our business, financial condition and results of operations.

Similarly, the breakdown of facilities or machinery (and the downtime required to fix or modify such facilities or machinery), particularly if our equipment operate at utilization rates above their designed capacities, may delay the production and incur significant costs. In addition, as we conduct mining at greater depths, we may face higher operational risks associated with deep underground mining, including, but not limited to, increased stress on our mining structures, increased temperatures and ventilation difficulties, higher risk of rock bursts and seismic activities that may affect the operation and safety of our mines. Deeper mining will require us to enhance our mining infrastructure, methods and techniques, and devote more manpower and utilities to our mining activities, which will increase our costs. Furthermore, our operations rely on the existence and maintenance of appropriate and adequate infrastructure, including, but not limited to, the continuous and stable supply of power, at our mining concessions and surrounding areas. As a result, our operations may be adversely affected where such infrastructure ceases to exist or fails to be properly maintained. This may be beyond our control, and such risks cannot be completely eliminated through prevention efforts.

Our operations are subject to risks relating to occupational hazards.

The mining industry is characterized by a higher risk of mining accidents due to the nature of the work environment, which is typically underground, confined, and subject to geological uncertainties. The risk of accidents is further exacerbated by the use of heavy machinery such as drilling machines and scrappers, which are potentially dangerous in our operations. Furthermore, there is risk associated with the use of hazardous, toxic or flammable raw materials and intermediate products. The storage of such materials near our production facilities and the handling of these materials in the mining and production process pose inherent risks. Our operations also involve the handling and storage of explosives and other dangerous articles, such as cyanide used in gold processing. We have implemented a set of guidelines and rules regarding the handling of dangerous articles, which comply with applicable existing laws, regulations and policies. As the government continues to strengthen the enforcement of safety regulations in relation to the mining industry, there can be no assurance that more stringent laws and regulations regarding production safety will not be implemented or that existing laws and regulations will not be more stringently enforced. In addition, there can be no assurance that accidents arising from the mishandling of dangerous articles will not occur in the future. We may not be able to comply with all existing or future laws and regulations in relation to production safety economically, or at all. Should we fail to comply with any production safety laws or regulations, we may be required to suspend our operations, rectify the production safety problems within a limited period and pay fines.

Our third-party contractors may also encounter accidents, technical difficulties, mechanical failure or breakdown in the mining, processing and exploration activities, as well as possible flooding, mudslides, instability of the slopes, and subsidence of the working areas and the like due to severe weather conditions and natural disasters.

We cannot rule out such risks caused by factors beyond our control. An accident could lead to death or personal injuries and could materially disrupt our mining and manufacturing operations. We may also be subject to business interruptions caused by equipment shutdowns for government investigation or implementation or imposition of safety measures as a result of the accident. Any such accident may also subject us to adverse publicity and damage our brand name and reputation.

We cannot guarantee that safety accidents will not occur at our gold mines in the future. The occurrence of accidents may result in damage to or destruction of production facilities, personal injuries or casualties, environmental damage, business interruption, delays in production, increased production costs, monetary losses and potential legal liability to us. Such incidents may also result in breaches of the conditions for our mining and exploration permits or any other approvals, permits or authorizations, which may result in fines and penalties or even possible revocation of such licenses, approvals, permits and authorizations. Each subsidiary of our Group has established a Safety Production Management Policy, which sets out requirements for organisational safety assurance, hazard identification and rectification, safety management of production processes and systems, on-site operational safety, occupational health management, safety investment, work injury insurance, and incident investigation. Our safety department is responsible for production safety, environmental protection, emergency response and fire safety, and occupational health. Safety personnel are dispatched daily to conduct on-site hazard inspections, and comprehensive safety inspections are carried out weekly and quarterly. If issues are identified during routine inspections, the safety department immediately notifies the responsible personnel to carry out rectification. For issues identified during major inspections, the safety department issues a formal hazard rectification notice to the relevant department, requiring resolution within a specified timeframe. The notice includes details of the issue, corrective measures, deadlines, and the responsible person, and is recorded in the inspection report for that period. We will also conduct quarterly assessments of all employees under the safety production responsibility system, evaluating their fulfilment of safety duties. At the beginning of each year, a safety training plan is formulated, and training is carried out jointly by the safety department and other departments in accordance with the plan. Should we fail to comply with any relevant laws, regulations or policies or should any accident occur, our business, reputation, financial condition and results of operations may be adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities.

Moreover, our operations may involve the handling and storage of explosives. Although we have set stringent rules in relation to the handling of such items, there is no assurance that accidents will not occur and our operations would not be disrupted or suspended in relation to occupational hazards and production safety. Should we be liable for such accidents, we may be fined and criminal liabilities may be imposed on our employees. In addition, due to the geographic setting and relatively high elevation difference, there is a possibility of localized mud-rock flow which may occur during the rainy season, and a risk of instability of the slopes and subsidence of the working areas. As certain of our mining process requires the use of explosives, any improper storage or use of these materials could result in personal injury or death and other damages. The above risks and hazards may result in personal injury, damage to, or destruction of, properties or production facilities, environmental damages, business interruptions and damage to our business reputation. Further, dust emission from our production process may adversely affect the health of our on-site employees and in extreme cases, it may cause pneumoconiosis or other occupational diseases.

We rely on third-party contractors to conduct certain portion of our business.

During the Track Record Period, we outsourced a portion of our exploration, mining and processing activities to contractors in the regions where our mining properties are located. For the years ended December 31, 2023, 2024 and 2025, we engaged 54, 72 and 66 third party contractors, respectively, to undertake various tasks such as construction, engineering, exploration and mining. As a result, our operations have been affected by the performance of these contractors. Our operations at sites utilizing contractors or contract mining are subject to a number of risks, some that are outside of our control, including, but not limited to, contract risk, execution risk, dispute and litigation risk, regulatory risk and labor risk, which could result in additional costs and liabilities.

We may not be able to control the quality, safety and environmental standards of the works conducted by contractors to the same extent as the works conducted by our own employees. There can be no assurance that the contractors are in full compliance with all relevant laws and regulations, which may subject them to suspension of relevant licenses, approvals, permits and/or authorizations that would adversely and materially impact our operations. Should this happen, we may not be able to engage replacement contractors on similar terms, or at all, in a timely manner. We may become engaged in disputes with our contractors, which could lead to additional expenses, business interruptions, distractions and potential loss of production time and additional costs, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, we may be legally obligated, as an owner of the exploration permit or mining license, to ensure operational safety. In the event of any safety-related accident involving a contractor, we may be held directly liable or liable for compensation to the extent of our faults regardless of any contractual provisions to the contrary. Any failure by contractors to meet any of our quality, safety and environmental standards may result in liabilities to us and could also affect our compliance with government rules and regulations relating to exploration, mining and workers' safety. The occurrence of one or more of these risks could have a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

We are subject to risks relating to raw materials and utilities.

Raw material costs, energy consumption costs and labor costs are important components of our operating costs. We regularly monitor the fluctuation in the market price of raw materials and energy and assess its impact on our operations. If there is a shortage of raw materials or energy for any reason or the cost of raw materials and energy increases significantly, our production costs are likely to increase and our profit margin may decrease.

Having an appropriate level of raw materials inventory is pivotal in minimizing the effect of the volatility of raw materials prices and minimizing the risk of obsolescence of our inventory. Any sudden decrease in market demand and the corresponding unanticipated drop in the sales and the prices of the relevant goods or any failure of us in successfully maintaining the flexibility in our raw materials and spare parts supply arrangements could cause our inventory to accumulate or depreciate in value, which may adversely affect our businesses, financial condition and results of operations. While our work-in-progress and finished goods are not exposed to the risk of obsolescence since they do not deteriorate easily, we review our inventory from time to time and make provisions for write-down of inventories when it deems necessary. Assumptions regarding gold price and recovery rate will have impact on the assessment of the value of our inventories.

Electricity and water are the main utilities used in our operations. Electricity is used for most of our business and safety-critical operations, including cooling, hoisting and dewatering. We obtained electricity from various sources, including, without limitation, local state grid, licensed state-owned electricity enterprises, local gas-fired power plants and local state electricity power grid. Any power outage, disruption or shortage in power supply available to our operations could therefore have a material adverse impact on our production and employee safety. For instance, since the Twin Hills Gold Mine in Namibia is subject to extremely high temperature and temperature difference, an increased electrical power demand may lead to power outages. There may be incidents of power cuts in certain areas of the PRC and Namibia. There can be no assurance that our production will not be reduced as a result of the power outages. As of the Latest Practicable Date, all our active mines in China were underground mines. An interruption of electricity supply will materially and adversely affect our production and safety by disrupting operations, including water pumping and ventilation. In addition, we may be subject to penalties if our consumption of electricity exceeds the permissible maximum demand pursuant to electricity supply agreements. Our water supplies are sourced from underground water sources and local water companies. There can be no assurance that we will be granted extension to our water permits should they expire, and if not, we will not be able to continue to access the relevant water resources. Moreover, for certain of our mines that are situated in more remote areas, there can be no assurance that there will be no interruption in electricity or water.

In addition, we need to compete with other natural resource companies for our overseas mining operations, and shortage of critical parts and equipment may adversely affect our operations and development projects. In the event that our existing suppliers cease to supply us with electricity, water, materials or equipment at commercially acceptable prices or at all, our operations will be interrupted, and our business, financial condition and results of operations will be materially and adversely affected.

We regularly monitor the fluctuations in market prices for the materials used in our operations. However, there can be no assurance that such supplies will not be interrupted or that their prices will not increase in the future. Additionally, if the materials, equipment and services provided by our suppliers do not meet our requirements or specifications, it may lead to production disruptions, safety incidents, legal disputes and financial losses. Furthermore, we may face the risk of delay in international procurement. We cannot assure that our suppliers will not encounter delays during the customs clearance process. Such unforeseen hold-ups can disrupt our supply chain, potentially leading to production setbacks and increased costs. The complexity of international logistics, regulatory compliance, and geopolitical factors all contribute to the inherent uncertainty in the timely delivery of critical components and materials necessary for our operations. Consequently, any disruption in the flow of goods across borders could adversely affect our ability to meet market demands and maintain our competitive edge, which could impact existing profit margins and have a material adverse effect on our business, financial condition and results of operations.

We may fail to maintain our current financial performance, particularly with respect to our AISC.

In the mining industry, operations such as enhanced exploration and the initiation of mining activities, along with fluctuations in labor and raw material costs, and the growing stringency of environmental regulations, may increase our costs, including both capital cost and operating costs. Our historical AISC performance is not indicative of future results, and the inherent risks associated with cost management in our industry could materially affect our financial outlook. Factors beyond our control, such as fluctuations in commodity prices, changes in production costs, and unforeseen operational disruptions, may lead to an increase in our cost structure. Any such increase could adversely affect our financial results and market position, potentially diminishing our comparative advantage in the industry.

We face certain risks and uncertainties beyond our control from man-made and natural disasters, diseases or public health emergencies that may adversely impact our business and operations.

Our business operations are subject to certain risks and uncertainties, some of which are beyond our control. These risks and uncertainties mainly include: major catastrophic events and natural disasters, including earthquakes, fires, floods, landslides, drought, snowstorms, sandstorm, drought, mudslides and other hazardous weather conditions which may cause the instability of slopes and subsidence of working areas in our mines, power, water or fuel shortages, critical equipment failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks; geological or mining conditions such as instability of the slopes and subsidence of the working areas; unexpected or periodic interruptions due to inclement or hazardous weather conditions; disruptions or shortages of water, power or fuel supply; industrial or manmade accidents occurring in connection with our mining or ore processing operations; and critical equipment failures, malfunction and breakdowns of information management systems, unexpected maintenance or technical problems; acts of war; terrorism; and threats from epidemics. Serious natural disasters may result in loss of lives, injury, destruction of assets. Epidemics threaten human lives and may materially and adversely affect their livelihood as well as their living and consumption patterns. Natural disasters, acts of war, terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Any of these risks and uncertainties could materially and adversely affect our business, financial condition, and results of operations.

Any negative publicity regarding our Directors, employees or products and us, regardless of its nature or veracity, could adversely affect our business.

Our brand and our image are sensitive to the public's perception of us, which includes not only the quality of our products, but also our corporate management and culture. We cannot assure that no one will, intentionally or incidentally, disseminate information about us, including the quality of our products, our internal management matters and negative information for management, that may result in negative perception of us by the public. Although we will promptly take clarification or rectification measures if we face negative publicity, we cannot assure you that such measures will always be effective. In addition, as a listed company, we and members of our management or employees are under the supervision of securities regulatory bodies and subject to certain regulatory inquiries and penalties. Any negative publicity about our Directors, employees, spokespersons or products and us, regardless of nature or veracity, could lead to potential loss of customers or investors' confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation, and prospects may be materially and adversely affected.

We license all of the material trademarks used in our business from SDG Group.

The primary trademarks we use in our business, including "SD-GOLD" and "山東黃金", are licensed to us by SDG Group at a total consideration of RMB0.2 million per annum until December 7, 2027. We cannot guarantee that SDG Group will not breach the license agreement, or that the license agreement will not be terminated for other reasons. In such event, we may no longer be able to use such trademarks in our business, and our business, financial condition and results of operations will be materially and adversely affected.

Moreover, our SDG Group, is a large, state-owned conglomerate with significant interests in diverse industry sectors, including mining, finance and real estate. It also licenses the use of the "SD-GOLD" and "山東黃金" trademarks to other members of the SDG Group. If these entities take any action that damages the "SD-GOLD" brand name, or any material negative publicity is associated with them, our reputation, business, growth prospects, results of operations and financial condition may be adversely affected.

We may face difficulties in obtaining financing on favorable terms, or at all.

Our mining, production and exploration activities are highly capital intensive. During the Track Record Period, we had funded our working capital and capital expenditure primarily through cash flow from operations, bank and other loans. As our capital expenditure may become higher than the [REDACTED] from our [REDACTED], such [REDACTED] may not be sufficient to cover our capital expenditure. To fund our ongoing operations, existing and future capital expenditure requirements, investment plans and other financing requirements, we may need access to additional financing from external sources in addition to internal sources of liquidity.

Obtaining additional funding will be subject to various factors, including general market conditions, investor acceptance of our business plans, lenders' perception of our creditworthiness, the global and local economies, regulations that affect the availability and costs of financing, and ongoing results from our construction and commissioning efforts. Any disruptions, uncertainty or volatility in the capital and credit market resulting from any global financial crisis may also limit our ability to obtain financing to meet our funding requirements. These financings could require contractual or other restrictions on our operations or on alternatives that may be available to us. If we raise additional funds by issuing debt securities, these debt securities could impose significant restrictions on our operations. Any such required financing may not be available in amount or on terms acceptable to us, and the failure to procure such required financing could have a material and adverse effect on our development plan and continuous growth.

If we are unable to raise adequate funds, we may have to delay some of our development projects or expansion plans therefore affecting our profitability in the short and long term. If we do not have, or are not able to obtain, sufficient funds, we may be required to delay further development or commercialization of our resources. Any of these factors could harm our operating results.

We are subject to risks related to our trading activities and relevant market risks.

During the Track Record Period, in addition to our mining operations, we are also engaged in the trading of metals. For the years ended December 31, 2023, 2024 and 2025, revenue generated from trading operations accounted for 43.7%, 56.9% and 58.4% of our total revenue, respectively. Despite the significant contribution to revenue, the gross profits derived from trading activities remained minimal. Moreover, in order to manage price volatility in gold and other non-ferrous metals, we have mainly implemented hedging strategies through commodity futures and options contracts. Fair value gains arising from these instruments were recorded as other gains in our consolidated statement of profit or loss. As of December 31, 2023, 2024 and 2025, we recognized derivative financial assets related to other non-ferrous metal derivatives contracts amounting to RMB11.0 million, RMB1.9 million and RMB5.5 million, respectively. The fair value gains on these contracts were determined based on the difference between the forward sales price stipulated in the futures contracts and the prevailing market forward price of the underlying metals.

Changes in metal price may affect the effectiveness of our trading operations. Metal price has been fluctuating in the global market, and we will continue to assess whether to enter into further trading activities. Trading operations can reduce the impact of price volatility but also means we might not benefit from favorable price movements.

In addition, while the financial instruments we leveraged for trading operations can mitigate certain market risks, they also expose us to a range of financial and operational risks including:

- ***Market risk:*** Adverse movements in metal prices may result in losses on derivative positions, potentially offsetting gains from physical sales.
- ***Liquidity risk:*** Certain derivative markets may lack sufficient liquidity, which could impair our Company's ability to adjust or close positions in a timely manner.
- ***Counterparty risk:*** In over-the-counter transactions, we may be exposed to the risk of counterparty default, which could lead to financial loss.
- ***Operational risk:*** The use of derivatives involves complex valuation, settlement, and risk management processes. Inadequate internal controls or insufficient expertise may result in erroneous trades or compliance breaches.
- ***Regulatory risk:*** Derivatives markets are subject to evolving regulatory frameworks across jurisdictions. Changes in applicable laws or reporting requirements may impact our trading activities or increase compliance costs.

Any material adverse impact from derivative trading could negatively affect our financial condition and operating results.

The carrying value of our mining and exploration rights may incur impairments, which may adversely affect our results of operations.

We incur amortization expenses related to our mining rights. As of December 31, 2023, 2024 and 2025, we had intangible assets of RMB6,053.4 million, RMB8,054.3 million and RMB7,884.7 million, respectively, mainly representing the net carrying amount of our exploration and mining rights. Mining rights are stated at cost less accumulated amortization and any impairment losses. Mining rights cover the costs of getting mining licenses and exploration rights. They also include expenses for exploration and evaluation assets when a property is ready for commercial production, as well as the costs of acquiring interests in the reserves of existing mining sites. The mining rights are amortized in accordance with the production plans of the entities concerned and the appropriate the portion of resources of the mines using the units-of-production method. Mining rights are written off to profit or loss if the mining property is abandoned.

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, reserves estimated based on probing and estimation may not be very accurate, which may be updated in accordance with new technologies and new information. Any changes in estimation will have impacts on the amounts of mining assets' depreciation and mining rights' amortization using the units-of-production. Any material decrease in the amount of our reserves and resources for our mine or changes to our production plans may result in impairment of the carrying value of our mining rights and related assets or results in a recognition of impairment losses related to our intangible assets, which may have a material adverse effect on our business, financial condition and results of operations. Our depreciation expense is determined based on estimates, including management's assumptions and historical data. Should these estimates prove inaccurate, our financial condition and operating results could be adversely affected.

Our operational costs may be materially adversely affected by inflation in China and abroad.

Our business has been, and may continue to be, directly affected by inflationary pressures. Inflation can lead to increased costs across various aspects of our mining operations, including labor, energy, equipment and raw materials, which are critical components of our mining operations and are essential for maintaining efficient and profitable operations.

In general, inflationary pressures can exacerbate existing economic challenges, leading to higher operational costs and reduced profitability. The cost of labor and energy, as well as imported goods and services, may rise, impacting our ability to maintain competitive production costs. Additionally, inflation can lead to (i) increased interest rates, affecting our financing costs and capital expenditure plans; (ii) increased compliance costs and wage pressures, due to stringent labor laws; (iii) higher costs for equipment and materials, impacting our capital expenditure and operational budgets; and (iv) currency fluctuations, affecting the value of our revenue and financial stability. There can be no assurance that we can successfully monitor inflation and implement cost-control measures against inflation, or that any such strategies will be fully effective, and unforeseen inflationary events could adversely affect our operations.

We are exposed to credit risk in relation to defaults from customers or counterparties.

We trade only with third parties who we believe to be reputable. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that our exposure to bad debts is not significant. As such, we do not obtain collateral in our ordinary course of dealings. However, there can be no assurance that all of our counterparties are creditworthy and reputable and will not default on us in the future. Credit risk is managed centrally based on customers or counterparties, geographic regions and industries.

The credit risk associated with our certain financial assets and contract assets, such as commercial acceptance bills receivable, trade receivables, other receivables and certain derivative instruments, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments. Our maximum exposure to credit risk at each end of the Track Record Period is the total amount charged to the customers less the amount of the impairment provision. Since we trade only with recognized and creditworthy third parties, there is no requirement for collateral, nor do we hold any collateral or other credit enhancements over our trade receivable balances. Failure of our counterparties to fulfill their obligations to us under our contracts may materially adversely affect our financial condition and results of operations.

We are subject to risks related to exchange rate fluctuations.

A significant majority of our revenue, operating costs and expenses are, and are expected to be, denominated in Renminbi. Since the trend in gold price in Renminbi is generally consistent with the trend in international gold price, which is denominated in U.S. dollar, our earnings may be materially affected by a material change in the Renminbi/U.S. dollar exchange rate. For example, if the U.S. dollar weakens materially relative to the Renminbi, our revenue may be materially and adversely affected and as a result, our consolidated financial results could be materially and adversely affected.

We rely on information technology and communications systems, the failure of which may significantly and adversely impact our operations and business.

Our information technology and communications systems could be exposed to, among other things, damage or interruption from telecommunications failure, unauthorized entry and malicious computer code, fire, natural disaster, power loss, industrial action and human error. While we have backup systems in place, the occurrence of any of the above may also disrupt our information technology and communications systems and may lead to important data (including geophysical and geological data) being irretrievably lost or damaged. Such damage or interruption may adversely affect our business, financial condition and results of operations.

Our insurance coverage may be inadequate to satisfy potential claims.

Mining, exploration and production activities involve numerous risks, including unexpected or unusual geological conditions, fire, floods, earthquakes, severe weather conditions, other environmental occurrences and political and social instability. These risks can result in, among other things, damage to and destruction of mining assets or production facilities, personal injury, environmental harm, financial losses and legal liability.

We maintain insurance for our operations in line with industry practice in the China and Namibia. In China, we maintain social insurance for our employees, which includes work accident insurance. We maintain additional accident insurance for our employees engaged in mining activities and life insurance for our employees handling gold products. We also maintain property insurance of our assets, including equipment and machinery. However, in line with industry practice in China, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. In Namibia, we maintain insurance in accordance with Namibian laws and regulations, including but not limited to all environmental liability insurance required thereunder. Our existing liability insurance contains exclusions and limitations on coverage. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, our insurance coverage may not cover the extent of claims against it, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution or any cross-claims made.

RISK FACTORS

Our operations are subject to risks relating to geopolitical tensions, sanctions, tariffs and export controls, which could have a material adverse effect on our business, financial condition, and results of operations.

Our business, financial condition and results of operations may be materially and adversely affected by rising geopolitical tensions, changes in global trade policies, the imposition of economic sanctions, and export control restrictions. Increasing global and cross regional political tensions have contributed to uncertainty in international trade, investments and economic activity. Such developments may negatively affect the economic, political and social conditions in the jurisdictions in which we operate, reduce the availability of financing, disrupt supply chains and affect the ability of our customers and business partners to meet their obligations. Any tightening of credit in global financial markets could also limit our ability to obtain financing for our capital requirements on acceptable terms.

Recent geopolitical events, including the Russia Ukraine conflict and tensions in the Middle East, have resulted in the imposition of sanctions and export control measures by various jurisdictions, including the United States, the European Union and the United Kingdom. Sanctions laws and related regulatory frameworks evolve rapidly, and additional persons, entities or regions may become subject to restrictions without prior notice. Although we are not currently subject to any sanctions, we engage with counterparties in the global commodities market and cannot assure you that our operations, the regions where we operate or our counterparties will not be affected by sanctions or export control measures in the future. If we or our counterparties become subject to sanctions, we may experience frozen assets, restricted market access, loss of commercial relationships, higher compliance costs and reputational harm, any of which could materially and adversely affect our business.

Our business is also subject to tariffs and other trade protectionist measures. We conduct mining and trading activities across multiple jurisdictions, including China, Namibia and Singapore. Cross border shipments of gold, silver and other mineral products may be subject to tariffs, customs duties and changes in trade policies. Any imposition of new tariffs, increases in existing tariffs or other trade barriers could raise our operating costs, reduce the competitiveness of our products and depress demand. Trade disputes between major economies may also disrupt supply chains and impede the flow of our products, which could adversely affect our business and profitability.

In addition, our operations are subject to export control regulations in the jurisdictions where we operate, including China, Singapore, Canada and Namibia. These laws may restrict or prohibit the export, sale or transfer of certain products, services or technologies to sanctioned or embargoed countries, governments, persons or entities. Namibia has strict export control restrictions governing the export of gold, which are primarily set out in the Minerals (Prospecting and Mining) Act of 1992 and administered by the Ministry of Mines and Energy and the Namibia Revenue Agency. Any failure to comply with applicable export control or sanctions laws could result in substantial monetary fines, seizure of shipments, denial of export privileges, criminal liability, regulatory investigations and reputational damage. Such developments may also lead customers, suppliers or financial institutions to cease dealing with us, which could materially and adversely disrupt our operations, reduce our revenues and negatively affect the trading price of our shares.

We rely on the continued service of our senior management and technically skilled employees, and we may experience labor shortages, disputes, unrest or strikes.

Our ability to operate or expand effectively depends largely on the experience, skills and performance of our senior management team and technically skilled employees. We rely on the expertise, experience and leadership of our directors and senior management. Their extensive knowledge and experience in the mining industry, extensive managerial experience, as well as their established relationships with our customers and their experience dealing with local government authorities, have played a major role in our attainments. Additionally, the market for employees with industry experience and technical skills can be highly competitive. There can be no guarantee that the services of our senior management and a sufficient number of technically skilled employees in China and Namibia will continue to be available to us. If one or more of our senior management and other key personnel are unable or unwilling to continue to serve in their present positions, we may not be able to replace them with qualified personnel in a timely manner. Any senior management departures or unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect our operational efficiency and production levels. We may be unable to hire or retain appropriate management personnel or technically skilled employees or may have to pay higher levels of remuneration than we currently project and intend. In particular, qualified personnel may be scarce in some or all of the regions where our mines are located. If we are unable to hire and retain appropriate management and technically skilled personnel, or if there are inadequate succession plans in place, our business may be materially and adversely affected.

In addition, we may be involved in labor disputes and experience labor unrest or strikes in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any material labour disputes, including termination of employment contracts or work injury compensation. During the Track Record Period, we had not been involved in any material labor disputes, including termination of employment agreements, work-related injury compensation, etc, which we believe would materially and adversely affect our business operations and financial performance. There can be no

guarantee that labor disputes, unrest or strikes will not occur in the future. In the event that we experience such incidents, our mining activities and production levels may be disrupted, which may have a material and adverse effect on our business, financial condition, results of operations, reputation and future prospects.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial, export control regulations and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and export control regulations and similar laws and regulations in various jurisdictions in which we conduct activities. If we fail to comply with anti-corruption, anti-bribery, anti-money laundering, financial and export control regulations and similar laws and regulations, we could be subject to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any material violations relating to anti-corruption, anti-bribery, anti-money laundering, financial regulations, or export controls, and there were no pending investigations or legal proceedings in these areas. We are also not aware of any regulatory authority having initiated investigations against us for fraud or other misconduct. Any violation or even an alleged or suspected violation could harm our reputation and cause our suppliers, customers, financial institutions or other counterparties to refuse to do business with us, which may negatively affect our business, our results of operations, or the trading price of our Shares.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, representatives, agents, customers, external contractors, or other third parties.

We may be exposed to fraud or other misconduct committed by our employees, representatives, agents, customers, or other third parties that could subject us to litigation, financial losses and sanctions imposed by governmental authorities, which may affect our reputation. While our internal control procedures are designed to monitor our operations and ensure overall compliance, such procedures may not be able to identify all incidents of non-compliance or suspicious transactions in a timely manner, or at all.

In the course of our trading business, settlement with downstream customers is effected upon transfer of paper documents or physical metals. We rely on independent third-party warehousing service providers to store goods and issue paper documents certifying title to the stored goods. However, such trading model may expose us to uncertainties and fraud risks involving third-party warehouses. See "Business — Legal Proceedings and Compliance." If we fail to detect unusual or fraudulent behavior of such third parties (e.g., false issuance of warehousing documents, misrepresentation of goods storage status) through our existing due diligence or oversight procedures, we may suffer losses relating to the misappropriation or non-delivery of goods. In addition, any such fraud may require us to devote significant time, human resources and financial resources to respond, including conducting internal investigations, preparing for litigation or criminal proceedings, and engaging legal counsel in disputes. Furthermore, even if the relevant criminal prosecution concludes favorably, there is significant uncertainty as to our ability to recover the full amount of losses incurred from such fraud, including the value of undelivered goods, litigation costs and indirect losses from disrupted trading activities. It is also uncertain whether the party responsible for the fraud has sufficient financial ability to compensate us for the full amount of any awarded damages. Any such fraudulent activities by third parties may have a adverse effect on our reputation, thereby affecting our business, financial condition and results of operations.

Furthermore, it is not always possible to detect and prevent fraud and other misconduct. The precautions we take to prevent and detect such activities may not be effective. If such fraud or other misconduct does occur, it may cause negative publicity and could adversely affect our business, financial condition and results of operations. As of the Latest Practicable Date, we were not aware of any ongoing enquiries or investigations by any relevant regulators, agencies or authorities in relation to fraud or other misconduct allegations against us. Any adverse media coverage against us may have a material adverse effect on our reputation, thereby affecting our business, financial condition and results of operations.

Our risk management and internal control systems may not fully protect us against various risks inherent in our business.

We have established risk management and internal control systems consisting of the relevant organizational framework policies, risk management policies and internal control procedures to manage our risk exposures, primarily our operational risk, legal risk and liquidity risk. However, during the Track Record Period, there were deficiencies in our internal control and corporate governance measures in relation to anti-fraud management, procurement management, HR management, and payment control. We need to continuously improve our internal control systems and fix such deficiencies, failure of which may cause losses from both a financial perspective and regulatory perspective. Moreover, we may not be successful in implementing our risk management and internal control systems. While we seek to continue to enhance such systems from time to time, there can be no assurance that our risk management and internal control systems are

adequate or effective notwithstanding our efforts, and any failure to address any potential risks and internal control deficiencies could materially and adversely affect our business, financial condition and results of operations.

Since our risk management and internal control systems depend on their implementation by our employees, there can be no assurance that all of our employees will adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors or mistakes. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures as our business evolves. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

We have employed an independent internal control consultant to assess our internal control system in connection with the [REDACTED]. 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 and other procedures for our operations. We had improved our internal control system by adopting and implementing the corresponding enhanced internal control measures. The internal control consultant conducted follow-up reviews on our enhanced internal control measures, and did not have any further recommendations in their review. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures. Based on the above, the Directors are of the view, and the Joint Sponsors concur, that the enhanced internal control measures are sufficient and effective for our operations. Going forward, we will continue to regularly review and improve our internal control policies, procedures, and practices. However, we may not be successful in implementing our internal control and risk management systems. While we seek to continue to enhance such systems from time to time, we cannot assure you that our internal control and risk management systems are adequate or effective notwithstanding our efforts, or material deficiencies in our internal control system will not be discovered in the future.

We cannot guarantee that we will not be involved in claims, disputes, and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, health and safety accidents, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any litigation or legal proceedings in the PRC and abroad that may have a material adverse impact on our business or operating results. As of the Latest Practicable Date, we were not involved in any litigations and legal proceedings in the PRC that may materially affect our business and results of operations. Moreover, as of the same date, we were not involved in any litigations and legal proceedings in Namibia and Singapore that may materially affect its business and results of operations. Any of such legal claims or proceedings may have an influence on our rights to explore or mine. Moreover, claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We are subject to regulatory risks with respect to tax compliance regulations and policies.

Mining companies may encounter significant risks stemming from changes in tax policies, adjustments in resource tax rates, as well as potential modifications to corporate income tax and value-added tax exemptions, and others, could adversely affect our profitability. These changes may lead to increased operational costs and reduced margins, impacting our financial performance and strategic planning. As tax policies are subject to governmental review and alteration, we must remain vigilant and adaptable to ensure compliance and mitigate potential financial repercussions. It is crucial for us to continuously monitor legislative developments and engage with policymakers to advocate for favorable tax conditions that support sustainable mining operations.

In the ordinary course of business we may be subject to inquiries, reviews, claims, assessments or other regulatory actions conducted by relevant tax or revenue authorities in the jurisdictions in which we operate. We may be subject to additional tax or duty liabilities, or increased statutory royalties in relation to our operations, as a result of any unfavorable decisions made by such relevant tax or revenue authorities, which may result in investigations, fines, and/or administrative penalties, and materially and adversely affect our business, financial position and results of operations. Such regulatory actions may also divert our management's attention and other resources, especially if they are not resolved in a timely manner. For example, we carried out certain intra-group transactions during the Track Record Period, and our profit allocation and income tax positions in connection with such transfer pricing arrangements are subject to the interpretations by relevant tax authorities of applicable tax law as well as applicable rules and regulations with respect to transfer pricing in relevant jurisdictions. 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. See "Business — Transfer Pricing and Taxation." There is no assurance that the respective tax authorities would not challenge the appropriateness of our historical transfer pricing arrangements or that the relevant regulations or

standards governing such arrangements will not be subject to future changes. If a competent tax authority later determines that the transfer prices and the transaction terms that we have adopted as well as our historical income tax provisions and accruals are not appropriate, such authority may require the relevant subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. If we are considered not to be in compliance with the applicable transfer pricing rules and regulations, the relevant tax authority may also have the power to order us to pay all outstanding tax and statutory interest and/or fines.

We have not obtained title certificates for some of our properties and have not completed registration procedures for some of our leased properties, which could materially and adversely affect our right to use such properties.

We have certain title defects relating to the lands or properties that we own or use. For example, we were unable to obtain real estate ownership certificate for some of our properties. These buildings are primarily used for operational purposes at Yulong Mining and Heihe Luoke, including offices, workshops, dormitories, machine rooms, and equipment rooms. According to our PRC Legal Advisor, the absence of ownership certificates is primarily due to the location of the buildings outside designated urban planning zones, where planning permits are not issued under applicable laws. Yulong Mining and Heihe Luoke Mining have operated safely and normally on the lands since its construction and obtained land use rights for the underlying land and have been using the buildings without administrative penalties. As advised by our PRC Legal Advisors, if we are subject any penalties to such properties without title certificates, we are exposed to the risk that the competent construction department may impose a fine of not less than 1% but not more than 2% of the construction project contract price. However, written confirmations have been issued by the competent planning and construction authorities acknowledging the status of these properties and confirming that we have not received any penalties in relation to such properties and that there are no legal disputes with the competent authorities in respect of our right to continue to use the land or properties. Our Group has not been subject to any legal claims or proceedings in relation to these properties that may affect its exploration or mining rights. As advised by our PRC Legal Advisor, the risk that the properties for which our Company has not obtained real estate ownership certificate being ordered to be demolished by the competent authorities is relatively low on the grounds that (i) Yulong Mining and Heihe Luoke have obtained the land use rights in respect of the land where the relevant buildings are located. The reason why they are unable to obtain the real estate ownership certificates is mainly that the buildings are located outside the urban and rural planning areas, and the planning department does not grant planning permits to buildings located outside the urban and rural planning areas in accordance with relevant laws and regulations; (ii) Yulong Mining and Heihe Luoke have been using the relevant buildings normally and have not been subject to any administrative penalties in connection therewith. The Company confirms that Yulong Mining and Heihe Luoke are still using such buildings normally at present and plan to continue to use them in the future, and such circumstances have not had a material adverse effect on the Company's production and operation; and (iii) the competent planning and housing construction authorities of Yulong Mining and Heihe Luoke have issued written certificates or reply letters confirming our valid land use rights in the land, and the reasons why no real estate ownership certificates could be granted to us for the aforementioned reasons. What is more, as advised by our PRC Legal Advisors, the risk of us facing claims by third parties in respect of the properties on such land is also relatively low, on the grounds that (i) the relevant properties for which we have not obtained title certificates are situated within the land in respect of which the Group holds valid land use rights, with clear ownership; (ii) we have been using such properties normally since their completion; and (iii) the relevant defective properties do not involve any third-party rights, and there have been no disputes or controversies in relation to the ownership of such land with any third parties. Given the low risk of third-party claims or regulatory orders to vacate or demolish the properties, and their continued usability, our Group does not currently intend to identify alternative premises. Moreover, certain leased properties have not undergone lease registration filings and are used for office, storage, and accommodation purposes. Pursuant to Article 706 of the Civil Code of the People's Republic of China, the validity of lease contracts is not affected by the absence of registration filings. Accordingly, our Group's lease arrangements remain valid and enforceable. As advised by the PRC Legal Adviser, the risk of being subject to material administrative penalties for failing to register or file the lease agreements is relatively low. Under the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant government authorities. As of the Latest Practicable Date, 23 of our leased properties had not been registered or filed. As advised by our PRC Legal Advisor, while the lack of registration and filing will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register and file the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As such, in respect of the 23 unregistered and unfiled lease properties in total, the aggregate maximum penalty we may be subject to is RMB230,000. As of the Latest Practicable Date, we have not received any order for rectification within a specified time limit from the competent authorities in relation to such unregistered and unfiled lease properties, and we confirm that we will promptly rectify upon receipt of any such requirement in the future. Accordingly, as advised by our PRC Legal Advisors, the risk of us being subject to any material administrative penalties in this regard is low. There can be no assurance that we will not be subject to challenges, lawsuits or other actions taken against us with respect to the lands or properties owned, used or leased by us for which we or the relevant lessors do not hold perfected title certificates or fail to complete relevant registration procedures. Furthermore, we may be subject to fines and penalties imposed by government authorities with respect to certain title defects.

RISK FACTORS

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS IN WHICH WE OPERATE

The economic landscape is subject to change and the future performance of economy where we operate is uncertain.

As we continue to expand our operations overseas, changes or instability affecting the economic, political or social environment, especially in the PRC and Namibia or in its neighboring countries could materially and adversely affect our operations and profitability. The PRC and Namibia economies are subject to changes in a manner that may be materially adverse to us, including changes to government policies and regulations governing mining production, foreign investment, price controls, import and export control, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalization or expropriation of property, repatriation of income, royalties, the environment and health and safety.

In recent years, the Russia-Ukraine conflict and the recent tension in the Middle East have caused disruption to the global economy, which may in the future continue to have an impact on the global economy. Any significant slowdown in the global economy could have a material adverse effect on our business and operations. In particular:

- during a period of economic slowdown, there is a greater likelihood that more of our customers or contractual parties could become delinquent in respect of their obligations to us;
- we may not be able to raise additional capital on terms that are commercially favorable to us, or at all; or
- trade and capital flows may further contract as a result of protectionist measures introduced in certain markets, which could cause a further slowdown in economies and materially and adversely affect our business and prospects.

In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the Chinese mining industry and ultimately, the profitability of our business. Our labor and other costs may also increase due to pressure from inflation. Any future calamities, such as natural disasters, outbreaks of contagious diseases or social unrest, may cause a decrease in the level of economic activities and adversely affect the economic growth in China, Asia, Africa and elsewhere in the world.

Occurrence of any of the above-mentioned developments could result in our operations experiencing opposition or disruptions. Such opposition or disruption to any of our operations, in particular if it has an adverse impact or cost or causes any stoppages (including, for example, as a result of any protests aimed at government and other mining operations that affect operations), could have a material and adverse effect on our business, financial condition and results of operations.

We are subject to country-specific risks relating to our operations in Namibia.

Our operations in Namibia are subject to significant country risks, including political, economic, social and security-related uncertainties, any of which may materially and adversely affect our business, financial condition and results of operations. In Namibia, we are exposed to risks of expropriation or nationalization. Major credit rating agencies in recent years have downgraded or maintained relatively low sovereign credit ratings for Namibia. Actual or expected downgrades of Namibia's sovereign credit rating to non investment-grade status may reduce investor confidence, widen credit spreads, increase borrowing costs and tighten credit conditions, which have adversely affected the Namibian economy and its gold mining industry. As we operate in Namibia, such developments may make it more difficult or costly for us to secure external financing and may require us to accept more restrictive financing terms.

Our gold mining operations in Namibia are subject to the country's regulatory requirements governing mineral exports. All exports of gold must obtain prior approval and an export license from the Ministry of Mines and Energy and are subject to a 1% export levy. While there are no restrictions on the volume being export of metals, any failure to secure timely export approvals, changes in export licensing policies, increases in applicable tax or levy rates, or the introduction of new restrictions on mineral exports could increase our compliance costs and materially and adversely affect our liquidity, cash flows, results of operations and business development in Namibia.

Security incidents could also occur in areas where we operate. Any safety incidents may disrupt our operations, increase costs and negatively affect our reputation and financial performance. In addition, Namibia faces a skills deficiency across many sectors, including mining, and we face competition from other mining companies for employees with the technical, managerial and operational experience necessary to support our business. Difficulty attracting or retaining qualified personnel may constrain our operational efficiency and growth.

Economic, political and social conditions in and around Namibia may also adversely affect our operations. Regional political instability and civil unrest in neighboring countries, such as Angola and Zimbabwe, may pose spillover risks that lead to supply chain disruptions, cross-border insecurity, or volatility in commodity prices, exchange rates, interest rates and regulatory conditions. Namibia's financial and securities markets are influenced by global economic conditions and are vulnerable to external shocks. Adverse developments affecting its major trading partners, including the PRC and the United States, may materially

impact Namibia's balance of trade and overall economic performance, which, in turn, could negatively affect our operations. Investor sentiment toward one emerging market can also affect capital flows into other emerging markets, including Namibia, potentially resulting in reduced liquidity, lower asset valuations and financing constraints. Consequently, there can be no assurance that Namibia's financial system or securities markets will not continue to be affected by events in other regional or global markets, which could adversely impact Namibia's economy and, as a consequence, our financial condition, results of operations and prospects.

It may be difficult for the Hong Kong regulators to obtain information or call for regulatory assistance in Namibia where circumstances necessitate in the course of overseeing us as a listed company by the regulations in Hong Kong.

Our Directors and our Company, which will be regulated by the SFO and other applicable laws and regulations in Hong Kong upon [REDACTED], will be required to provide the SFC with all information relating to our business in Namibia that is necessary for its investigation of our affairs as may be required under Hong Kong laws or regulations. However, as Namibia has not signed any regulatory cooperation agreement or memorandum of understanding with the SFC or the Hong Kong Stock Exchange, and as the Namibia Financial Institutions Supervisory Authority ("**NAMFISA**") is only an associate member of the International Organization of Securities Commissions ("**IOSCO**") and not a signatory to the IOSCO Multilateral Memorandum of Understanding ("**IOSCO MMOU**"), it may be difficult for the Hong Kong regulators to obtain information or request regulatory assistance in Namibia where circumstances necessitate such action in the course of overseeing us as a listed company under Hong Kong regulations.

IOSCO membership status directly affects the level of regulatory cooperation that can be expected. Ordinary members of IOSCO, who are signatories to the IOSCO MMOU, are legally bound to share information and provide assistance to other regulators, which greatly facilitates cross-border investigations and enforcement. In contrast, associate members like NAMFISA are not signatories to the MMOU and are not legally obligated to cooperate or share information; any cooperation is voluntary and may be limited in practice. This creates a higher level of regulatory risk compared to jurisdictions whose regulators are ordinary members and MMOU signatories. Furthermore, jurisdictions that are not members of IOSCO at all pose an even higher level of regulatory risk, as they fall entirely outside the IOSCO framework. In such cases, there is no structured mechanism for regulatory cooperation or information exchange, which can significantly hinder the SFC's ability to conduct investigations or enforce compliance. While Namibia's associate membership provides some engagement with international regulatory standards, it does not offer the same level of assurance or cooperation as full IOSCO membership, and is only marginally less risky than being a non-member.

Although we continue to grow our operations in our core markets and expand our presence into further global jurisdictions, we will continuously monitor our local business operations and business expansion in Namibia on an ongoing basis. Our management will also report periodic information of the revenue generated by our operating entities in Namibia to our Board of Directors. We will take necessary steps with respect to access to our Namibian operating entities' books and records and fully cooperate with regulatory requests in order to facilitate the Hong Kong Stock Exchange and the SFC's access to information of these operating entities based abroad.

Implementation and enforcement of the labor laws and regulations in the jurisdictions in which we operate may adversely affect our business and results of operations.

As we operate in the PRC, Singapore, and Namibia, failure to fully comply with PRC, Singapore, and Namibia labor-related laws may expose us to potential liabilities and penalties. Pursuant to the PRC Labor Contract Law (中華人民共和國勞動合同法) that took effect in January 2008, with its amendment that took effect in July 2013, and its implementation rules that took effect in September 2008, (the "**Labor Contract Law**") employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. Due to lack of detailed interpretative rules and broad discretion of the local competent authorities, it is uncertain as to how the Labor Contract Law and its implementation rules will affect our current employment policies and practices. Our employment policies and practices may violate the Labor Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the Labor Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

On October 28, 2010, the Standing Committee of the NPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法), which became effective on July 1, 2011 and was amended on December 29, 2018 and took effect on the same date (the "**Social Insurance Law**"). According to the Social Insurance Law, employers should make the social insurance registration and employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees. On July 31, 2025, the Supreme People's Court issued the Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labour Dispute Cases, which came into effect on 1 September 2025. According to this interpretation, any agreement between an employer and an employee, or any undertaking by

the employee, stating that social insurance contributions are not required, shall be deemed invalid. Furthermore, employees may request termination of their labour contracts and demand economic compensation from the employer on the grounds of failure to pay social insurance contributions in accordance with the law. Our Group has not paid social insurance contributions for few employees who may assert their right to terminate their labour contracts and claim economic compensation. The compensation is calculated based on the employee's length of service with the company: one month's salary for each full year of service; for service between six months and one year, compensation is calculated as one full year; and for service less than six months, half a month's salary is payable. This may have an adverse impact on our Group's business, financial condition, and operating results. In addition, recently, the PRC Government enhanced its measures relating to social insurance collection, which may lead to stricter enforcement.

Pursuant to the Regulations on Management of Housing Provident Fund (住房公積金管理條例) promulgated by the State Council on April 3, 1999 and took effect on the same date, which was amended, supplemented or otherwise modified from time to time and was lately amended on March 24, 2019 to take effective on the same date, employers must open housing provident fund account and pay housing provident fund for its employees. However, our social insurance and/or housing provident fund policies and practices may in the future be found to have violated the relevant laws regulations, and we may therefore be subject to related administrative measures, penalties, fines or legal fees. Compliance with the relevant laws and regulations may increase our operating expenses, in particular our personnel expenses.

As the interpretation and implementation of labor laws and regulations may be further updated, there can be no assurance that our employment practice policy and will at all times be deemed to be in full compliance with labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, we engaged third-party agencies to make such contributions on our behalf for certain employees, which was not in strict compliance with applicable PRC laws and regulations. As of December 31, 2025, we engaged third-party agencies for paying social insurance or housing provident funds for less than ten employees. As advised by our PRC Legal Advisor, if the validity of such arrangements is challenged by competent PRC authorities, we might be ordered by the relevant authorities to rectify the situation within a specified timeframe, or be subject to fines, for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify such practice. We might also be subject to labor disputes arising from such arrangements with the relevant employees.

In addition, during the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for a small number of employees. This was mainly attributable to the following reasons:(i) such employees are re-employed retirees or engaged under labor service relationships, for which contributions are not required under applicable laws and regulations;(ii) certain new employees joined the Company after the monthly contribution deadline, and the failure to make contributions in that month constitutes a reasonable cause and does not represent arrears;(iii) a small proportion of such employees personally elected to make contributions at other enterprises or entities, or their contributions were made by third-party institutions. Pursuant to the relevant provisions of the Social Insurance Law and the Regulations on Management of Housing Provident Fund, there is a risk that we may be ordered by the competent authorities to make corrections within a specified time limit. If we fail to make such corrections within the time limit, we may be fined by the social insurance competent authorities an amount of up to three times the amount of the social insurance premiums due and fined by the housing provident fund competent authorities an amount of up to RMB50,000. However, as advised by our PRC Legal Advisors, since based on the credit reports and certificates issued by the relevant competent authorities, our Group has not been subject to any penalties or received any notices to make up unpaid funds in relation to failing to make full payments for a few employees and making payments through third-party agencies, the risk of us being requested to settle outstanding contributions or being fined for failing to make social insurance and the housing provident fund contributions in full amount within the prescribed timeframe is relatively low. Moreover, the shortfall in respect of social insurance and provident fund contributions of our Group for each year during the Track Record Period did not exceed RMB5.5 million and no specific provisions have been made during the Track Record Period, as the risks associated with the aforementioned non-compliance are deemed low either due to completed rectification, lack of explicit liability, and/or confirmation of low penalty risk by competent authorities as well as our PRC Legal Advisors. We cannot assure you that such relevant authorities in China would not notify and require us in the future to settle outstanding contributions within a prescribed timeframe. Should we fail to settle outstanding contributions within a prescribed timeframe in accordance with relevant laws and regulations, we may be subject to a fine and/or an order from the relevant court to enforce such payment.

Our employees might exercise their right to strike per the relevant local laws and regulations, and, in such case, it could have a material and adverse effect on both our business and reputation, and the operation of our mines could be disrupted.

Our employees in Namibia are highly unionized, and unions hence have a significant impact on the general labor relations environment. Trade unions are active in Namibia and advocate for improved conditions of employment and change to labor regulations, and to promote various political and social goals by using their collective power and ability to withhold labor. The broader labor relations climate also remains fragile in Namibia. Therefore, union involvement in wage negotiations and collective bargaining increases the risk of strike action and rising labor costs. Wage negotiations in other industries and other mining sectors may influence the stance unions take toward the industry in which we operate.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

Most of our Directors and executive officers reside within the PRC, and some of our company's assets and the assets of those persons are located within the PRC. It may be difficult, complicated and time-consuming for investors to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

A judgment of a court of another jurisdiction may only be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if the judgment complies with the principle of reciprocity and do not violate the basic principles of the PRC laws, national sovereignty, security, social interests and public interests, subject to the satisfaction of other requirements. On January 25, 2024, the Supreme People's Court issued the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**Arrangement**"), which was implemented on January 29, 2024. Under the Arrangement, any relevant party may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of a final court judgment in civil and commercial cases subject to the conditions set forth in the Arrangement. Although the Arrangement has come into effect, uncertainties remain as to the outcome and effectiveness of any action brought under the Arrangement. The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in mainland China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law on basis of either on (i) the treaties between mainland China and the country where the judgment is made or (ii) on principles of reciprocity between jurisdictions. In addition, according to the PRC Civil Procedures Law, the courts in mainland China will not enforce a foreign judgment against us or our Directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, in case of violation of the above principles, there is no assurance that a judgment rendered by a court outside the PRC would be recognized and enforced in a court in mainland China.

Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under the applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares ("**non-resident individual holders**"), and gains realized through the sale or transfer by other means of H shares by such Shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by the applicable tax treaties or arrangements.

Under applicable PRC tax laws, the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares ("**non-resident enterprise holders**"), are both subject to EIT at a rate of 10%, unless reduced by applicable tax treaties or arrangements. Pursuant to the Arrangements between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) dated August 21, 2006, any nonresident enterprise registered in Hong Kong that holds, directly, at least 25% of the shares of our Company shall pay Enterprise Income Tax for the dividends declared and paid by us at a tax rate of 5% if the Hong Kong non-resident enterprise is the beneficial owner of the equity and certain other conditions are met.

For non-resident individual holders, gains realized through the transfer of properties are normally subject to PRC individual income tax at a rate of 20%. However, according to the Circular of the Ministry of Finance and the State Taxation Administration on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知) effective as of May 13, 1994, income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise are exempt from individual income tax for the time being. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院辦公廳關於深化收入分配制度改革重點工作分工的通知). According to these two documents, the PRC Government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State

Taxation Administration should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the Ministry of Finance and the State Taxation Administration.

Considering these uncertainties, non-resident holders of our Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers of the H shares.

Policies regarding foreign currency conversion may affect our foreign exchange transactions and our ability to pay dividends and meet other obligations.

During the Track Record Period, we received our revenue both in Renminbi and U.S. dollars. Currently, the conversion of RMB into foreign currency has to comply with the relevant laws and regulations and remittance of foreign currencies are subject to the PRC foreign exchange regulations. We may have to convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our H Shares, if any, and settlement of foreign investment. Shortage in the availability of foreign currency may restrict the ability of our Group to remit sufficient foreign currency out of the PRC, or otherwise satisfy our foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses under the capital account such as the repayment of loans denominated in foreign currencies.

The policies regarding foreign exchange transactions under the current account and the capital account may not necessarily continue in the future. In addition, these foreign exchange policies may restrict our ability to obtain sufficient foreign exchange, which could have an adverse effect on our foreign exchange transactions and the fulfillment of our other foreign exchange requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, our payment of dividends in foreign currencies may be affected.

There may be changes from time to time with respect to the legal systems of jurisdictions, including the PRC, Singapore and Namibia, and any failure to comply with such laws and regulations could adversely affect us.

The legal systems of the jurisdiction in which we have operations vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but are not legally binding on other courts. Some of the markets in which we operate have not developed a fully integrated legal system. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to changes and evolving, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities have discretion in interpreting and implementing statutory provisions and contractual terms, the outcome of administrative and court proceedings and the level of legal protection we have in many of the localities in which we operate are unpredictable. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory changes may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us. Furthermore, many of the legal systems in our markets are based in part on government policies and internal rules, some of which are not published on a timely basis, or at all, and may have retroactive effect. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies and rules until some time after the violation. In addition, any administrative and court proceedings in our markets may be protracted, resulting in substantial costs and diversion of resources and management attention. It is possible that a number of laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere that could affect our industries. Scrutiny and regulation of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing this regulation. Changes in current laws or regulations or the imposition of new laws and regulations regarding our industries in our geographic markets may slow the growth of our industries and adversely affect our financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

Our A Shares have been listed in China since 2000, and the characteristics of the A share and H share markets may differ.

Our A Shares have been listed and traded on the Shenzhen Stock Exchange since 2000. Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange, and our H Shares will be [REDACTED] on the Hong Kong Stock Exchange. Without regulatory approval, our A Shares and H Shares are

neither convertible into nor fungible with each other. The A share and H share markets have different characteristics, including different [REDACTED] volumes and liquidity and different [REDACTED] bases. As a result of these differences, the [REDACTED] of our A Shares and H Shares may not be the same. Fluctuations in the price of our A Shares may adversely affect the [REDACTED] of our H Shares, and vice versa. Due to the different characteristics of the A share and the H share markets, the historical prices of our A shares may not be indicative of the performance of our H Shares. You should not rely on the prior trading history of our A Shares when evaluating an [REDACTED] in our H Shares. Past performance is no guarantee of future results.

There has been no prior [REDACTED] for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. There can be no assurance that the [REDACTED] will result in the development of an active, liquid public trading market for our H Shares. The initial [REDACTED] for our H Shares to the public will be the result of negotiations between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of the [REDACTED] following completion of the [REDACTED].

We have applied to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]). However, there can be no guarantee that (i) an active and liquid [REDACTED] for the [REDACTED] will develop; (ii) or, if it does develop, that it will be sustained following the [REDACTED]; or (iii) that the [REDACTED] of the [REDACTED] will not decline below the [REDACTED]. If an active [REDACTED] for our [REDACTED] does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our [REDACTED] could be materially and adversely affected. You may not be able to resell your Shares at a price that is attractive to you, or at all.

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] and [REDACTED] of our H Shares may be volatile. The [REDACTED] of our Shares may fluctuate significant and rapidly in response to factors beyond our control, including, but not limited to:

- actual or anticipated variations of our results of operations;
- loss of key suppliers and/or contractors;
- changes in securities analysts' estimates or market perception of our financial performance;
- announcement by us of significant acquisitions, depositions, strategic alliances or joint ventures;
- addition or departure of key senior management or other key personnel;
- fluctuations in the stock [REDACTED] and volume;
- regulatory or legal developments, including involvement in litigations;
- fluctuations in trading volumes or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and
- general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

Since the listing of our A Shares on the Shenzhen Stock Exchange ("**SZSE**"), we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time we publicly release information relating to us on the SZSE or other media outlets designated by the SZSE. However, the information we announce in connection with our A Shares listing is based on regulatory requirements and market practices in the PRC, which differ from those applicable to the [REDACTED]. Such information does not and will not form a part of this document. As a result, prospective [REDACTED] in our H Shares are reminded that in making their investment decisions as to whether to [REDACTED] our H Shares, they should rely only on the financial, operating and other information included in this document. Past performance is no guarantee of future results. By applying to [REDACTED] H Shares in the [REDACTED] you will be deemed to have agreed that you will not rely on any information other than that contained in this document, and any formal announcements made by us in Hong Kong related to the [REDACTED].

You may experience an immediate dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional Shares in the future. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then: (i) the percentage ownership of the existing Shareholders may be reduced, and they may experience subsequent dilution and reduction in their earnings per share; (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders; and/or (iii) subscribers and purchasers of our Shares may experience dilution in the net tangible assets value per Share if we issue additional Shares in the future at a price which is lower than our net tangible assets value per Share.

RISK FACTORS

A future significant increase or perceived significant increase in the supply of our H Shares in public markets could cause the [REDACTED] of our H Shares to decrease significantly, and/or dilute shareholdings of holders of H Shares.

The [REDACTED] of our [REDACTED] could decline as a result of future sales of a substantial number of our [REDACTED] or other securities relating to our [REDACTED] in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

The interests of our Controlling Shareholder and its affiliates may not necessarily be aligned with the interests of our other Shareholders.

The interests of our Controlling Shareholder and its affiliates may differ from the interests of our other Shareholders. They could through their shareholding interest in our Company exert influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations, the sale of all or substantially all of our assets, election of Directors, and other significant corporate actions. This as a result, may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for their [REDACTED] in a sale of our Company or may reduce the [REDACTED] of our [REDACTED]. In addition, to the extent the interests of our Controlling Shareholder and its affiliates conflict with the interests of other Shareholders, the interests of other Shareholders may be disadvantaged or harmed.

Our historical dividends may not be indicative of our future dividend policy, and we may not be able to pay any dividends on our H Shares.

We declared and paid dividends to our Shareholders of RMB777.5 million, RMB777.5 million and RMB1,013.5 million respectively, for the years ended December 31, 2023, 2024 and 2025. All of such dividends declared during the Track Record Period had been fully settled to our Shareholders as of the Latest Practicable Date. However, our historical dividends may not be indicative of our future dividend policy. There can be no guarantee: (i) when, if at all, will be paid on our H Shares following the [REDACTED]; or (ii) if dividends are paid, what form they will take. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, macroeconomic factors, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See "Financial Information — Dividend" of this document for details.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our [REDACTED], the [REDACTED] and [REDACTED] of our [REDACTED] may decline.

The [REDACTED] of our [REDACTED] may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [REDACTED] and/or [REDACTED] of our [REDACTED] to decline. If one or more analysts who cover us downgrade our [REDACTED] or publish negative opinions about us, the [REDACTED] of our [REDACTED] would likely decline regardless of the accuracy of the information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, estimations, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "going-forward", "next", "under-estimate", "expect", "hope", "confirm", "navigate", "intend", "might", "anticipate", "justify", "need", "estimate", "believe", "moving forward", "looking forward", "ought to", "plan", "potential", "predict", "project", "seek", "could", "should", "would", "aim", "around", "can", "may", "will", and the negative of these words and other similar expressions are forward-looking statements. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors in the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. Considering these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representation by us that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. We do not

undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether because of new information, future events or otherwise. Please see the section headed "Forward-Looking Statements" in this Document.

The industry data and forecasts in this document obtained from various official government publications have not been independently verified.

This document includes industry data and forecasts that we obtained from various government publications. However, there can be no assurance of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. Also, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, officers, affiliates, advisor and representatives, or any other parties involved in the [REDACTED] make no representation as to the accuracy or completeness of aforementioned facts, forecasts and other statistics in this document. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your [REDACTED] in our [REDACTED].

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and other media regarding us and [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry, and [REDACTED]. There may be additional media coverage regarding us, our business, our industry, and [REDACTED] after the date of this document but prior to the completion of [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. Neither our Company nor any other person involved in [REDACTED] has authorized the disclosure of any such information in the press or media, and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to, and do not accept any responsibility for, the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with certain provisions of the Hong Kong Listing Rules.

EXEMPTION GRANTED UNDER RULE 8.05A AND RULE 18.04 OF THE LISTING RULES

An issuer must satisfy the requirement under Rule 8.05 of the Listing Rules in order to list its shares in the Stock Exchange. Chapter 18 of the Listing Rules applies to mining companies. Pursuant to Rule 18.04 and Rule 8.05A of the Listing Rules, the Stock Exchange will accept a shorter trading record period under substantially the same management as required under Rule 8.05(3) (a) and (b) if the Stock Exchange is satisfied that the directors and management of the [REDACTED] have sufficient and compelling experience of at least five years in exploration and/or extraction operations.

Shandong Gold Mining acquired 20.93% of our Company's total share capital on July 20, 2023 and became our Company's Controlling Shareholder, following which there were changes to the management structure of our Company. Osino Mining was acquired by our Company on August 29, 2024 under the current management despite our Company has other mines.

Our Directors confirmed and reiterated that our Group's principal business comprised the exploration and extraction of gold and other non-ferrous metals, as well as the trading of metals. From a revenue perspective, our mining operations generated 56.3%, 43.1%, and 41.6% of the Group's revenue and such operations resulted in nearly all of our Group's gross profits. For such reasons, for the purposes of satisfiying rules 8.05A and 18.04, our Directors reaffirmed that our Group's principal activities remain to be the exploration for and/or extraction of gold and other non-ferrous metals. Furthermore, 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). See "Business — Our business operations — Osino Mining" in this document for further details about the clear path to commercial production relating to the strong pipeline of mining and exploration projects held by Osino Mining, with the Twin Hills Mine being the largest gold mine in Namibia, which is anticipated to produce over 5.1t (163.7 koz) of gold annually once it becomes fully operational. The construction of Osino Mining's Twin Hills Mine is progressing rapidly, with completion and production to be expected by 2027. Also see "Directors and Senior Management" for experience relevant to the exploration/extraction activities of the Directors and management of our Company.

Our Company has applied for an exemption from strict compliance with Rule 8.05(3)(b) of the Listing Rules pursuant to Rule 8.05A and Rule 18.04 of the Listing Rules[, and the Stock Exchange has granted such exemption].

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Hong Kong Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive Directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in mainland China and our Company's head office is situated in mainland China; (ii) our executive Directors and senior management team principally reside in mainland China; and (iii) the management and operation of our Company have mainly been under the supervision of our executive Directors and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's businesses and it is important for them to remain in close proximity to our Group's operation located in mainland China, our Company considers that it would be more practical for its executive Directors and senior management to remain ordinarily resident in mainland China where our Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Hong Kong Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, [and the Hong Kong Stock Exchange has granted us,] a waiver from strict compliance with Rules 8.12 and 19A.15 of the Hong Kong Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Hong Kong Stock Exchange as well as compliance with the Hong Kong Listing Rules by way of the following arrangements:

1. Authorized representatives: we have appointed Mr. Zhang Xiao (張肖) ("**Mr. Zhang**"), executive Director and secretary of the Board of Directors of our Company, and Ms. Chan Sze Ting (陳詩婷) ("**Ms. Chan**"), one of our joint company secretaries, as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Hong Kong Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Hong Kong Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Hong Kong Stock Exchange. Mr. Zhang ordinarily resides in mainland China, possesses valid travel documents, and is able to renew such travel documents before expiry in order to visit Hong Kong. Ms. Chan ordinarily resides in Hong Kong. Accordingly, the Authorized

Representatives will be able to meet with the relevant members of the Hong Kong Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See the section headed "Corporate Information" in this document for more information about our Authorized Representatives.

2. Directors: to facilitate communication with the Hong Kong Stock Exchange, we have provided the Authorized Representatives and the Hong Kong Stock Exchange with the contact details of each of our Directors (i.e. mobile phone number, office phone number, email address and fax number (as applicable)). In the event that any Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period after requested by the Hong Kong Stock Exchange.

3. Compliance advisor: we have appointed Red Solar Capital Limited (the "**Compliance Advisor**") in compliance with Rule 3A.19 of the Hong Kong Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Hong Kong Listing Rules and act as additional channel of communication of our Company with the Hong Kong Stock Exchange during the period from the [REDACTED] to the date on which our Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of its financial results for the first full financial year immediately after the [REDACTED]. The Compliance Advisor will be available to answer enquiries from the Hong Kong Stock Exchange and will act as an additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Hong Kong Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Hong Kong Listing Rules.

According to Rule 3.28 of the Hong Kong Listing Rules, our Company must appoint an individual, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a Member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance)

In addition, pursuant to Note 2 to Rule 3.28 of the Hong Kong Listing Rules, in assessing "relevant experience," the Hong Kong Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles they played;

(b) familiarity with the Hong Kong Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to the Chapter 3.10 under the Guide for New Listing Applicants published by the Hong Kong Stock Exchange, the waiver under Rule 3.28 of the Hong Kong Listing Rules will be granted for a fixed period of time but in any event not exceeding three years from the date of [REDACTED] (the "**Waiver Period**") and on the following conditions: (i) the relevant company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Hong Kong Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked in the event of a material breach of the Hong Kong Listing Rules by our Company.

We have appointed Mr. Zhang Xiao (張肖) ("**Mr. Zhang**"), as one of the joint company secretaries of our Company. See "Directors and Senior Management — Executive Directors" in this document for further biographical details of Mr. Zhang.

Mr. Zhang has extensive experience in financial management but personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Hong Kong Listing Rules, and may not be able to solely fulfill the requirements of the Hong Kong Listing Rules. Therefore, our Company has appointed Ms. Chan, a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United

Kingdom, who fully meets the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Zhang for an initial period of three years from the [REDACTED] to enable Mr. Zhang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Hong Kong Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Hong Kong Listing Rules. See "Directors and Senior Management — Joint Company Secretaries" in this document for further biographical details of Ms. Chan.

The following arrangements have been, or will be, put in place to assist Mr. Zhang in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Hong Kong Listing Rules:

(a) Mr. Zhang will comply with the annual professional training requirement under Rule 3.29 of the Hong Kong Listing Rules and attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Hong Kong Listing Rules which will be organized by our Company's Hong Kong legal advisors on an invitation basis and seminars organized by the Hong Kong Stock Exchange for listed issuers from time to time;

(b) Ms. Chan will assist Mr. Zhang to enable him to acquire the relevant experience (as required under Rule 3.28 of the Hong Kong Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(c) Ms. Chan will communicate regularly with Mr. Zhang on matters relating to corporate governance, the Hong Kong Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Chan will work closely with, and provide assistance to, Mr. Zhang in discharging his duties as a company secretary, including organizing our Company's Board meetings and general meetings; and

(d) Prior to expiry of Mr. Zhang's initial term of appointment as the company secretary of our Company, we will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Hong Kong Listing Rules, and whether on-going assistance should be arranged so that Mr. Zhang's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, [and the Hong Kong Stock Exchange has granted us,] a waiver from strict compliance with Rules 3.28 and 8.17 of the Hong Kong Listing Rules. The waiver was granted for a three-year period commencing from the [REDACTED] (the "**Waiver Period**"), on the condition that Ms. Chan, as a joint company secretary of our Company, will work closely with, and provide assistance to Mr. Zhang, in the discharge of his duties as a joint company secretary during the Waiver Period. Such waiver will be revoked immediately if and when (i) Mr. Zhang ceases to be assisted by a person with qualifications under Rule 3.28 and 8.17 of the Hong Kong Listing Rules, or (ii) if there are material breaches of the Hong Kong Listing Rules by us. Before the end of the three-year period, the Company must demonstrate and seek the Stock Exchange's confirmation that Mr. Zhang, having had the benefit of Ms. Chan's assistance during the three-year period, has attained the relevant experience under note 2 to Rule 3.28 and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

WAIVERS IN RESPECT OF CONTINUING CONNECTED TRANSACTION

We have entered into and expect to continue to have transactions after the [REDACTED] which will constitute our partially-exempt continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules upon [REDACTED]. Accordingly, we have applied to the Hong Kong Stock Exchange for, [and the Hong Kong Stock Exchange has granted us] a waiver in relation to such continuing connected transaction between us and our connected person under Chapter 14A of the Hong Kong Listing Rules. The Group will comply with the relevant requirements under Chapter 14A of the Listing Rules apart from the announcement requirement for which a waiver has been sought. See the section headed "Connected Transactions — Partially-Exempt Continuing Connected Transaction" in this document.

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For further information of our Directors, please see the section headed "Directors and Senior Management" in this document.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Ou Xingong (歐新功先生)	Room 1004, Unit 1, Floor 10 Building 1, Yard Jia 1 Balizhuang Dongli Chaoyang District Beijing PRC	Chinese
Mr. Zhang Xiao (張肖先生)	Room 501, Unit 2, Building 5 High-speed Railway City No. 366, Zhenguan Street Licheng District, Jinan, Shandong PRC	Chinese
Mr. Song Zhongshan (宋忠山先生)	Room 903, Building 7 North District Xinshenghuo Jiayuan Kanghong Road, Lixia District Jinan, Shandong PRC	Chinese
Non-executive Directors		
Mr. Liu Qin (劉欽先生)	Room 1-3-501 Gang'ao Garden, Yaojia Street Lixia District Jinan, Shandong PRC	Chinese
Mr. Wang Renjian (汪仁建先生)	Room 12-1-701 District 5 Yinfeng Jiuxi City No. 1577 Fengshan South Road Zhiyuan Street Community Lixia District Jinan, Shandong PRC	Chinese
Mr. Wang Shui (王水先生)	Room 1031, Building 9 Yulong Jiayuan Songshan District, Chifeng, Inner Mongolia PRC	Chinese
Mr. Tang Qi (湯琦先生)	4–1–701 Lijingyuan Community No. 28 Langmaoshan Road Qixian Street Shizhong District Jinan, Shandong PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-executive Directors		
Mr. Yan Qingyue (閆慶悅先生)	Room 501, Unit 3, Building 8 No. 42 Shungeng Road Shizhong District Jinan, Shandong PRC	Chinese
Mr. Liu Hongwei (劉洪渭先生)	Room 102, Building 6 South District, Huilong Community No. 22366, Tourism Road Jinan, Shandong PRC	Chinese
Mr. Zhang Da (張達先生)	Room 605, Building 49 No.20 Chengfu Road Haidian District Beijing PRC	Chinese
Ms. Huang Ying (黃穎女士)	Flat F, 30/F, Tower 6 Cullinan West III No.28 Sham Mong Road Kowloon Hong Kong	Chinese (Hong Kong)

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **UBS Securities Hong Kong Limited** 52/F, Two International Finance Centre 8 Finance Street Central Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]	[REDACTED]
Legal Advisors to our Company	*As to Hong Kong and U.S. laws:* **Baker & McKenzie** 14/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong *As to PRC laws:* **Zhong Lun Law Firm** 22–24 & 27–31/F, South Tower of CP Center 20 Jin He East Avenue Chaoyang District Beijing PRC *As to Namibia laws:* **Cronje Incorporated** 1 Jan Jonker Road Klein Windhoek Windhoek Namibia 10012
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **Jia Yuan Law Offices** F408, Ocean Plaza 158 Fuxing Men Nei Street Xicheng District Beijing PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditors and Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8/F, Prince's Building 10 Chater Road, Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc.** Unit 2401-02, Level 24 China World Office 2 1 Jianguomenwai Avenue Chaoyang District Beijing, PRC
Competent Person	**Baw Mineral Partners Limited** Unit E, 16/F, CNT Tower No. 338 Hennessy Road Wanchai Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	Haratu Street, Balagal Gole Town West Wuzhumuqin Banner Xilin Gol League, Inner Mongolia Autonomous Region PRC
Headquarter and Principal Place of Business in the PRC	30–31/F, No. 20 Jinhe East Road CP Center North Tower Chaoyang District Beijing PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**https://www.sji-gold.com/** *(information contained in this website does not form part of this document)*
Joint Company Secretaries	**Mr. Zhang Xiao (張肖先生)** Room 501, Unit 2, Building 5 High-speed Railway City No. 366, Zhenguan Street Licheng District Jinan, Shandong PRC **Ms. Chan Sze Ting (陳詩婷女士)** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	**Mr. Zhang Xiao (張肖先生)** Room 501, Unit 2, Building 5 High-speed Railway City No. 366, Zhenguan Street Licheng District Jinan, Shandong PRC **Ms. Chan Sze Ting (陳詩婷女士)** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Audit Committee	Mr. Liu Hongwei (劉洪渭先生) *(Chairperson)* Mr. Wang Renjian (汪仁建先生) Mr. Zhang Da (張達先生) Mr. Yan Qingyue (閆慶悅先生) Mr. Tang Qi (湯琦先生)
Nomination Committee	Mr. Zhang Da (張達先生) *(Chairperson)* Mr. Liu Qin (劉欽先生) Mr. Yan Qingyue (閆慶悅先生) Mr. Liu Hongwei (劉洪渭先生) Ms. Huang Ying (黃穎女士)
Strategy Committee	Mr. Liu Qin (劉欽先生) *(Chairperson)* Mr. Wang Renjian (汪仁建先生) Mr. Wang Shui (王水先生) Mr. Ou Xingong (歐新功先生) Mr. Zhang Xiao (張肖先生)

CORPORATE INFORMATION

Remuneration and Evaluation Committee	Mr. Yan Qingyue (閆慶悦先生) *(Chairperson)* Mr. Wang Shui (王水先生) Mr. Zhang Da (張達先生) Mr. Liu Hongwei (劉洪渭先生) Mr. Song Zhongshan (宋忠山先生)
Compliance Advisor	**Red Solar Capital Limited** Unit 402B, 4/F China Insurance Group Building 141 Des Voeux Road Central Central Hong Kong
[REDACTED]	[REDACTED]
Principal Banks	**China Merchants Bank Beijing Jianwai Avenue Branch** Level 1, IFC Building No. 8 Jian Guo Men Wai Street Chaoyang District Beijing PRC **Shanghai Pudong Development Bank Beijing Free Trade Zone Business Center Branch** Level 1, Zhongfu Building No. 99 Jianguo Road Chaoyang District Beijing PRC **China CITIC Bank Wenzhou Cangnan Branch** Floors 1–2, Building 5 Times City Plaza, Station Fromt Avenue Lingxi Town, Cangnan County Wenzhou City, Zhejiang Province PRC **Bank of Communications Jinan Licheng Branch** No. 1836 Erhuan East Road Licheng District, Jinan City Shandong Province PRC

INDUSTRY OVERVIEW

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

SOURCE AND RELIABILITY OF INFORMATION

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

RESEARCH METHODOLOGY

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

BASIS AND ASSUMPTION

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

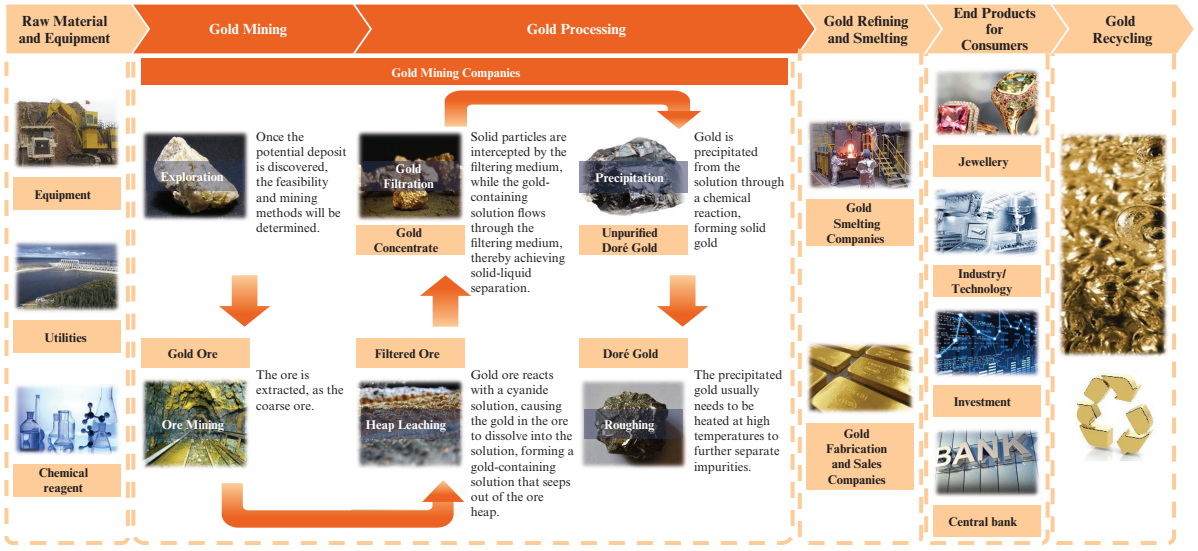
Analysis of the global and China's gold mining industry

Overview of the gold industry

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

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

Value chain of the gold industry



Source: F&S

Global demand for gold

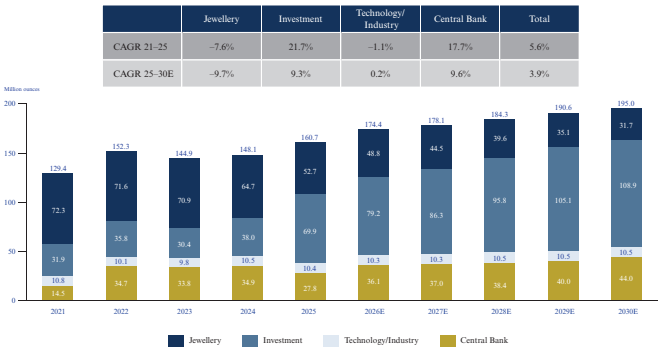
Global gold demand experienced fluctuations from 2021 to 2025, with a slight decline after 2022. Overall, it grew at a CAGR of 5.6%, and since 2024, demand has shown an accelerated growth trend. This is mainly driven by multiple factors: persistent global inflationary pressures, increased expectations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

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

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

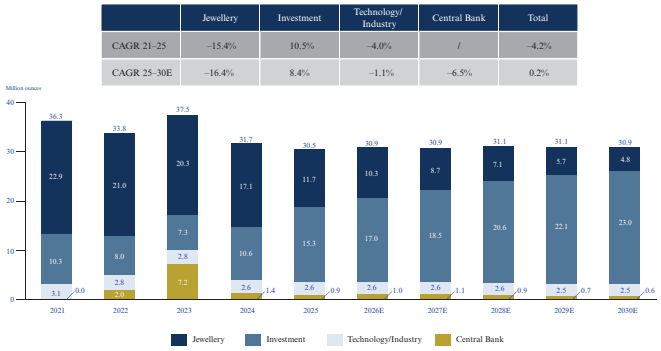
The difference in gold demand trends between China and the rest of the world mainly stems from variations in macroeconomic conditions, investment demand, consumer habits, and government policies. For example, in 2022, global gold demand increased as geopolitical tensions prompted central banks to boost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

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



Source: World Gold Council, F&S

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



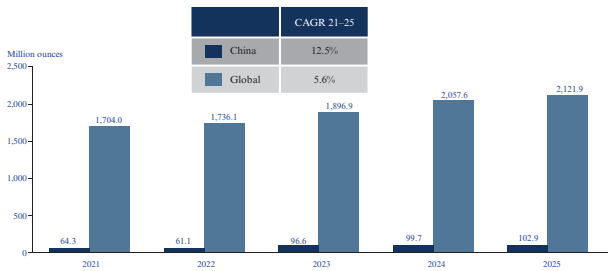
Source: China Gold Association, F&S

Gold reserves and gold supply

Gold reserves

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

Gold reserves, Global and China, 2021–2025



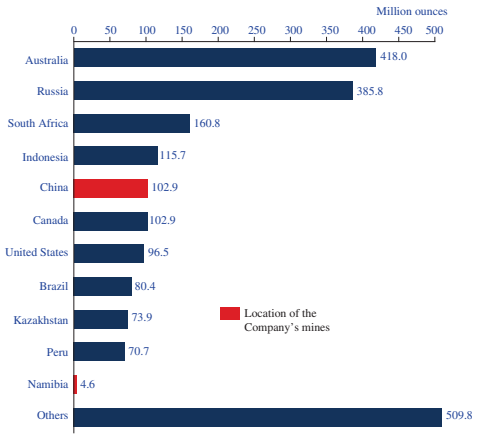
Notes: Reserves refer to part of the resources base that could be economically extracted or produced at the time of determination and include only recoverable materials. Due to data availability, Reserves are usually used to demonstrate the gold resources of different countries.

Source: USGS, F&S

INDUSTRY OVERVIEW

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

Gold reserves (by countries), global, 2025

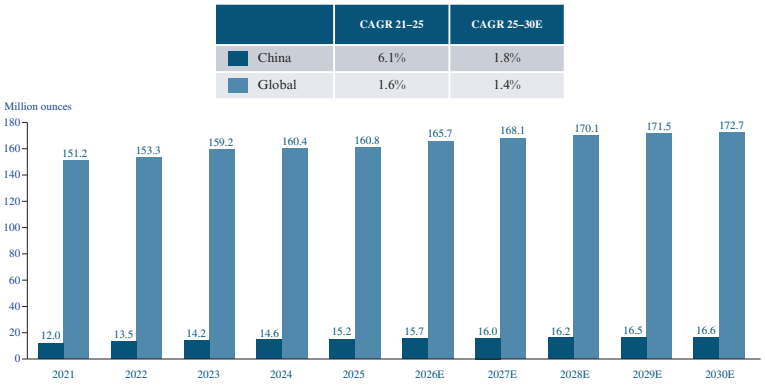


Source: World Gold Council, F&S

The global gold supply

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

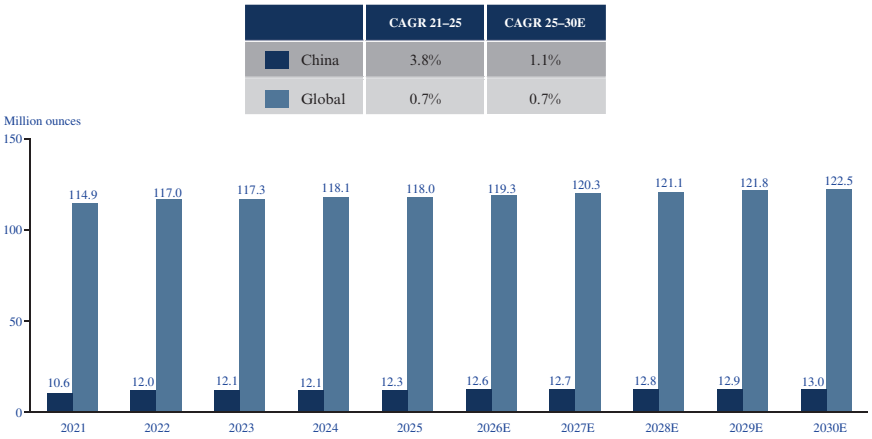
Gold supply, Global and China, 2021–2030E



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

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

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

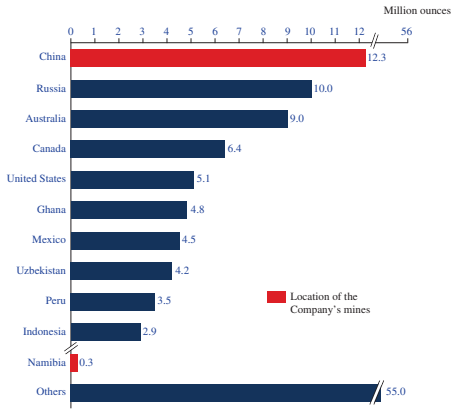


Source: World Gold Council, China Gold Association, F&S

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

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

Gold mine production (by countries), Global, 2025



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

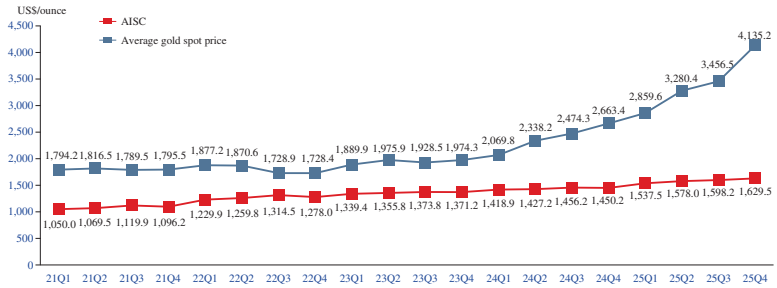
Source: World Gold Council, Frost & Sullivan

Global average gold AISC

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

INDUSTRY OVERVIEW

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



Source: London Bullion Market Association, F&S

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

AISC of top 10 gold producers, Global, 2025

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

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

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

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

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

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

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

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

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

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

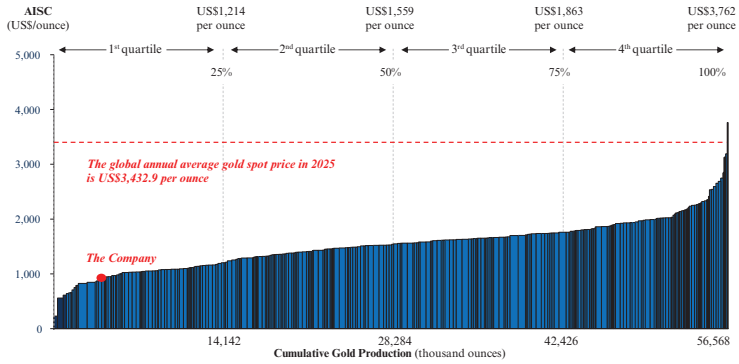
Company I was established in 1998, is headquartered in Johannesburg, South Africa, and is listed on Johannesburg Stock Exchange, New York Stock Exchange and Toronto Stock Exchange. Company I is a globally diversified gold producer with nine mines in Australia, Canada, Chile, Ghana, South Africa and Peru,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

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

Source: Annual Reports, F&S

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

Cost curve, Global, 2025



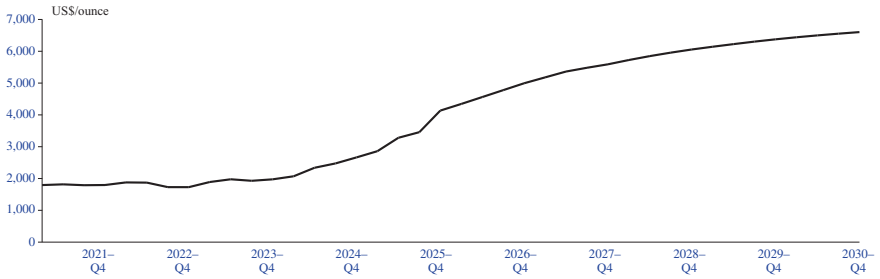
Source: Annual Reports, F&S

The price of gold

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

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

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

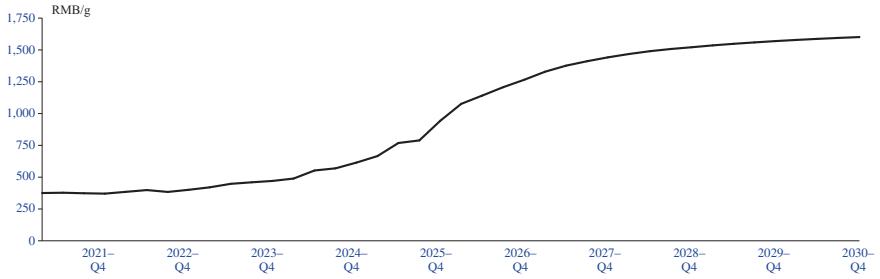


Notes: The global gold price is based on the quarterly average spot price of gold in the London Gold Market. The price is quoted in US dollars per troy ounce, which refers to a troy ounce of 99.5% pure gold (equivalent to approximately 31.1 grams).

Source: London Bullion Market Association, F&S

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

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



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

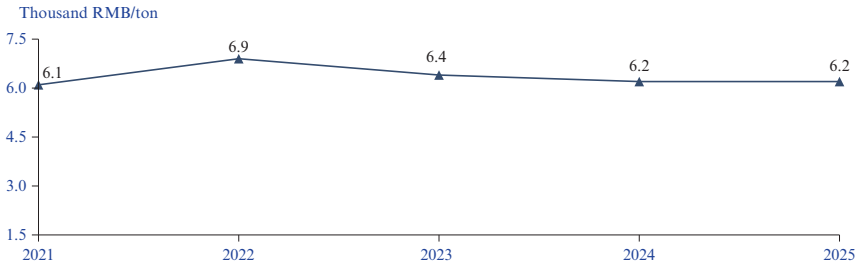
Source: Shanghai Gold Exchange, F&S

Price analysis of raw materials

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

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

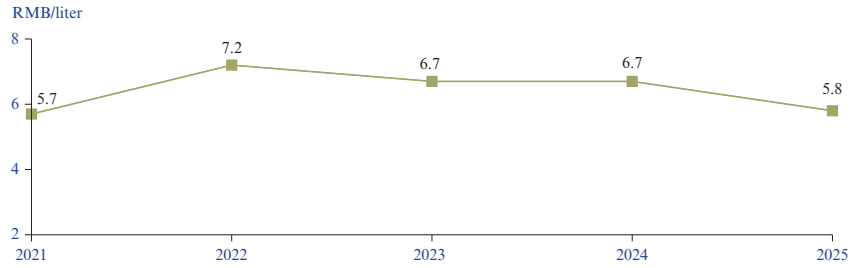
Average price of explosives manufacturing, China, 2021–2025



Source: Annual Reports, F&S

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

Average price of diesel, China, 2021–2025



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

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

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

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

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

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

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

Competitive landscape of global and China's gold mining industry

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

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

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

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

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

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

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

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

Source: Annual Reports, F&S

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

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

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

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

Source: Annual Reports, F&S

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

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

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

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

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

Source: Annual Reports, F&S

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

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

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

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

Source: Annual Reports, F&S

Entry barriers of global and China's gold mining industry

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

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

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

Analysis of China's silver mining industry

Overview of silver mining industry

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

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

Silver mine resource and supply

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

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

Competitive landscape of China's silver mining industry

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

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

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

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

Source: F&S

Analysis of the global metal trading market

Metal trading industry overview

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

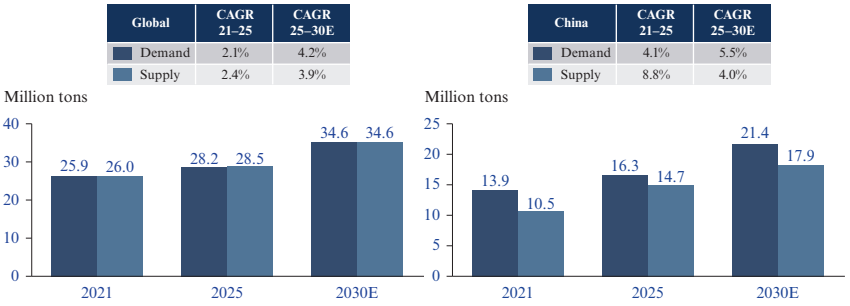
In terms of trading, metal markets are divided into three categories: Spot markets focus on physical delivery to meet immediate purchasing and inventory turnover needs. Futures markets rely on standardized contracts from exchanges such as the Shanghai Futures Exchange (SHFE), London Metal Exchange (LME),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

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

Main metal demand and supply

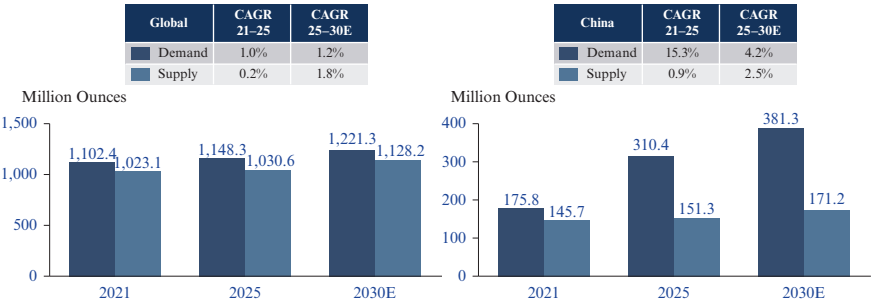
The demand in the industrial metal industry is shifting from "cyclical" to "structural". The growing demand in fields such as photovoltaics, AI, new energy and high-end manufacturing has driven the expansion of the industry scale. Emerging markets such as Southeast Asia, Africa, and the Middle East have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

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



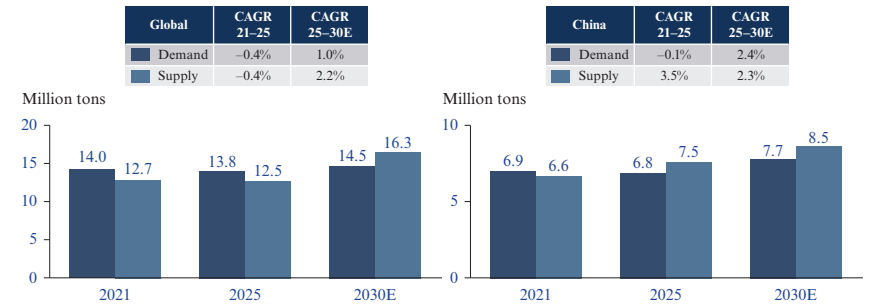
Source: F&S

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



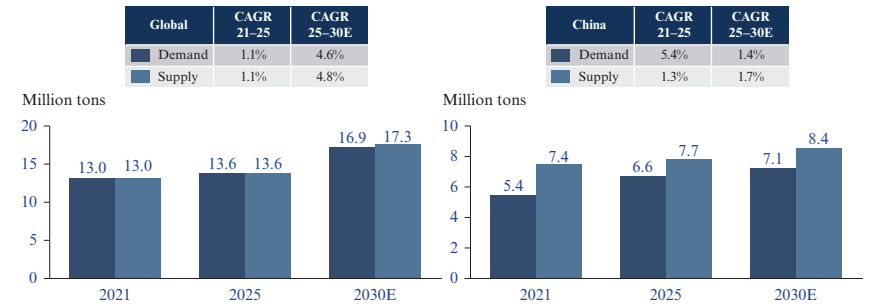
Source: F&S

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



Source: F&S

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



Source: F&S

Drivers of the global metal trading industry

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

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

REGULATORY OVERVIEW

The following sets out a summary of the significant laws and regulations that affect our businesses in the PRC, Namibia and Singapore. Information contained below shall not be construed as a comprehensive summary of all the laws and regulations applicable to us.

LAWS AND REGULATIONS RELATED TO OUR PRC OPERATIONS

Overview

Our business operations are subject to supervision and regulation by the Chinese government. This section outlines the principal laws, regulations and policies to which we are required to comply.

Principal laws and regulations related to our PRC operations

Industry classification

According to the Industrial Classification for National Economic Activities (GB/T4754–2017) jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Standardization Administration of the People's Republic of China on June 30, 2017, the industry in which our Group is engaged falls within "B0912 lead-zinc mining and processing", "B0921 gold mining and processing", "B0922 silver mining and processing" under "B09 non-ferrous metal mining and processing industry", and "F5164 wholesale of metals and metal ores" under "F51 wholesale trade".

Major laws and regulations and policies related to our PRC operations

According to the Mineral Resources Law of the People's Republic of China (《中華人民共和國礦產資源法》) ((the "**Mineral Resources Law**"), which was issued on March 19, 1986, as amended on November 8, 2024, and came into effect on July 1, 2025, and the Implementation Rules of the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法實施細則》) issued and implemented by the State Council on March 26, 1994, the resources in the PRC are owned by the State and the State Council exercises ownership of resources on behalf of the State. Mineral rights include exploration and mining rights. Exploration rights and mining rights shall be obtained respectively for exploration and mining of mineral resources in accordance with the law, except for the circumstances stipulated by the State Council and the competent department of natural resources of the State Council, such as exploration by holders of mining rights within the registered mining areas for the purpose of mining activities. While mining the main minerals, the symbiotic and associated minerals with industrial value should be comprehensively mined and utilized to prevent waste; For minerals that cannot be comprehensively mined temporarily or must be mined at the same time but cannot be comprehensively utilized temporarily, as well as tailings containing useful components, effective protective measures should be taken to prevent loss and damage.

On April 29, 1987, the State Council issued the Interim Measures on the Supervision and Control of Mineral Resources (《礦產資源監督管理暫行辦法》) and implemented it on the same day, requiring mining enterprises to strengthen the management of slow-moving ore, powder ore, medium ore, tailings, waste rock and coal gangue, and actively study their utilization methods. If it cannot be used temporarily, it should be properly stacked and preserved under the principle of land conservation to prevent its loss and environmental pollution.

Acquisition of Mineral rights

According to the Mineral Resources Law, the Chinese government implements a system of paid acquisition of mineral rights. According to the Measures for Collection of Proceeds from the Assignment of Mineral Rights issued by the Ministry of Finance《礦業權出讓收益徵收辦法》, the Ministry of Natural Resources and the State Administration of Taxation on March 24, 2023 and effective on May 1, 2023, the methods of transfer of mineral rights include competitive transfer and transfer by agreement. The ways to collect proceeds from the assignment of mineral rights include the collection in the form of return rate of the assignment of mineral rights or the collection in the form of assignment amount. The authority to grant mineral rights is determined by the State Council. The natural resources authorities of the people's governments at or above the county level are responsible for organizing the granting of mining rights within the scope of their delegated authority.

The Administrative Measures on Registration of Blocks for Exploration of Mineral Resources (《礦產資源勘查區塊登記管理辦法》) were promulgated by the State Council on February 12, 1998 and amended on July 29, 2014 and implemented on the same day. The PRC implements a unified block registration management system for mineral resource exploration. The exploration of resources such as gold, silver, copper, nickel, lead, and zinc shall be approved and registered by the competent department of geology and minerals of the State Council, and an exploration permit shall be issued. The exploration right holder shall submit the application registration form and the block scope map of the application, a copy of the qualification certificate of the exploration unit,

the exploration work plan, the exploration contract or the supporting documents of the commissioned exploration, the exploration implementation plan and attachments, the proof of the source of funds of the exploration project and other materials required by the geological and resources department of the State Council. Under the following circumstances, the usage fee and the price of the exploration permit may be reduced or exempted after the application and approval of the exploration permit holder: (i) the type of mineral encouraged by the state; (ii) areas encouraged by the State to conduct exploration.

The Administrative Measures for the Registration of Mining Mineral Resources (《礦產資源開採登記管理辦法》) were promulgated by the State Council on February 12, 1998 and amended on July 29, 2014, and implemented on the same day. The mining of resources such as gold, silver, copper, nickel, lead, and zinc must be approved and registered by the competent department of geology and minerals of the State Council, and a mining license shall be issued. Before submitting an application for mining rights, the applicant shall apply to the registration authority for the delimitation of the mining area based on the approved geological exploration reserve report. When applying for a mining license, the applicant for mining rights shall submit to the registration authority the application registration form and the mining area map, the certificate of the qualifications of the mining right applicant, the plan for the development and utilization of resources, the approval documents for the establishment of mining enterprises in accordance with the law, the environmental impact assessment report of mining resources, and other materials required by the competent department of geology and minerals of the State Council. Where any of the following circumstances apply, mining rights usage fees and mining rights fees may be reduced or exempted upon application by the mining rights holder and subsequent approval: (i) where resources are extracted in remote impoverished regions; (ii) where minerals classified as nationally scarce are extracted; (iii) where mining enterprises incur severe losses or cease production due to force majeure such as natural disasters.

Pursuant to the Opinions of the Ministry of Natural Resources on Several Matters Concerning the Deepening of Reform in the Administration of Mineral Resources (Ziran Zigu [2023] No. 6, effective for 5 years) (《自然資源部關於深化礦產資源管理改革若干事項的意見》(自然資規[2023]6號)), issued and implemented on July 26, 2023 (the "**Opinions on the Reform of Mineral Resources Administration**"), the PRC government has adjusted the administrative level of the authorities responsible for approving mineral right grants. The registration of mineral right grants for gold, silver, copper, nickel, lead, zinc and other mineral resources shall be managed by the natural resources authorities at the provincial level or below. The natural resources authorities are responsible for enforcing the legal requirements concerning the state ownership of resources and, upon application, it shall review and file the mineral reserves declared by mining rights holders or project construction entities, and issue the corresponding review and filing documents.

Pursuant to the Mineral Resources Law, the term of an exploration right is 5 years. Upon expiration, such right may be renewed up to three times, each renewal lasting 5 years; provided that, upon renewal, the area subject to exploration shall be reduced in accordance with applicable regulations. The term of a mining right is determined with reference to the mineral reserves and the scale of mine development and shall not exceed 30 years. Prior to expiry of the mining right, if there remain exploitable resources within the registered mining area, the mining right may be renewed. Following the grant of a mining right and prior to commencing exploration or mining operations, the mining right holder shall prepare, in accordance with the mining right grant contract and relevant standards and technical specifications, separate exploration and mining plans. Such plans must be submitted to, and approved by, the authority that granted the underlying mining right before the holder may obtain the requisite exploration and mining licenses. The mining right holder shall conduct exploration and mining operations in accordance with the approved plans. Any significant modifications to the exploration or mining plans shall require approval from the original granting authority in accordance with applicable regulations.

Further, the Opinions on the Reform of Mineral Resources Administration provide that a mineral reserves report, prepared in accordance with applicable standards and specifications, must be submitted for review and filing in the following circumstances: where an exploration right is converted into a mining right; where a mining right undergoes a change in mineral type; where there is an alteration in the scope of a mining right (whether an expansion or reduction) resulting in changes to the mineral reserves; where measured mineral resources for oil and gas have materially changed during the exploration and mining period, or where the cumulative proved resources for other minerals have materially changed during the mining period, provided that in each case the change exceeds 30% or reaches at least a medium scale; and where construction projects encroach upon important mineral deposits. No review or filing is required in respect of the retention or change of mineral type for exploration rights, the renewal, transfer or assignment of exploration or mining rights, mine closure, or matters relating to public listing and financing.

Transfer of mineral rights

According to the Administrative Measures for the Transfer of Exploration Rights and Mining Rights (《探礦權採礦權轉讓管理辦法》) issued by the State Council on February 12, 1998, revised on July 29, 2014 and implemented on the same day, the mineral rights shall not be transferred except in accordance with the following provisions: (i) the exploration permit holder has the right to carry out the prescribed exploration operations in the designated exploration operation area and has the right to preferentially obtain the mining rights of resources in the exploration operation area. After completing the required minimum exploration investment, the exploration permit holder may transfer the exploration permit to others with legal approval. (ii) If a mining enterprise that has obtained mining rights needs to change the subject of mining rights due to business merger, division, joint venture or cooperative operation with others, or due to the sale of enterprise assets or other changes in the property rights of enterprise assets, it may transfer the mining rights to others for mining with legal approval.

The transfer of exploration permits shall meet the following conditions: (i) a period of 2 years shall have elapsed since the issuance of the exploration permit, or resources suitable for further exploration or extraction shall have been discovered within the exploration area; (ii) the prescribed minimum exploration expenditure shall have been completed; (iii) the exploration permits are undisputed; (iv) the usage fee and the price of the exploration permit have been paid in accordance with relevant national regulations.

The transfer of mining rights shall meet the following conditions: (i) the mining enterprise has been engaged in mining production for 1 year; (ii) the mining rights are undisputed; (iii) mining rights usage fees, mining rights prices, mineral resource compensation fees and resource taxes have been paid in accordance with the relevant national regulations. State-owned mining enterprises shall obtain the consent of the mining enterprise authorities before applying for the transfer of mining rights.

Furthermore, the PRC government has revised the conditions governing the transfer of mineral rights. Pursuant to the Notice of the Ministry of Natural Resources on Further Improving the Registration Management of Mineral Resource Exploration and Mining (Ziran Zigu [2023] No. 4, effective for 5 years) (《自然資源部關於進一步完善礦產資源勘查開採登記管理的通知》(自然資規[2023]4號)), issued and implemented on May 6, 2023, the transfer of exploration rights shall be subject to the following conditions: (1) where exploration rights have been acquired through bidding, auction, or listing, the applicant is not required to have held the exploration right for a minimum of 2 years; (2) where exploration rights have been obtained by agreement, the applicant must have held the exploration right for at least 5 years, except that this 5-year restriction does not apply to transfers between a parent company and its wholly-owned subsidiary, or between entities that satisfy the qualifications for mining right applicants; (3) applications for a change of exploration right holder must be submitted jointly by both the transferor and transferee to the relevant registration authority, and where the remaining validity of the exploration permit is less than 6 months, the transferee applicant may apply simultaneously for its renewal; and (4) where an application for the change of holder of an exploration right involves overlapping areas and falls within the prescribed circumstances, the transferee shall submit an agreement on non-interference and protection of rights, or an undertaking that the rights and interests of existing mining right holders will not be prejudiced. An existing mining right and the exploration right overlying or underlying such mining right, if held by the same entity, may not be transferred separately.

When transferring a mining right, the transferee shall satisfy the qualifications applicable to an applicant for a mining right and shall assume all rights and obligations attached thereto. Where overlapping areas are involved, the transferee shall submit an agreement on non-interference and protection of rights, or an undertaking that the rights and interests of existing mining right holders will not be prejudiced. Where a state-owned mining enterprise applies for the registration of a change of holder arising from the transfer of a mining right, it shall possess the approval document issued by the competent authority of such mining enterprise consenting to the transfer. A mining right acquired by agreement may only be transferred after the holder has held such right for not less than 5 years, except that this 5-year restriction does not apply to transfers between a parent company and its wholly-owned subsidiary, or between entities that satisfy the qualifications for mining right applicants. Registration of transfer of a mining right shall not be processed under any of the following circumstances: (1) partial transfer of a mining right; (2) separate transfer of overlapping mining rights held by the same mining right holder; (3) the mining right is under mortgage registration and the mortgagee has not consented to the transfer; (4) failure to pay, as required, the proceeds (consideration) for the grant of the mining right; (5) failure to expressly provide in the transfer contract that the transferee shall assume the obligation of mine geological environment restoration and rehabilitation; or (6) where the mining right is subject to investigation or enforcement action by the natural resources authority, or where a people's court, public security organ, supervisory authority, or other relevant authority has notified that the transfer shall not proceed. In

principle, mining rights may not be subdivided; where subdivision is genuinely necessary due to changes in mining conditions or other special circumstances, such subdivision must comply with the resources planning and other applicable regulations.

Resource Tax

According to the Resource Tax Law of the People's Republic of China (《中華人民共和國資源税法》), which was promulgated on August 26, 2019 and came into effect on September 1, 2020, the applicable tax rates for taxable resources shall be implemented in accordance with the Tax Rate Schedule (《税目税率表》) attached, with resource tax rates ranging from 2% to 6% for gold and silver mines (including raw ores and beneficiation ores), and 2% to 10% for copper, lead and zinc ores (including raw ores and beneficiation ores).

Laws and regulations related to production safety

The PRC Government has enacted relatively comprehensive laws and regulations related to production safety, including the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (promulgated on 29 June 2002, as amended on 10 June 2021 and implemented on 1 September 2021), the Mine Safety Law of the PRC (《中華人民共和國礦山安全法》) (the "**Mine Safety Law**") (promulgated on 7 November 1992, amended on 27 August 2009 and implemented on the same day) and the Regulations on the Implementation of the Mine Safety Law of the People's Republic of China (《中華人民共和國礦山安全法實施條例》) (issued on October 11, 1996 and implemented on October 30, 1996), covering mineral resource exploration, mining and mine construction. The emergency management department of the State Council shall implement comprehensive supervision and management of national safety production work, and the emergency management department of local people's governments at or above the county level shall implement comprehensive supervision and management of safety production work within its jurisdiction.

According to the Regulation on Work Safety License (《安全生產許可證條例》) issued on January 13, 2004, the latest amendment on July 29, 2014 and implemented on the same day, mining enterprises implement a safety production permit system, and enterprises that fail to obtain a safety production license are not allowed to engage in production activities. The issuance and management of safety production licenses are the responsibility of the safety production supervision and management departments at all levels. After obtaining the safety production license, the enterprise shall not reduce the safety production conditions, and shall strengthen the daily safety production management and accept the supervision and inspection of the safety production license issuance management authority. The safety production license is valid for 3 years. If the validity period of the safety production license needs to be extended, the enterprise shall go through the extension procedures with the original safety production license issuing authority 3 months before the expiration date. Where an enterprise strictly complies with relevant laws and regulations on work safety during the validity period of its work safety permit and no fatal accidents occur, upon expiry of the permit, the original issuing authority may, without further review, extend the validity period by 3 years.

The Mine Safety Law requires mining enterprises to establish and improve the safety production responsibility system, and the mine manager is responsible for the safety production work of the enterprise. Mine managers must be assessed, have safety expertise, and have the ability to lead safety production and handle mine accidents. Mine enterprise safety workers must possess the necessary safety expertise and experience working in mine safety. Mining enterprises must conduct safety education and training for employees; Those who have not received safety education and training are not allowed to work on the job. Special operators of safety production in mining enterprises must receive special training and obtain an operation qualification certificate after passing the assessment before they can take up their posts.

According to the Measures on the Implementation of Work Safety Permit for Non-Coal Mining Enterprises (《非煤礦礦山企業安全生產許可證實施辦法》) issued on June 8, 2009, amended on May 26, 2015 and implemented on July 1, 2015, non-coal mining enterprises must obtain safety production licenses. Those who have not obtained a safety production license shall not engage in production activities.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) issued on December 14, 2010, amended on April 2, 2015 and implemented on May 1, 2015, the safety facilities of construction projects must be designed, constructed, put into production and used at the same time as the main project, and the investment in safety facilities should be included in the estimated budget of the construction project.

According to the Regulations on the Reporting, Investigation and Handling of Production Safety Accidents (《生產安全事故報告和調查處理條例》) issued on April 9, 2007 and implemented on June 1, 2007, after the occurrence of a production safety accident, the relevant personnel at the accident site should immediately report to the person in charge of the unit, and the person in charge of the unit shall report to the work safety

supervision and management department of the people's government at or above the county level where the accident occurred and the relevant departments responsible for work safety supervision and management within one hour. In case of emergency, the relevant personnel at the accident site may directly report to the work safety supervision and management department of the people's government at or above the county level where the accident occurred and the relevant departments responsible for work safety supervision and management.

Pursuant to the Regulations on the Safety Supervision and Administration of Tailings Storage Facility (《尾礦庫安全監督管理規定》) promulgated on May 4, 2011, amended on May 26, 2015 and effective from July 1, 2015, an operator of a tailings storage facility must establish for such facility a sound accountability system for production safety, rules and regulations on production safety, and technical operating procedures for safety. The operator must also ensure the allocation of funds necessary to maintain safe production conditions of the tailings storage facility, and establish an appropriate safety management body or appoint safety management personnel and professional technical staff. Construction projects relating to a tailings storage facility must undergo a safety facilities design process, which shall be subject to review and approval by the competent authority responsible for the supervision and administration of production safety prior to the commencement of construction. Following the successful acceptance of the safety facilities of a tailings storage facility construction project, the operator shall promptly apply for a safety production permit for the facility. Within the 12 months preceding the attainment of its final design elevation, the operator of a tailings storage facility shall carry out a pre-closure safety assessment of the facility's current condition and prepare a closure design, which shall incorporate the design of safety facilities. The closure safety facilities design shall be submitted for review and approval by the competent authority responsible for the supervision and administration of production safety.

Laws and regulations related to environmental protection

The PRC government has formulated relatively comprehensive laws and regulations related to environmental protection, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) (promulgated on December 26, 1989, amended on April 24, 2014 and implemented on January 1, 2015), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) (promulgated on October 30, 1995, amended on April 29, 2020 and implemented on September 1, 2020), the Water Law of the People's Republic of China (《中華人民共和國水法》) (promulgated on January 21, 1988 and last amended on July 2, 2016, effective as of the same date), the Regulation on the Administration of Permits for Water Withdrawal and the Collection of Water Resource Fees (《取水許可和水資源費徵收管理條例》) (promulgated on February 21, 2006 and last amended on March 1, 2017, effective as of the same date), and the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) (promulgated on May 11, 1984, amended on June 27, 2017 and implemented on January 1, 2018), Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) (promulgated on September 5, 1987, amended on October 26, 2018 and implemented on the same day), Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》) (promulgated on December 25, 2016, amended and implemented on October 26, 2018), the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (promulgated on November 29, 1998, amended on July 16, 2017 and implemented on October 1, 2017), the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) (promulgated on October 28, 2002, amended on December 29, 2018 and implemented on the same day) and the Law of the People's Republic of China on the Prevention and Control of Noise Pollution (《中華人民共和國噪聲污染防治法》) (promulgated on December 24, 2021 and implemented on June 5, 2022).

In accordance with the aforementioned laws and regulations, all entities bear the obligation to protect the environment. Enterprises shall prevent and minimise environmental pollution and ecological damage, and shall bear legal responsibility for any harm caused. Environmental protection authorities at all levels shall serve as the supervisory bodies for environmental protection work. Enterprises shall implement measures to prevent and control pollution from waste gases, wastewater, waste residues, dust, and other sources. They shall establish environmental protection accountability systems, clearly define the responsibilities of designated personnel. It is strictly prohibited to discharge pollutants illegally by evading regulatory supervision. New, expanded, or renovated mining projects must undergo environmental impact assessments in accordance with the law; construction may not commence without prior approval. Environmental protection facilities shall be designed, constructed and commissioned concurrently with the main project. Construction projects that generate pollution must comply with national and local standards for pollutant discharge. Within areas implementing total pollutant discharge control for key pollutants, they must also meet the requirements for such control. Any entity or individual that withdraws water resources directly from rivers, lakes or groundwater through water

intake works or facilities is required to obtain a water withdrawal permit and to pay the applicable water resource fees. Enterprises, institutions and other business operators that discharge, whether directly or indirectly, industrial wastewater or medical sewage into water bodies, as well as those that are required to obtain a pollutant discharge permit prior to discharging wastewater or sewage, must obtain such permits.

Laws and regulations related to land

Pursuant to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》), promulgated on June 25, 1986, last amended on August 26, 2019 and effective from January 1, 2020, and the Implementation Regulations of the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法實施條例》), promulgated on December 27, 1998, last amended on April 21, 2021 and effective from September 1, 2021, land within the PRC is owned either by the state or by rural collectives. The competent authority for natural resources under the State Council is responsible for the unified administration and supervision of land nationwide in the PRC. State-owned land and land owned by rural collectives may, in accordance with applicable law, be allocated for use by entities or individuals. Where a construction entity intends to use state-owned land, save where the land use right is obtained by administrative allocation upon approval, such use shall be on a compensated basis, including by way of grant, lease, capital contribution, or equity participation based on the assessed value of the land use right. Construction entities acquiring the right to use state-owned land by way of grant or other compensated means are required, in accordance with standards and measures prescribed by the State Council, to pay land use fees, including the grant premium for such rights, and other relevant charges prior to commencing use of the land. Where construction involves the occupation of land necessitating conversion from agricultural use to construction use, the requisite approval procedures for such conversion must be duly completed. Arable land, forest land, grassland, and other land lawfully designated for agricultural purposes, whether owned by rural collectives or state-owned but lawfully utilized by rural collectives, shall be contracted to members of rural collective economic organisations pursuant to the household contract responsibility system. Barren hills, gullies, mounds, and beaches deemed unsuitable for household contracting may be contracted by means of tender, auction, or open negotiation for the purpose of undertaking production activities, including crop cultivation, forestry, animal husbandry, and fisheries. The term of a household contract shall be 30 years in respect of arable land, 30 to 50 years in respect of grassland, and 30 to 70 years in respect of forest land. Upon expiry of the initial term, the contract term for arable land shall be extended for a further period of 30 years, and the terms for grassland and forest land shall be correspondingly extended in accordance with applicable law. The contracting parties shall enter into a contract in accordance with applicable law, setting forth their respective rights and obligations. Entities and individuals engaged in the contracted operation of the land shall be under a duty to safeguard and utilise the land reasonably and in a manner consistent with the purposes stipulated therein.

Pursuant to the Mineral Resources Law, and the Measures for the Examination and Approval Administration of the Use of Forest Land for Project Construction (《項目建設使用林地審核審批管理辦法》), promulgated on March 30, 2015 as amended and brought into effect on September 22, 2016, the exploration and extraction of mineral resources shall be carried out with due regard to the conservation and intensive utilisation of land. The natural resources authorities of the people's governments at or above the county level shall ensure that mining right holders are entitled, in accordance with the law, to use land through transfer, lease, capital contribution in kind or other lawful means. Where the extraction of strategic resources necessitates the use of collectively-owned rural land, such land may be expropriated in accordance with the law. Land may be used on a temporary basis for mineral exploration in accordance with the provisions of land administration laws and administrative regulations. Where open-pit mining of strategic resources involves the occupation of land and scientific assessment demonstrates that conditions exist for concurrent mining and land reclamation, temporary use of land may be permitted upon approval by the natural resources authority of the people's government at or above the provincial level. Where the temporary use of agricultural land is involved, the relevant land shall, in accordance with applicable state regulations, be promptly restored to its arable condition, soil quality, vegetation or production capacity, so as to ensure that the amount of original land use type is not diminished, land quality is not degraded, and interests of farmers are effectively safeguarded. The scope and duration of land used for mineral exploration and mining shall be determined according to actual needs, provided that the period of use shall not exceed the term of the mining right. Where a construction project necessitates the use of forest land, such use shall comply with the relevant forest land protection and utilisation plans, and shall be undertaken in a reasonable manner, with due regard to conservation and intensive utilisation. In respect of mining projects adopting a rolling development approach, upon determination of the total land area to be occupied, applications for the use of forest land may be submitted in phases, in accordance with the development plan and within the limits of the prescribed authority.

Pursuant to the Regulations on Land Reclamation (《土地復墾條例》), promulgated and brought into effect on March 5, 2011, and the Implementation Measures for the Regulations on Land Reclamation (《土地復墾條例實施辦法》), promulgated on December 27, 2012, and amended and brought into effect on July 24, 2019, any land damaged as a result of production or construction activities shall be reclaimed in accordance with the principle of 'reclamation by the responsible party', with such reclamation being the responsibility of the production or construction entity or individual causing the damage. In applying for mining rights, mining enterprises shall prepare a land reclamation plan, which shall be submitted together with the relevant application materials for review by the competent natural resources authority. The competent natural resources authority responsible for reviewing the relevant construction land application and mining rights approval shall be tasked with examining the land reclamation plan submitted by the party obligated to undertake land reclamation. A mining enterprise, as the party responsible for land reclamation, shall undertake land reclamation in accordance with the land reclamation plan and shall carry out ongoing monitoring and evaluation of land damage. Upon fulfilling the reclamation obligations in accordance with the plan, the responsible party shall submit an application for acceptance in accordance with applicable regulations. For projects with a production or construction cycle exceeding 5 years, the responsible party may submit applications for acceptance in phases, and the competent natural resources authority responsible for overseeing the acceptance process shall conduct a tiered acceptance review.

Laws and regulations and policies related to overseas investment

Pursuant to the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》), promulgated on December 26, 2017 and brought into effect on March 1, 2018, investment activities encompassing the acquisition of exploration and development rights for overseas natural resources, ownership of overseas enterprises or assets, or rights to operate and manage such enterprises or assets shall be deemed overseas investment. The investing entities shall, in accordance with the nature of their overseas investment, complete the requisite approval or filing procedures, provide relevant information, and cooperate with supervisory inspections. Development and reform authorities at all levels shall serve as the supervisory and administrative authorities for such overseas investment.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》), promulgated on September 6, 2014 and brought into effect on October 6, 2014, enterprises established within the territory of the PRC which acquire ownership of a non-financial enterprise overseas, or acquire control, operation and management rights, or other interests in an existing non-financial enterprise overseas, whether by way of establishment, merger and acquisition or otherwise, shall complete the requisite filing or approval procedures in accordance with the relevant circumstances. Commerce authorities at all levels shall serve as the supervisory and administrative authorities for such overseas investment.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated on January 29 1996, amended on August 1, 2008 and effective from August 5, 2008, and the Provisions on the Foreign Exchange Administration of Overseas Direct Investment by Domestic Institutions (《境內機構境外直接投資外匯管理規定》), promulgated on July 13, 2009 and effective from August 1, 2009, the foreign exchange authorities at all levels are responsible for the supervision and administration of foreign exchange. Domestic institutions undertaking overseas direct investment are required, following filing or approval by the competent authority for overseas direct investment, to complete foreign exchange registration for such overseas direct investment with the local foreign exchange administration, specifying the source of the foreign exchange funds. Further, pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies for the Administration of Foreign Exchange in Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated on February 13, 2015 and effective from June 1, 2015, foreign exchange registration for overseas direct investment is directly reviewed and processed by PRC banks designated for foreign exchange, while the State Administration of Foreign Exchange and its local branches exercise indirect supervision over such registration through the banking system.

Laws and regulations related to import and export trade

Pursuant to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》), promulgated on May 12, 1994, and last amended with effect on December 30, 2022, as of December 30, 2022, foreign trade operators are no longer required to complete filing and registration. The PRC government permits the free import and export of goods and technology, except as otherwise provided by law or administrative regulations. Prior to December 30, 2022, under the then-effective Foreign Trade Law of the People's Republic of China, foreign trade operators engaged in the import or export of goods or technology were required to apply for filing and registration with the competent foreign trade authority under the State Council or its authorized

institutions, except where otherwise specified by law, administrative regulations, or the competent foreign trade authority under the State Council. Failure to complete the required filing and registration would result in customs authorities refusing to process customs declaration and release procedures for import or export goods.

Pursuant to the Customs Law of the People's Republic of China (《中華人民共和國海關法》), promulgated on January 22, 1987, and last amended with effect on April 29, 2021, the General Administration of Customs of the People's Republic of China ("**the PRC Customs**") is the national authority responsible for supervising and managing the country's imports and exports. In accordance with relevant laws and administrative regulations, the PRC Customs supervises and manages the means of transport, and entry and exit of goods, luggage, postal items, and other articles; levies customs duties and other taxes or fees; combats smuggling; compiles customs statistics; and performs other customs-related functions.

Pursuant to the Regulations on the Filing Administration of Customs Declaration Units of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》), promulgated on November 19, 2021, and effective on January 1, 2022, a customs declaration unit refers to an importer, exporter, or customs declaration enterprise registered with the PRC Customs. Importers, exporters, and customs declaration enterprises applying for registration must hold the requisite market entity qualifications.

Laws and regulations related to employment relationship, Social Insurance and Housing Provident Fund

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated on July 5, 1994, and last amended with effect from December 29, 2018, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated on June 29, 2007, amended on December 28, 2012, and effective from July 1, 2013, an employment relationship between an employer and an employee shall be established by way of a written labor contract. Labor contracts shall include fixed-term contracts, open-ended contracts, and contracts for a term concluding upon completion of a specified task. Employers are obliged to establish and improve systems for labor safety and health, to implement strictly the national regulations and standards governing labor safety and health, to provide employees with appropriate training in respect thereof, to take measures to prevent accidents occurring in the course of employment, and to reduce occupational hazards. Employees shall, in the performance of their duties, comply strictly with safety operating procedures.

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), promulgated on October 28, 2010, and amended with effect from December 29, 2018, an employer shall, within 30 days from the date of commencement of employment, apply to the relevant social insurance agency for social insurance registration on behalf of its employees, and shall pay social insurance contributions in full and in a timely manner. Social insurance contributions shall include contributions to basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. On July 31, 2025, the Supreme People's Court issued the Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labour Dispute Cases, which came into effect on 1 September 2025. According to this interpretation, any agreement between an employer and an employee, or any undertaking by the employee, stating that social insurance contributions are not required, shall be deemed invalid. Employees may request termination of their labour contracts and demand economic compensation from the employer on the grounds of failure to pay social insurance contributions in accordance with the law. However, if the employer subsequently makes the required social insurance contributions in accordance with the law, the employer may request the employee to return the compensation previously paid for the unpaid contributions.

Pursuant to the Regulations on the Administration of the Housing Provident Fund (《住房公積金管理條例》), promulgated on April 3, 1999, and last amended with effect from March 24, 2019, an employer shall, within 30 days from the date of hiring an employee, complete registration for housing provident fund contributions, and shall make such contributions in full and in a timely manner.

Laws and regulations related to enterprise taxation

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), which was promulgated on March 16, 2007, last amended on December 29, 2018 and implemented on the same day, and the Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》), which was promulgated on December 6, 2007, last amended on December 6, 2024 and implemented on January 20, 2025, resident enterprises shall pay enterprise income tax on their income derived from within and outside China. The enterprise income tax rate is 25%. The enterprise income tax rate is reduced by 20% for qualified small low-profit enterprises. The high-tech enterprises

in need of support from the State will enjoy a 15% tax rate reduction for enterprise income tax. The income tax paid overseas on taxable income derived from outside China by a resident enterprise may be deducted from its current tax payable.

According to the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated on December 13, 1993, last amended on November 19, 2017 and implemented on the same day, and will be abolished on January 1, 2026, entities that sell goods or provide processing, repair and maintenance services, sell services, intangible assets, real estate, and import goods within China shall pay value-added tax (VAT). The VAT rates are 17%, 11%, 6%, or 0%. The Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) was promulgated on December 25, 2024, and will be effective on January 1, 2026. Entities that transfer ownership of goods or real estate for a fee, provide services for a fee, transfer ownership or use rights of intangible assets for a fee, or import goods within China are subject to VAT. VAT is a price-exclusive tax, and sales of taxable transactions does not include VAT. The VAT rate is 13% for taxpayers selling goods or importing goods, and 0% for exporting goods. In other cases, the VAT rate is 9%, 6%, or 0%.

Laws and regulations related to intellectual property

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated on August 23, 1982, last amended on April 23, 2019, and implemented on November 1, 2019, and the Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated on August 3, 2002, amended on April 29, 2014, and implemented on May 1, 2014, a trademark registered with the Trademark Office is a registered trademark. A trademark for which an application is filed for registration must be distinctive to be distinguishable, and may not go against the legitimate rights previously obtained by others. The registration of a trademark shall be valid for 10 years from the date of approval.

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated on March 12, 1984, last amended on October 17, 2020, and implemented on June 1, 2021, and the Implementing Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which was promulgated on June 15, 2001, last amended on December 11, 2023, and implemented on January 20, 2024, patents in China include 3 types, i.e. invention, utility model and design. The validity period of patents for inventions is 20 years, while the validity period of patents for utility models is 10 years, and the validity period of patents for designs is 15 years, all starting from the date of application.

Laws and regulations related to overseas listings of domestic enterprises

On February 17, 2023, the CSRC issued the Trial Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (CSRC Announcement [2023] No. 43) (the "**Overseas Listing Trial Measures**") and related guidelines, which came into effect on March 31, 2023. Overseas Listing Trial Measures stipulates the requirements for Chinese companies to directly or indirectly issue securities overseas or list their securities for trading overseas. Overseas issuance and listing activities of domestic enterprises shall comply with laws, administrative regulations and relevant national provisions on foreign investment, state-owned assets management, industry supervision, overseas investment, etc., and shall not disrupt domestic market order or do harm to national interests, social public interests and the legitimate rights and interests of domestic investors. Overseas issuance and listing activities of domestic enterprises shall comply with national security laws, administrative regulations and relevant provisions on foreign investment, cybersecurity, data security, etc., and duly fulfill their obligations to protect national security. If a security review is required, it shall perform relevant security review procedures in accordance with the law before submitting an issuance and listing application to the overseas securities regulatory authority or stock exchange. A domestic enterprise seeking for an overseas listing may raise funds and pay dividends in foreign currencies or RMB. An issuer seeking for an overseas initial public offering or listing shall, within 3 working days after submitting the application documents for issuance and listing overseas, submit the filing report, legal opinions and other relevant materials to the CSRC for filing.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN RELATION TO OUR OPERATIONS IN NAMIBIA

Mining and minerals law

Namibia's mining industry is governed by the Minerals (Prospecting and Mining) Act 1992, administered by the Ministry of Industries, Mines and Energy ("**MIME**"). All mineral rights are vested in the State, and companies can only explore or mine by obtaining licenses under this Act. Key mining licenses include:

1. Exclusive prospecting licenses ("**EPL**") — grants exclusive exploration rights in a defined area (typically an initial 3-year term, renewable subject to conditions).
2. Mining licenses ("**ML**") — permits commercial mining of specified minerals (usually granted for up to 25 years, renewable for further periods up to 15 years).
3. Mineral deposit retention licenses ("**MDRL**") — 5-year licenses allowing a prospector to retain rights to a discovered mineral deposit that is not yet economically or technically feasible to mine, without immediate development obligations.
4. Mining claims — small-scale mining rights (valid for 3 years, renewable) available only to Namibian citizens or companies controlled by Namibians.

Our Company's Namibian subsidiaries currently hold EPL and one ML for the Twin Hills project, enabling our Group to conduct exploration and mining within designated areas. License conditions impose various obligations on the holder: minimum exploration or development expenditures, regular reporting of exploration results, adherence to approved work programs, and compliance with health, safety, and environmental standards.

The Mining Commissioner monitors compliance and has authority to suspend or cancel a license if the holder fails to fulfill its terms or breaches the Act. In practice, maintaining full compliance is critical — material default can lead to loss of the mining rights, which would materially impact our Company's operations. License tenure is also contingent on active use; the government follows a "use it or lose it" approach to discourage companies from hoarding rights without progressing exploration or mining.

Transfer and ownership conditions

Mineral licenses are not freely transferable — any assignment, cession or transfer of a license requires prior written approval from the Minister of Mines and Energy. Similarly, a license cannot be pledged or encumbered without Ministerial consent. These controls ensure the State oversees any change in control of mineral rights.

Local ownership policy

Notably, while the law does not mandate local shareholding in mining ventures, the government's current policy (effective since April 2021) seeks greater Namibian participation. MIME now generally requires that at least 15% of the ownership of any new mining project be held by Namibian citizens. In the case of an EPL originally held by Namibian owners, at least a 15% interest must be retained by Namibians if the EPL is sold or transferred to foreign investors. This policy is enforced by making local equity participation a condition in the grant of new licenses or approval of license transfers. Under the Foreign Investment Act 1990 (FIA), the government may reserve an option to acquire a minority interest in a company that exploits natural resources, as a condition of granting the license.

Taxation

Corporate income tax

Namibia operates a source-based tax system, taxing income earned within Namibia. The standard corporate tax rate for non-mining companies is currently 31%, scheduled to reduce to 30% by 2026. Mining companies (excluding diamond mining) are taxed at a higher rate of 37.5% on taxable profits. Taxable income is determined under the Income Tax Act 1981, and exploration or development expenditures may be deductible or amortized as allowed by law.

Mineral royalties

The Minerals Act imposes royalties on mineral production, payable to the State Revenue Fund. For precious metals (including gold), the royalty is 3% of the gross market value of the mineral produced. Royalties are collected on all minerals won or mined under a mining license, claim or prospecting license.

Export levy

In addition to royalties, Namibia charges an export levy on certain unrefined mineral exports under the Export Levy Act 2016. Gold bullion exports incur a levy of 1% of the Free-on-Board value at the point of export. This levy incentivises local value addition before export.

VAT

Namibia's VAT rate is 15% on most goods and services, with 0% rating for certain exports and specific goods. Businesses must register for VAT if annual taxable turnover exceeds N$500,000. VAT is charged on the sale of goods and services in Namibia and on importation of goods. Registered businesses can claim input tax credits for VAT paid on purchases used in making taxable supplies. VAT returns are filed monthly, and the tax authority (Namibia Revenue Agency) actively audits compliance.

Withholding taxes

Namibia imposes final withholding taxes on various payments to non-residents. Key withholding taxes include:

1. **Non-resident shareholders tax ("NRST"):** A tax on dividends paid to foreign shareholders. The rate is 10% if the foreign shareholder is a company holding at least 25% of the Namibian company's shares; otherwise, a 20% rate applies. NRST is a final tax on the dividend.

2. **Withholding tax on Services ("WTS"):** Applies to fees for management, consulting, technical, administrative or entertainment services paid from Namibia to non-residents. The standard WTS rate is 10%, but fees to non-resident directors and entertainers attract a higher 25% rate. This tax is withheld by the paying company and remitted to the tax authority.

3. **Withholding tax on Royalties ("WTR"):** A **10%** tax on royalties paid to non-residents for the use of intellectual property, technical know-how, or rights such as patents and copyrights, as well as payments for the use of industrial or scientific equipment. Companies must deduct this tax when paying royalties abroad.

4. **Withholding tax on interest ("WTI"):** A **10%** tax on interest paid to non-resident lenders. Interest paid to Namibian individuals by local banks is also subject to a 10% withholding, but corporate intra-group or external interest mainly falls under the non-resident interest tax.

Thin capitalisation and interest deductibility

Historically, Namibia limited the deductibility of interest on foreign shareholder or related-party loans by a 3:1 debt-to-equity ratio safe habor. In line with international best practices, a new rule is being implemented to curb excessive interest deductions: from financial years beginning January 1, 2024, net interest expense deductions will be capped at 30% of EBITDA for tax purposes, replacing the old 3:1 rule. Interest disallowed in a given year under this earnings-stripping rule can be carried forward for up to 10 years in the case of mining companies. This change means our Group may favor equity financing for Namibian projects, as interest beyond the 30%-of-EBITDA threshold will not yield a tax deduction.

Loss carry forwards

Currently, tax losses can be carried forward indefinitely in Namibia. However, pending tax reforms will introduce a cap on loss carry forwards. Natural resource companies (including mining) will be allowed to carry forward assessed losses for up to ten years, after which unused losses will expire. This forthcoming change will require our Group to plan the use of any accumulated tax losses from exploration or development within a finite timeframe.

Dividends tax for residents

While NRST applies to foreign shareholders, historically Namibia did not tax dividends paid to Namibian resident shareholders. A new measure has been approved to impose a 10% withholding tax on dividends paid to Namibian residents, effective January 1, 2026. This will align the tax treatment of local and foreign investors (both being taxed at 10% on dividends) and is aimed at preventing tax avoidance through routing investments *via* local entities.

Other taxes

Namibia has no capital gains tax and no estate duty, which means gains on the sale of capital assets are not separately taxed. Stamp duties apply at low rates on certain legal documents and transactions.

REGULATORY OVERVIEW

Environmental regulation

Mining operations are subject to comprehensive environmental regulation aimed at sustainable development. The cornerstone is the Environmental Management Act 2007 ("**EMA**"), which requires that any mining or exploration project undergo an environmental assessment and approval process. Environmental Impact Assessments (EIA) must be conducted for proposed mining activities, examining potential impacts on ecology, water, air, communities, and heritage. Based on the EIA, a project must obtain an Environmental Clearance Certificate ("**ECC**") from the Ministry of Environment, Forestry and Tourism before any significant ground-disturbing work begins. An ECC will only be granted if the project has an acceptable Environmental Impact Assessment and a detailed Environmental Management Plan ("**EMP**") outlining mitigation measures.

In addition to the EMA and its regulations, several other statutes impose specific environmental obligations on mining activities. Key environmental and related laws include:

1. **Hazardous Substances Ordinance 14 of 1974** — governs the safe handling, storage, and disposal of dangerous and toxic substances.
2. **Atmospheric Pollution Prevention Ordinance 11 of 1976** — regulates air emissions and dust from industrial sites, requiring measures to prevent air pollution.
3. **Water Act 54 of 1956** and **Water Resources Management Act 11 of 2013** — protect water resources from pollution and overuse. Companies must prevent contamination of surface water and groundwater; permits are required for water abstraction and wastewater discharge. Under the 2013 Act, causing pollution of a water source can lead to substantial penalties.
4. **Forest Act 12 of 2001** — controls the removal of protected trees or vegetation. Clearing land for mining requires permits if protected plant species or significant tracts of forest are affected.
5. **National Heritage Act 27 of 2004** — safeguards heritage and archeological sites. Before disturbing any area, miners must ensure no protected national heritage sites are harmed; any chance finds must be reported to authorities and operations adjusted to protect them.

Collectively, these laws enforce the "polluter pays" principle — meaning that mining companies are liable for the full cost of preventing and remedying environmental damage. Even ancillary aspects of mining are regulated: for example, establishing a tailings storage facility or waste rock dump requires prior approval as an "accessory work" under the Minerals Act and must meet environmental standards.

Rehabilitation and closure

Namibian regulators place increasing emphasis on mine rehabilitation during and after operations. While the current Minerals Act allows the government to impose mine-site rehabilitation and closure obligations as part of license conditions, there is movement toward a more codified regime. A national Mine Closure Framework is being developed to standardize requirements for final mine closure, including provisions for rehabilitation plans and financial security to cover closure costs. Our Company must make financial provisions for these rehabilitation activities. Failure to comply with rehabilitation duties or other environmental conditions can result in enforcement actions. Regulators have powers to issue compliance orders or stop-work orders, impose administrative fines, or even revoke an ECC or mining license in extreme cases of non-compliance.

Foreign investment and exchange control

Namibia has a generally open regime for foreign investment in mining, subject to certain safeguards. The Foreign Investment Act 1990 ("**FIA**") guarantees that foreign investors can operate businesses in Namibia under the same conditions as local investors. Foreign-owned companies may hold 100% of a Namibian mining project's equity, and there is no statutory requirement to include local co-owners. The FIA also provides assurances against expropriation and nationalization: the government will not arbitrarily nationalize assets, and any expropriation must be for a public purpose and accompanied by just compensation (as further enshrined in Article 16 of the Namibian Constitution). Foreign investors have the right to repatriate profits, dividends, and capital out of Namibia, subject only to compliance with applicable laws.

Namibia is party to several Bilateral Investment Treaties ("**BIT's**") — including with major economies like Germany, the United Kingdom, France, the Netherlands, and others — which provide additional protections to foreign investors from those countries. These treaties typically guarantee fair and equitable treatment,

protection from expropriation without compensation, and access to international arbitration for investment disputes. Such treaties enhance investor confidence, although Namibia's domestic laws already provide strong protection for property rights.

The government has been working on updating its investment legislation. A draft Namibia Investment Promotion and Facilitation Act (often referred to as the NIPA) is intended to replace the 1990 FIA. Although a version was passed by Parliament in 2016, it was never brought into force due to concerns raised by the private sector, and further amendments are ongoing. It is anticipated that the revised investment law will create a more streamlined investment approval process and may introduce screening for certain large or sensitive investments. Nonetheless, it is expected to uphold the fundamental investor protections that exist under the current FIA.

Local empowerment initiatives

Beyond direct foreign investment laws, Namibia's policy environment is moving toward greater local economic empowerment. The New Equitable Economic Empowerment Framework ("**NEEEF**") Bill is a pending piece of legislation aimed at broad-based empowerment of historically disadvantaged Namibians. Earlier drafts of NEEEF included a controversial requirement for 25% Namibian ownership in all medium-to-large companies, which met resistance from industry. Recent indications are that the draft NEEEF law has shifted to a scorecard approach, evaluating companies on various pillars such as ownership by disadvantaged persons, management diversity, skills development, procurement from local SMEs, and community investment. If NEEEF is enacted, companies above certain thresholds may be required to meet targets or obtain certification based on these criteria.

Exchange control regulations

Namibia is part of the Common Monetary Area ("**CMA**") together with South Africa, Lesotho, and Eswatini. Within the CMA, funds flow relatively freely. For transactions that transfer assets into or out of Namibia outside the CMA, exchange control approval is required. Exchange controls are governed by the Currency and Exchanges Act 1933 and related regulations, administered by the Bank of Namibia.

Practically, this means any capital invested into Namibia from outside the CMA, or any dividends, capital, or loan repayments leaving Namibia to non-CMA countries, must be approved and recorded under exchange control rules. Key requirements include:

1. **Equity investment:** When a Namibian company issues shares to a foreign investor, the share certificates must be endorsed "Non-Resident" by an authorized dealer. The investor must channel the investment funds through the banking system, and evidence of the inward remittance is provided to the Bank of Namibia. Proper endorsement is critical because if a share is not designated as a non-resident holding, any dividends on that share cannot later be freely remitted abroad.

2. **Foreign shareholder loans:** Foreign loans to a Namibian company require prior approval by the Bank of Namibia. A formal loan agreement must be submitted in advance, and the loan is registered by the Bank. The approval will specify terms such as the interest rate and repayment schedule. The bank must be notified of each drawdown under the loan. Importantly, thin capitalisation is also regulated through exchange control: if a Namibian company is wholly foreign-owned, the authorities generally limit the permissible ratio of debt to equity. In practice, shareholder or related-party loans should not exceed 3:1 (75% debt to equity) without special permission. Loans exceeding that gearing may not be approved, except in exceptional cases.

3. **Repatriation of funds:** As a rule, interest on foreign loans can be remitted out of Namibia as it is paid. However, repayment of the loan principal typically may not commence until at least 6 months after the capital was introduced — this prevents very short-term repatriation of capital that might circumvent capital controls. Dividends declared to foreign shareholders can be repatriated, provided the share capital was originally registered as non-resident.

Consequences of non-compliance

If a company fails to adhere to exchange control procedures — for instance, if it brought in capital without approval or without proper share endorsement — the result is that it may be unable to remit dividends or interest on that investment out of Namibia. In essence, capital introduced illegally becomes "blocked" funds.

Labor and employment

Employment in the mining sector is governed by Namibia's Labor Act 2007, which sets out comprehensive rules for employer-employee relations. The law covers conditions of employment, prohibits unfair labor practices, and provides protections against unjustified dismissal. It also enshrines workers' rights to collective bargaining and to join trade unions. In the mining industry, labor unions are active, and a significant portion of mine workers are unionized. Industry-wide or company-level wage agreements are common. This includes maintaining written employment contracts that meet legal standards, observing minimum conditions, and following proper procedures for any disciplinary action or termination of employment.

In addition, Namibian law encourages workplace equity and the advancement of disadvantaged groups. Under the Affirmative Action (Employment) Act 1998, any employer with 25 or more employees is classified as a "relevant employer" and must register with the Employment Equity Commission. Such employers are required to develop and implement Affirmative Action plans aimed at achieving equitable representation of formerly disadvantaged Namibians in the workforce. Our Group falls into this category and accordingly prepares affirmative action reports and plans on a regular basis, setting targets for recruitment, promotion, and training of Namibian citizens from under-represented groups. Compliance with affirmative action requirements is overseen by the Commission.

Employment of foreign nationals

The Immigration Control Act 1993 regulates the employment of expatriates. Any non-Namibian national employed in Namibia must obtain a work permit. Permits are granted by the Ministry of Home Affairs, usually for a term of up to 2 years at a time and are subject to the condition that no suitably qualified Namibian is readily available for the position. Employing a foreign national without a valid permit is an offense that can lead to fines or other penalties.

Occupational health and safety

Safety in mining operations is paramount and is regulated by both historical mining laws and general labor safety legislation. The Mines, Works and Minerals Ordinance 20 of 1968 and the Health and Safety provisions of the Labor Act 2007 form the core legal framework for occupational health and safety in mines. These laws require employers to take all reasonably practicable measures to provide a work environment that is safe and without risk to employees' health. Any workplace accidents or dangerous incidents must be reported to the and thoroughly investigated.

Non-compliance with health and safety requirements can lead to serious consequences. The company as well as individual managers or supervisors can face prosecution if found negligent or in breach of safety regulations. Penalties range from fines to imprisonment in cases of gross negligence. Moreover, an unsafe operation risks being suspended by the inspectorate until conditions are rectified. In recent years, Namibia has been updating its mine safety regulations — draft Mine Health and Safety Regulations have been formulated as part of the broader mining law modernisation. These new regulations, once enacted, will likely impose more stringent and up-to-date standards in line with international best practices.

Recent and pending development in mining regulations

Namibia's regulatory landscape for mining continues to evolve. In the past year and upcoming period, several notable legislative and policy changes have emerged that could affect our Group's operations:

1. **Export ban on unprocessed minerals (2023):** In June 2023 the Minister of Mines and Energy announced a ban on the export of certain unprocessed *"critical minerals"* — including lithium, cobalt, graphite, and rare earth elements. Companies producing these specified minerals must now perform at least some processing or beneficiation in Namibia before export, rather than shipping out raw ore. **Gold** is *not* classified as a critical mineral under this directive.

2. **Modernisation of licensing system:** The MIME has overhauled the mineral licensing process to improve transparency and efficiency. An online mineral rights cadastre portal was introduced for the submission and tracking of applications for exploration permits, mining licenses, and other mineral rights. This electronic system has reduced administrative delays and increased clarity in the license queue. Concurrently, the ministry has adopted a stricter enforcement stance regarding exploration permits — a "use it or lose it" policy is being rigorously applied. License holders that do not actively carry out the exploration work committed to, or who attempt to hold licenses purely for speculative purposes, face a higher risk of non-renewal or cancelation. This push ensures that exploration areas are either actively advanced or relinquished to allow others to explore.

3. **New Minerals Bill (Mining Act Reform):** The government is in the advanced stages of drafting a comprehensive new Minerals Bill to replace the Minerals Act 1992. This Bill (sometimes referred to as the draft Minerals Act) aims to modernize Namibia's mining legislation in line with current best practices and policy priorities. Expected provisions include formal requirements for local content and further encouragement of in-country mineral processing. The new law is also likely to mandate more robust mine closure plans — including requirements that companies set aside financial guarantees for rehabilitation — and to integrate enhanced environmental protection and mine safety standards as statutory obligations rather than discretionary license conditions. If and when the new Minerals Bill is enacted, existing operators will be given a transition period to comply with any new requirements.

4. **NEEEF Economic Empowerment Bill:** Alongside sector-specific law reforms, Namibia is advancing broad socio-economic legislation under the New Equitable Economic Empowerment Framework (NEEEF). The NEEEF Bill, once enacted, will introduce obligations for medium and large companies to contribute to the empowerment of disadvantaged Namibians. As mentioned, earlier drafts proposed a mandatory 25% local equity stake, but due to concerns over investment impact, the current approach is expected to be a balanced scorecard evaluating multiple facets of empowerment. The exact compliance requirements will be defined when the law is finalized, potentially with sector-specific charters or regulations for mining.

5. **Tax reforms:** Recent national budgets have outlined changes to the tax regime that affect mining companies indirectly. As noted above, the general corporate tax rate for non-mining companies will reduce to 30% by 2025 (mining companies remain at 37.5% for now). More significantly, the government is implementing anti-avoidance measures such as the new 30% of EBITDA cap on interest deductions and the limitation on tax loss carry forwards to 10 years for mining entities. These measures have been legislated and are being phased in to combat base erosion and profit shifting. Additionally, effective from 2026, a 10% dividend withholding tax on resident shareholders will be introduced, complementing the existing 10% on non-resident dividends. Mining-specific taxes, like the 3% gold royalty and 37.5% corporate tax, have not changed in the last year; however, the Ministry of Finance has indicated a potential review of the mineral royalty regime is on the horizon. This could examine whether current royalty rates are adequate and consider introducing tiered royalties or a uniform increase. At present, the gold royalty remains at 3%, which is in line with international norms, and no changes have been confirmed.

In summary, the regulatory environment in Namibia is dynamic, with a clear direction toward greater local participation, improved governance, and sustainable mining practices. The government's recent actions — from tightening tax loopholes to encouraging beneficiation and empowerment — underscore its commitment to ensure that mining contributes equitably to Namibia's development.

LAWS AND REGULATIONS IN RELATION TO OUR OPERATIONS IN SINGAPORE

Dealing in Precious Stones and Precious Metals

Precious stones and precious metals

The Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Act 2019 (2020 Revised Edition) of Singapore (the "**PSPMA**") came into operation on December 31, 2021 to regulate persons who carry on a business of regulated dealing or as intermediaries for regulated dealing in the precious stones and precious metals sector for the purposes of preventing money laundering, terrorism financing and the financing of proliferation of weapons of mass destruction ("**ML/TF/PF**").

*(i) Registration with the registrar of regulated dealers (the "**Registrar**")*

Pursuant to section 6(1) of the PSPMA, no person may act as, or hold out to be, a regulated dealer unless registered with the Registrar as a registered dealer. In this regard, "regulated dealer" is defined under section 2 of the PSPMA as "*any person who carries on (a) a business of regulated dealing or (b) business as an intermediary for regulated dealing, but excludes a pawnbroker and any other person as may be prescribed*". In this regard, "regulated dealing" covers, among others, the manufacture, import, sale, or purchase for the purposes of resale of any precious stone, precious metal or precious product, as well as sale or redemption of asset-backed tokens. "Precious metal" is specified in Part 1 of the Schedule of the PSPMA, which includes gold, silver, platinum, iridium, osmium, palladium, rhodium, ruthenium and an

alloy with at least 2% in weight of any substance aforementioned, whereas "precious stone" is specified in Part 2 of the Schedule of the PSPMA, which includes diamond, sapphire, ruby, emerald, jade (including nephrite and jadeite) and pearl.

Breach of section 6(1) of the PSPMA is an offense and pursuant to section 6(2) of the PSPMA, such person shall be liable on conviction to a fine not exceeding SGD75,000 and/or to imprisonment for a term not exceeding three (3) years.

*(ii) Customer due diligence ("**CDD**")*

Section 16(1) of the PSPMA requires a regulated dealer to perform the prescribed CDD measures in circumstances prescribed under the PSPMA, including, among others, (a) prior to entering into a designated transaction; (b) where the regulated dealer has reason to suspect ML/TF/PF; or (c) where the regulated dealer has reason to doubt the veracity or adequacy of information obtained from earlier CDD measures. In this regard, "designated transaction" includes but not limited to any of the following transactions conducted wholly or partly in Singapore: (a) a sale of any precious stone, precious metal, precious product or asset-backed token by a regulated dealer to a customer, for which cash or a cash equivalent exceeding SGD20,000 (or its equivalent in value, or an amount prescribed in substitution) is received as payment; (b) 2 or more sales of any precious stone, precious metal, precious product or asset-backed token in a single day by a regulated dealer to the same customer, or to customers whom the regulated dealer knows act on behalf of the same person, for which cash or a cash equivalent in total exceeding SGD20,000 (or its equivalent in value, or an amount prescribed in substitution) is received as payment; (c) a purchase of any precious stone, precious metal or precious product from a customer (who is not a regulated dealer) by a regulated dealer (who is a second hand goods dealer), for which cash or a cash equivalent exceeding SGD20,000 (or its equivalent in value, or an amount prescribed in substitution) is received as payment. The CDD measures are set out in the Precious Stones and Precious Metals (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Regulations 2019 ("**PSPMR**"), including, among others, identifying and verifying the identity of the customer by obtaining relevant information (such as the name of the customer, the legal form of the customer, proof of the customer's existence, place under which the customer is incorporated, registered or otherwise constituted, unique entity number or foreign incorporation or registration number) from reliable and independent sources; identifying each beneficial owner of the customer and taking reasonable measures to verify the identity of each beneficial owner; understanding the nature of the customer's business; and understanding the ownership and control structure of the customer.

Pursuant to regulation 11(1) of the PSPMR, a regulated dealer shall conduct periodic reviews of the the information and documents obtained as a result of the CDD measures under the PSPMR to ascertain whether the transactions carried out by the customers of the regulated dealer are consistent with the regulated dealer's knowledge of the customer, the nature of the customer's business, the customer's income and risk profile and the customer's source(s) of funds.

*(iii) Cash transaction report ("**CTR**")*

A regulated dealer who enters into any designated transaction must submit a CTR to a Suspicious Transaction Reporting Officer appointed under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 ("**STRO**") pursuant to section 17(1) of the PSPMA. Pursuant to regulation 12(1) of the PSPMR, the prescribed form for a CTR is Form NP 784 as set out at the website at http://www.police.gov.sg. In this regard, the regulated dealer must keep a copy of each CTR for five (5) years after the date of submission of the CTR. Pursuant to section 17(3) of the PSPMA, a regulated dealer must, at the time of submitting a CTR to the STRO, or immediately thereafter, submit a copy of the CTR to the Registrar of Regulated Dealers. A regulated dealer who fails to comply with section 17 of the PSPMA shall be guilty of an offense and be liable on conviction to a fine not exceeding SGD20,000 and/or to imprisonment for a term not exceeding two (2) years.

(iv) Record-keeping

Moreover, according to section 18(1) of the PSPMA read with regulation 13(1) of the PSPMR, a regulated dealer must keep the relevant documents and information for five (5) years after the respective applicable dates, including but not limited to (a) a record of every designated transaction (whether or not completed) and every other transaction for which the CDD measures under section 16 of the PSPMA must be performed; (b) a record of all information relating to a customer which is obtained through the CDD measures performed under section 16 along with a copy of each supporting document; and (c) any other document and information that may be prescribed, including, amongst others, where enhanced CDD

measures are carried out under regulation 7 of the PSPMR, the name and designation of the person holding a senior managerial or executive position in the regulated dealer who approved the transaction with the customer. Non-compliance would constitute an offense punishable by a fine not exceeding SGD100,000.

(v) Internal ML/TF/PF Controls

Pursuant to section 19(1) of the PSPMA, a regulated dealer must, in relation to the regulated dealer's business of regulated dealing or business as an intermediary for regulated dealing, implement adequate programs and measures to prevent ML/TF/PF. Pursuant to section 19(3) of the PSPMA, a regulated dealer who contravenes section 19(1) of the PSPMA shall be guilty of an offense and shall be liable to a conviction to a fine not exceeding SGD100,000. Furthermore, the PSPMR also mandates regulated dealers to develop and implement internal policies, procedures and controls (including but not limited to appointment of a compliance officer, and application of adequate screening procedures when hiring employees) to manage and mitigate the identified ML/TF/PF risks. In addition, pursuant to regulation 14A of the PSPMR, a regulated dealer with branches or subsidiaries (whether located or incorporated in Singapore or in a foreign country or territory) must implement a group-wide ML/TF/PF policy.

Laws & regulations in relation to taxes

Corporate income tax

Companies (whether resident or non-resident) that carry on a business in Singapore are taxed on their taxable income that is (i) accrued in or derived from Singapore and (ii) received in Singapore from outside Singapore. Under section 43(1) of the Income Tax Act 1947 of Singapore ("**ITA**"), every company will be taxed at the rate of 17% of chargeable income for each year of assessment ("**YA**").

(i) Tax incentives

Pursuant to sections 43(6), 43(6A) and 43(6B) of the ITA, for YA 2008 to 2019 (both years inclusive), a company is subject to the tax rate of 17% under section 43(1) of the ITA, except that for every dollar of the first SGD10,000 of chargeable income, only 25% is chargeable with tax, and for every dollar of the next SGD290,000 of chargeable income, only 50% is chargeable with tax; and for YA 2020 and subsequent YAs, a company is subject to the tax rate of 17% under section 43(1) of the ITA, except that for every dollar of the first SGD10,000 of the chargeable income, only 25% is chargeable with tax, and for every dollar of the next SGD190,000 of the chargeable income, only 50% is chargeable with tax ("**Partial Tax Exemption Scheme**").

Notwithstanding the Partial Tax Exemption Scheme, pursuant to sections 43(6C) and 43(6D) of the ITA, where, in any of the first three (3) YAs falling in or after YA 2008 of a company, the company is a qualified company (as defined under section 43(10) of the ITA), then for that YA ("**Qualifying YA**"), the company is subject to the tax rate of 17% under section 43(1) of the ITA, except that, where the Qualifying YA falls within YA 2008 to YA 2019 (both years inclusive), every dollar of the first SGD100,000 of chargeable income is exempted from tax, and for every dollar of the next SGD200,000 of chargeable income, only 50% is chargeable; and where the Qualifying YA falls in or after YA 2020, for every dollar of the first SGD100,000 of chargeable income, only 25% is chargeable with tax, and for every dollar of the next SGD 100,000 of chargeable income, only 50% is chargeable with tax.

(ii) Tax exemption

Generally, income derived from outside Singapore would be taxable in Singapore when remitted to and received in Singapore. Such foreign income may thus be taxed twice — once in the foreign jurisdiction and a second time in Singapore. However, certain tax reliefs are available to Singapore tax residents to alleviate the double taxation suffered. Specifically, in relation to foreign-sourced dividends, foreign branch profits and foreign-sourced income, section 13(8) of the ITA provides that, amongst others, (i) any dividend derived from any territory outside Singapore; or (ii) any profit derived from any trade or business carried on by a branch in any territory outside Singapore of a company resident in Singapore, that is received in Singapore on or after June 1, 2003 by any person, not being an individual or resident in Singapore, is exempt from tax, provided that, amongst others: (a) the income is subject to tax of a similar character to income tax (by whatever name called), or qualified domestic minimum top-up tax (but disregarding any excluded top-up tax), under the law of the territory from which the income is received; (b) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) (but disregarding any

excluded top-up tax or qualified domestic minimum top-up tax), levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and (c) the Comptroller of Income Tax appointed under the ITA is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

(iii) Withholding tax

A person who makes payments of a specified nature to a non-resident company or individual must withhold a percentage of the payment and pay the amount withheld to the Inland Revenue Authority of Singapore ("**IRAS**") as withholding tax. Pursuant to sections 45 and 45A of the ITA (read with sections 12(6) and 12(7) of the ITA), such payments of a specified nature include but not limited to (i) interests, commissions or fees in connection with any loan or indebtedness which is (a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore or (b) deductible against any income accruing in or derived from Singapore; (ii) royalties or other payments for the use of or the right to use any movable property; or (iii) rents or other payments under any agreement or arrangement for the use of any movable property. The rate of withholding tax is dependent on the nature of the payment.

Goods and services tax

Goods and services tax ("**GST**") is a broad-based consumption tax levied on the import of goods (collected by the Singapore Customs), as well as nearly all supplies of goods and services in Singapore. Under section 8 of the Goods and Services Tax Act 1993 of Singapore ("**GST Act**"), a person who is or is required to be registered under the GST Act is required, pursuant to section 16 of the GST Act, to charge GST at the rate of: (i) 7% for the period from July 1, 2007 to December 31, 2022 (both dates inclusive); (ii) 8% for the period from January 1, 2023 to December 31, 2023 (both dates inclusive); and (iii) 9% from and including January 1, 2024, on any taxable supply made by it in Singapore in the course or furtherance of any business carried on by it.

Dividend distribution

Singapore has adopted a one-tier corporate tax system pursuant to which tax paid by a Singapore tax resident company on its corporate profits is a final tax. Dividends payable by such Singapore tax resident company to its shareholders are exempt from Singapore income tax in the hands of the shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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. The history of our Group operating our current business dates back to March 2013 upon completion of the major asset restructuring of our Company when Yulong Mining became our first subsidiary carrying out mining and processing activities in Inner Mongolia Autonomous Region, China.

Over the years, we have grown into one of China's leading gold producers, also with operation in other non-ferrous metals mining and metal trading, and developed our global presence through acquisition of Osino Mining in Namibia. As at the Latest Practicable Date, we owned and operated six mining companies across China and Namibia.

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our business development milestones:

Year	Event
2000	Our Company completed the issuance of A Shares and was listed on the Shenzhen Stock Exchange (stock code: 000975.SZ)
2013	Our Company acquired Yulong Mining, with our main business changed to mining and sales of other non-ferrous metals such as silver, lead, and zinc
2018	Our Company acquired Shanghai Shengwei and our main business is changed to the mining and processing of precious and other non-ferrous metals and metal trading. Through the acquisition of Shanghai Shengwei, Heihe Luoke Mining, Jilin Banmiaozi Mining, and Qinghai Dachaidan Mining were consolidated into our Group. This represents our further expansion into diversified resources production
2021	Our Company acquired Mangshi Huasheng Mining, and our gold resource reserves have further increased
2023	Shandong Gold Mining acquired 20.93% of our Company's total share capital at the time and became our Controlling Shareholder
2024	Our Company acquired Osino Mining, and it marked our first step in overseas strategic acquisition

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

Name	Place of establishment	Date of establishment	Shareholding	Principal business activities
Yulong Mining	PRC	December 29, 2002	76.67%	Silver, lead, and zinc mining, and sales of mineral products
Qinghai Dachaidan Mining	PRC	July 11, 2000	90%	Gold exploration, mining, smelting, and sales of mineral products
Heihe Luoke Mining	PRC	October 9, 2007	100%	Gold exploration, mining, smelting, and sales of mineral products
Jilin Banmiaozi Mining	PRC	November 14, 2003	95%	Gold exploration, mining, smelting, and sales of mineral products
Mangshi Huasheng Mining	PRC	July 17, 2009	60%	Gold exploration, mining, smelting, and sales of mineral products
Osino Mining	Canada	November 22, 2005	100%	Investment holding
YTSH	PRC	August 31, 2016	96.60%	Trading of mineral products
YTYH	PRC	July 9, 2018	100%	Trading of mineral products
YTSH Singapore	Singapore	January 3, 2018	96.60%	Trading of mineral products

MAJOR CHANGES IN SHAREHOLDING AND SHARE CAPITAL OF OUR COMPANY

1. Promoting for establishment

On June 18, 1999, our Company was established as a joint stock limited company under the name of Chongqing Wujiang Electric Power Co., Ltd* (重慶烏江電力股份有限公司) and was principally engaged in hydroelectric power generation, with an initial registered capital of RMB105 million by the following promoters:

Names of the Initial Shareholders	Capital contribution	Percentage of shareholding
	RMB	
Chongqing Wujiang Power Group Company* (重慶烏江電力集團公司)	147,019,700	93.73%
Chongqing Qianjiang County Xiaonanhai (Group) Ltd.* (重慶市黔江縣小南海(集團)公司)	8,335,800	5.313%
Chongqing Qianjiang Development Zone Hydropower Materials Supply and Marketing Ltd.* (重慶市黔江開發區水電物資供銷公司)	500,000	0.319%
Chongqing Wujiang Manganese Industry (Group) Ltd.* (重慶烏江錳業(集團)有限責任公司)	500,000	0.319%
Chongqing Qianjiang Development Zone Hydropower Engineering Construction and Installation Ltd.* (重慶市黔江開發區水電工程建築安裝公司)	500,000	0.319%
Total	**156,855,500**	**100%**

Note: To the best knowledge of our Directors having made all reasonable enquiries, the Initial Shareholders were all Independent Third Parties as of the Latest Practicable Date.

2. A Shares Offering and Listing on the Shenzhen Stock Exchange in June 2000

On June 8, 2000, we completed the issuance and listing of our A Shares on the Shenzhen Stock Exchange (stock code: 000975). At the time of A-Shares Listing, we were principally engaged in hydroelectric power generation. In the A-Shares listing, we issued an aggregate of 80,000,000 A Shares, accounting for 43.24% of our Company's then issued shares of 185,000,000 immediately following the A-Shares Listing. The shareholding structure of our Company immediately after the A Shares offering was as follows:

Names of the Shareholders	Number of A Shares held	Percentage of shareholding
Chongqing Wujiang Power Group Company* (重慶烏江電力集團公司)	98,415,900	53.20%
Chongqing Qianjiang County Xiaonanhai (Group) Ltd.* (重慶市黔江縣小南海(集團)公司)	5,580,000	3.02%
Chongqing Qianjiang Development Zone Hydropower Materials Supply and Marketing Ltd.* (重慶市黔江開發區水電物資供銷公司)	334,700	0.18%
Chongqing Wujiang Manganese Industry (Group) Ltd.* (重慶烏江錳業(集團)有限責任公司)	334,700	0.18%
Chongqing Qianjiang Development Zone Hydropower Engineering Construction and Installation Ltd.* (重慶市黔江開發區水電工程建築安裝公司)	334,700	0.18%
Public A Shareholders	80,000,000	43.24%
Total	**185,000,000**	**100%**

3. Changes of Controlling Shareholder in September 2002 and December 2007

On March 18, 2002, Chongqing Wujiang Power Group Company entered into a share transfer agreement with Guangzhou GET Investment Holdings Co., Ltd.* (廣州凱得控股有限公司) ("**Guangzhou GET**"), pursuant to which, Wujiang Electric agreed to transfer 53.20% of our Company's total share capital to Guangzhou GET. The name of our Company was changed to Southern Science City Development Co., Ltd.* (南方科學城發展股份有限公司). The aforementioned share transfer was completed on October 28, 2002. Our principal business was changed to investment and management of municipal public utilities.

On November 21, 2005 and August 3, 2006, Guangzhou GET entered into a share transfer agreement and a supplemental agreement with Intime International, pursuant to which, Guangzhou GET agreed to transfer 29.90% of our Company's total share capital to Intime International. The aforementioned share transfer was completed on December 19, 2007. Our principal business was changed to hotel, restaurant and lodging services.

4. Major Asset Restructuring in March 2013

As hotel asset returns remained low, investment payback periods were lengthy, and the hotel sector was expected to face increasingly fierce competition, while, in contrast, the silver, lead, and zinc mining and processing industries exhibited promising development prospects, our Company decided to transform into a resource-based enterprise to improve our profitability and sustainable development capabilities. On March 26, 2012, upon resolutions by the Board, our Company entered into, among others, a restructuring agreement with Intime International and the then equity interest holders of Yulong Mining, namely Mr. Hou Renfeng (侯仁峰先生) ("**Mr. Hou**"), Mr. Wang Shui (王水先生) ("**Mr. Wang**") and Mr. Li Honglei (李紅磊先生) ("**Mr. Li**"), pursuant to which our Company agreed to (i) dispose of 100% equity interest of Beijing Yintai Hotel Management Co., Ltd.* (北京銀泰酒店管理有限公司) to Intime International at a consideration of RMB483,220,000, (ii) acquire approximately 69.47% equity interests of Yulong Mining by issuing Shares to the then equity interest holders of Yulong Mining, including 197,987,769 Shares to Mr. Hou, 198,018,132 Shares to Mr. Wang and 16,638,143 Shares to Mr. Li at the issue price of RMB5.00 per Share representing 18.24%, 18.24%, and 1.53% of our Company's total shares at that time, respectively, which was determined on the basis of the average price of A Shares of our Company for 20 trading days preceding the announcement date of the Board resolution, and paying a cash consideration of RMB229,450,210 to Mr. Wang, and (iii) issue 50,000,000 Shares to Intime International at the issue price of RMB5.00 per Share to raise the funds for the payment of cash consideration (the "**Major Asset Restructuring**"). The transaction price was determined through mutual agreement among the parties, based on the appraised value established in the asset valuation report issued by an independent third-party appraisal institution. Except for Mr. Wang Shui, the current Director and the Non-executive Director of our Company upon [REDACTED], each of Mr. Hou, Mr. Li and Intime International is an Independent Third Party.

Following the resolutions at the general meeting of our Company on May 21, 2012 and February 28, 2013 and the approvals from the CSRC issued on December 26, 2012, the Major Asset Restructuring was completed on March 19, 2013. Immediately upon completion of the Major Asset Restructuring, the registered share capital of our Company increased to RMB1,085,569,741 divided into 1,085,569,741 A Shares. Our Company was renamed as "Yintai Resources Co., Ltd.* (銀泰資源股份有限公司)".

5. Material Asset Restructuring in June 2018

Our Company entered into, among others, an agreement to purchase assets by issuing shares dated October 18, 2016 and supplemental agreements dated March 20, 2017, March 31, 2017 and October 20, 2017, with Mr. Wang and seven other shareholders of Shanghai Shengwei, which are Independent Third Parties. Upon resolutions at the general meeting of our Company on April 10, 2017 and May 17, 2018, and the approval from the CSRC issued on December 21, 2017, our Company agreed to acquire 89.38% equity interests in Shanghai Shengwei from those shareholders at a consideration of RMB4,031,000,000, which was determined with reference to the appraised value by an third party independent valuer of 89.38% equity interests of Shanghai Shengwei as of December 31, 2016. The consideration was satisfied by way of issuance of an aggregate of 335,078,964 A Shares to those eight sellers of the equity interest of Shanghai Shengwei at the issue price of RMB12.03 per Shares, which was determined on the basis of the average price of A Shares of our Company for 20 trading days preceding the announcement date of the Board resolution. At the time of the acquisition, the core assets of Shanghai Shengwei were 95% equity interests of Heihe Luoke Mining, 95% equity interests of Jilin Banmiaozi Mining and 90% equity interests of Qinghai Dachaidan Mining.

The acquisition of Shanghai Shengwei and issuance of A Shares was completed on June 6, 2018, upon which the registered share capital of our Company increased to RMB1,416,695,034, representing 1,416,695,034 A Shares. In October 2019, our Company's name was changed to "Yintai Gold Co., Ltd.* (銀泰黃金股份有限公司)".

6. Change of Controlling Shareholder in July 2023

Since 2022, Intime International has pursued a strategic transformation to refocus on its core businesses of commercial retail and commercial real estate. In this context, Intime International intended to divest our Company, as the mining business offered limited synergies with its core operations. In addition, the proposed disposal would enhance liquidity to support Intime International's overall operations and debt repayment. In

December 2022, Intime International and its *de facto* controller, Mr. Shen Guojun (沈國軍先生) ("**Mr. Shen**"), entered into active discussions with Shandong Gold Mining with a view to conducting an equity cooperation in relation to their gold resources business segment.

The sale of our Company to Shandong Gold Mining was underpinned by Intime International's strategic considerations relating to the long-term development of the gold business. Intime International is a limited liability company established in the PRC and is principally engaged in asset custody, restructuring and operation; investment, development and operation in agriculture, forestry, animal husbandry and fishery; investment, development and operation of high-tech industries; development and sale of hygiene and labour protection products; and investment and operation of commercial department store retail. Shandong Gold Mining is a leading PRC-listed gold mining company, whose core business is complementary to that of our Company.

From the perspective of Shandong Gold Mining, the acquisition of our Company would enable Shandong Gold Mining to enhance its industry competitiveness and brand influence, further increase its resources and reserves, expand gold and non-ferrous metal production, and strengthen industrial and regional synergies. Although our Company constituted a high-quality asset within Intime International, the divestment was strategically justified. Notwithstanding our abundant mineral resources and strong profitability, our Company faced certain constraints on its development at the time. Shandong Gold Mining's industry-leading technical capabilities, extensive project experience and rigorous, standardized management systems are expected to generate synergies that would enhance our technical capabilities, facilitate further resource discovery and improve operational efficiency. Through integration with Shandong Gold Mining, the value of our mineral resources can be more effectively realized.

On December 9, 2022 and January 19, 2023, Intime International and Mr. Shen, entered into a share transfer agreement and a supplemental agreement with Shandong Gold Mining, pursuant to which Mr. Shen and Intime International agreed to transfer an aggregate of 581,181,068 Shares, representing approximately 20.93% of our Company's total issued share capital, to Shandong Gold Mining at a transfer price of approximately RMB21.96 per Share. The total consideration payable by Shandong Gold Mining amounted to RMB12,760,000,000, of which RMB8,805,410,230 was payable to Intime International and RMB3,954,589,770 was payable to Mr. Shen. Each of Mr. Shen and Intime International is an Independent Third Party. The share transfer was completed on July 20, 2023.

During the Track Record Period and prior to the completion of the share transfer, Intime International was the Controlling Shareholder of our Company. The Directors and senior management of our Company during such period comprised Mr. Yang Haifei (楊海飛先生) (chairman of the Board), Mr. Wang Shui (王水先生) (Director), Mr. Ou Xingong (歐新功先生) (Director and general manager), Mr. Liu Liming (劉黎明先生) (Director, deputy general manager and secretary of the Board of Directors), Mr. Yuan Meirong (袁美榮先生) (Director), Mr. Lu Sheng (魯勝先生) (Director), Mr. Cui Jin (崔勁先生) (independent Director), Mr. Wang Yaping (王亞平先生) (independent Director), Mr. Zhang Da (張達先生) (independent Director), Ms. Wang Xuan (王萱女士) (deputy general manager and chief financial officer), Mr. Guo Bin (郭斌先生) (deputy general manager), Mr. Zhang Tianhang (張天航先生) (deputy general manager).

Following the completion of the share transfer, Shandong Gold Mining became the Controlling Shareholder of our Company. Mr. Ou Xingong remained as the Director and general manager of the Company, Mr. Wang Shui remained as the Director of the Company and Mr. Zhang Da remained as the independent Director of the Company. Mr. Zhang Tianhang remained as the deputy general manager of the Company until January 30, 2026. Mr. Yang Haifei, Mr. Liu Liming, Mr. Lu Sheng and Ms. Wang Xuan resigned from all the positions in our Company, and Mr. Wang Yaping resigned as the independent Director.

On August 14, 2023, Mr. Liu Qin (劉欽先生), Mr. Wang Renjian (汪仁建先生), Mr. Zhang Xiao (張肖先生) and Ms. Zhang Yu (張于女士) were appointed as Directors, with Mr. Liu Qin being appointed as the Chairman of the Board. Mr. Wang Renjian was appointed as the Vice Chairman of the Board, and Mr. Zhang Xiao was appointed as the Secretary of the Board. Mr. You Jianxin (尤建新先生) was appointed as an independent Director of our Company, Ms. Zhang Ying (張鶯女士) was appointed as a supervisor, and Ms. Zhang Yu was appointed as the Chief Financial Officer of our Company.

As a result of subsequent increases in shareholding, as of the Latest Practicable Date, Shandong Gold Mining held approximately 28.89% of the total issued share capital of our Company.

Save as disclosed above, there were no other major changes in shareholding or share capital of our Company during the Track Record Period.

In July 2024, our Company was renamed as "Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司)".

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

In February 2024, we acquired 100% equity interest in Osino Mining for a cash consideration of CAD 368 million. The consideration was determined through arm's length negotiation between the parties based on the valuations of the total shareholders' equity of the target company by an independent professional appraiser. Following this acquisition, which was completed on August 29, 2024, Osino Mining became our wholly-owned subsidiary.

Osino Mining is a Canadian gold exploration and development company, and its core asset is the Twin Hills Gold Mine, which had total gold resources of 131.2t (4,218.8 koz) and ore reserves of 67.2t (2,160.5 koz) as of December 31, 2025. This acquisition increases our Company's mineral resource reserves, expands asset scale, and improves future profitability, which is in line with our Company's strategic objectives.

The applicable percentage ratios under Chapter 14 of the Listing Rules of the above acquisition were all below 25%, and accordingly it does not constitute a major acquisition under Rule 4.05A of the Listing Rules.

Save as disclosed above, no other major acquisition or disposal took place during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since 2000, our Company has been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

PUBLIC FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the [REDACTED] to be [REDACTED] pursuant to the [REDACTED] represents approximately [REDACTED] of the total [REDACTED] of our Company immediately upon [REDACTED] (before any exercise of the [REDACTED]). Immediately following the completion of the [REDACTED] (before any exercise of the [REDACTED]), the total number of the [REDACTED] expected to be held by the public represents approximately [REDACTED] of the total [REDACTED] of our Company (excluding [REDACTED]), which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Satisfaction of the Free Float Requirement

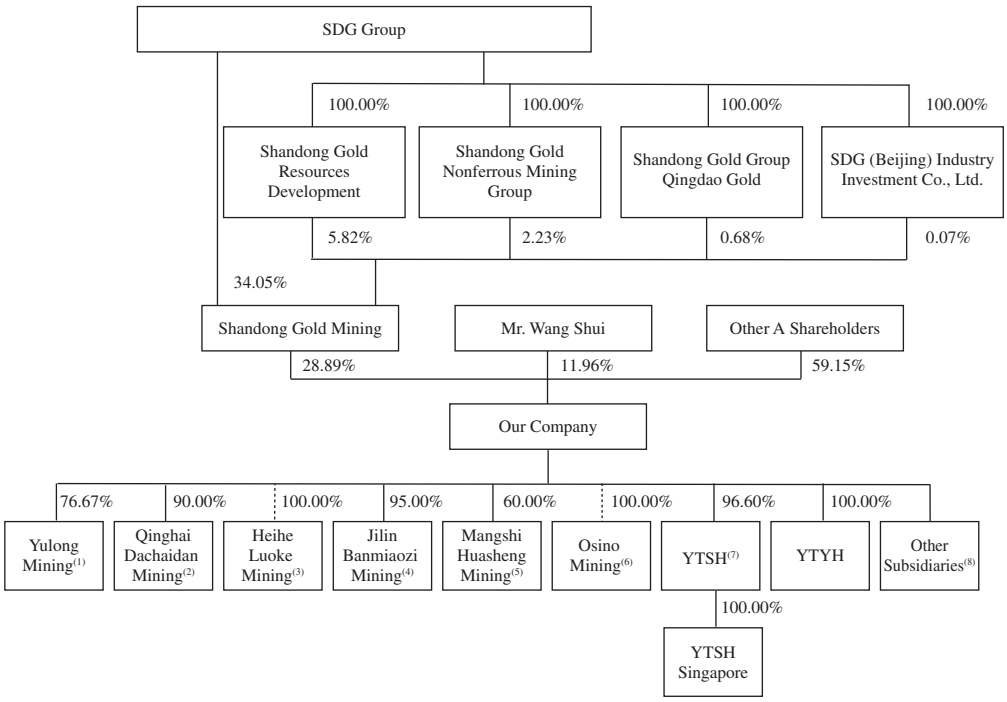
Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

[Each of the [REDACTED] has agreed to a [REDACTED] period of six months following the [REDACTED]. As such, [REDACTED] held by the [REDACTED] upon the [REDACTED] shall not be counted towards the free float of the H Shares of our Company at the time of [REDACTED]. Based on an [REDACTED] of HK$[REDACTED] per H Share, being the [REDACTED], our Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate structure immediately before the [REDACTED]

The following chart depicts a simplified shareholding and beneficial ownership structure of our Group up to Latest Practicable Date and immediately prior to the completion of the [REDACTED] (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]):



Notes:

(1) As of the Latest Practicable Date, Yulong Mining was 14.79% owned by Inner Mongolia Tenth Geological and Mineral Exploration and Development Co., Ltd. (內蒙古第十地質礦產勘查開發有限責任公司) which was ultimately held by Inner Mongolia Geology and Mineral Group Co., Ltd. (內蒙古地質礦產集團有限公司) and was 8.54% owned by Inner Mongolia Geology and Mineral Group Co., Ltd. which was ultimately held by State-owned Assets Supervision and Administration Commission of the People's Government of Inner Mongolia Autonomous Region (內蒙古自治區人民政府國有資產監督管理委員會), both are Independent Third Parties.

(2) As of the Latest Practicable Date, Qinghai Dachaidan Mining was 5% owned by Dachaidan Administrative Committee State Owned Assets Investment and Operation Co., Ltd. (大柴旦行政委員會國有資產投資運營有限公司) which was ultimately held by Bureau of Economic Development, Reform and Statistics of the Dachaidan Administrative Committee (大柴旦行政委員會經濟發展改革和統計局), and was 5% owned by The First Geological Exploration Institute of Qinghai Province (青海省第一地質勘查院) which was ultimately held by Qinghai Province Geological and Mineral Exploration and Development Bureau (青海省地質礦產勘查開發局), both are Independent Third Parties.

(3) As of the Latest Practicable Date, Heihe Luoke Mining is directly owned as to 5% and indirectly owned as to 95% by Shanghai Shengwei, a wholly-owned subsidiary of our Company.

(4) As of the Latest Practicable Date, Jilin Banmiaozi Mining was 5% owned by Jilin Liutong Mining Investment Co., Ltd (吉林省六通礦業投資有限公司), an Independent Third Party, which was ultimately held by State-owned Assets Supervision and Administration Commission of the People's Government of Jilin Province (吉林省人民政府國有資產監督管理委員會).

(5) As of the Latest Practicable Date, Mangshi Huasheng Mining was 40% owned by Mr. Zhang Hui (張輝), an Independent Third Party.

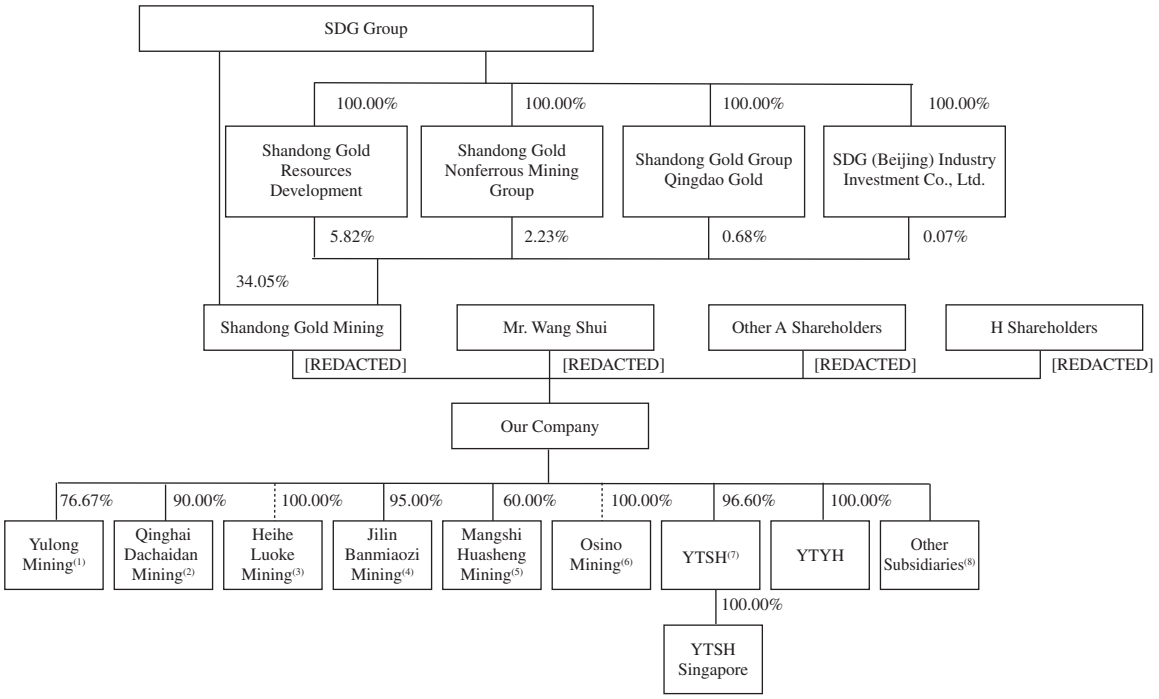
(6) As of the Latest Practicable Date, Osino Mining was 100% indirectly owned by Hainan Shengwei Trading Co., Ltd., a wholly-owned subsidiary of our Company.

(7) As of the Latest Practicable Date, YTSH was 3.40% owned by Henan Yuguang Gold and Lead Co., Ltd. (河南豫光金鉛股份有限公司), an Independent Third Party, which was ultimately held by Finance Bureau of Jiyuan Industry-City Integration Demonstration Zone (濟源產城融合示範區財政局).

(8) As of the Latest Practicable Date, we had 31 subsidiaries, including our Major Subsidiaries and other ones incorporated in various jurisdictions.

Shareholding and corporate structure immediately following the [REDACTED]

The following chart depicts a simplified shareholding and beneficial ownership structure of our Group immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]):

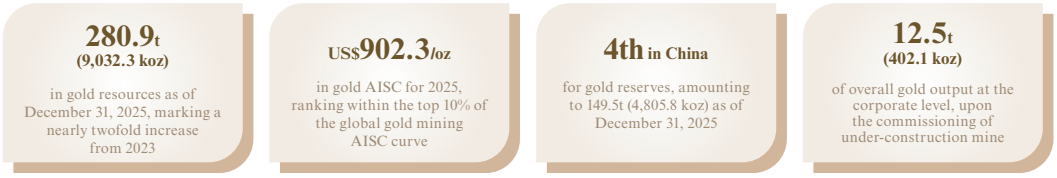


Notes (1) to (8): see "— Shareholding and Corporate Structure Immediately before the [REDACTED]."

BUSINESS

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 Banmiaozi 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;

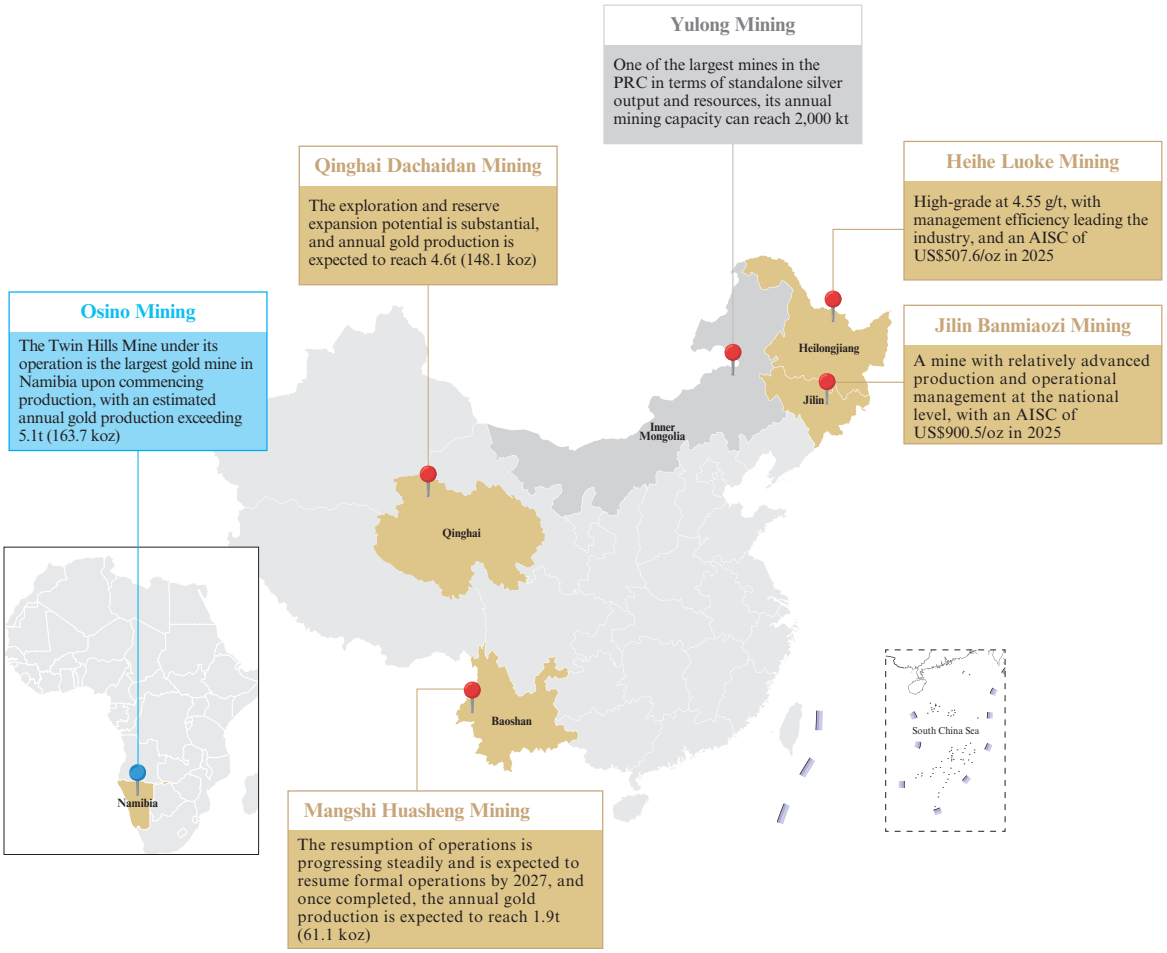
(iii) Heihe Luoke Mining operates one of China's high-grade gold mines, with grades at 4.55 g/t, and its gold AISC for 2025 is just US$507.6/oz;

(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.

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 km^2. 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 km^2. 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

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 km^2. 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

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 km^2. 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 km^2. 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.

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.

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 km^2, 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 km^2. 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.

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 km^2 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.

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.

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

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

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 Banmiaozi 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.

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:

1. One exploration permit owned by Jilin Shengxin is under the management of Jilin Banmiaozi Mining, and we hold 85% of equity in Jilin Shengxin.

2. "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 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:

Subsidiary	Percentage of ownership (%)	Category	Tonnage (mt)	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 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**

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:

1. One exploration permit owned by Jilin Shengxin is under the management of Jilin Banmiaozi Mining, and we hold 85% of equity in Jilin Shengxin.
2. "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 Luoke 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 Luoke 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:

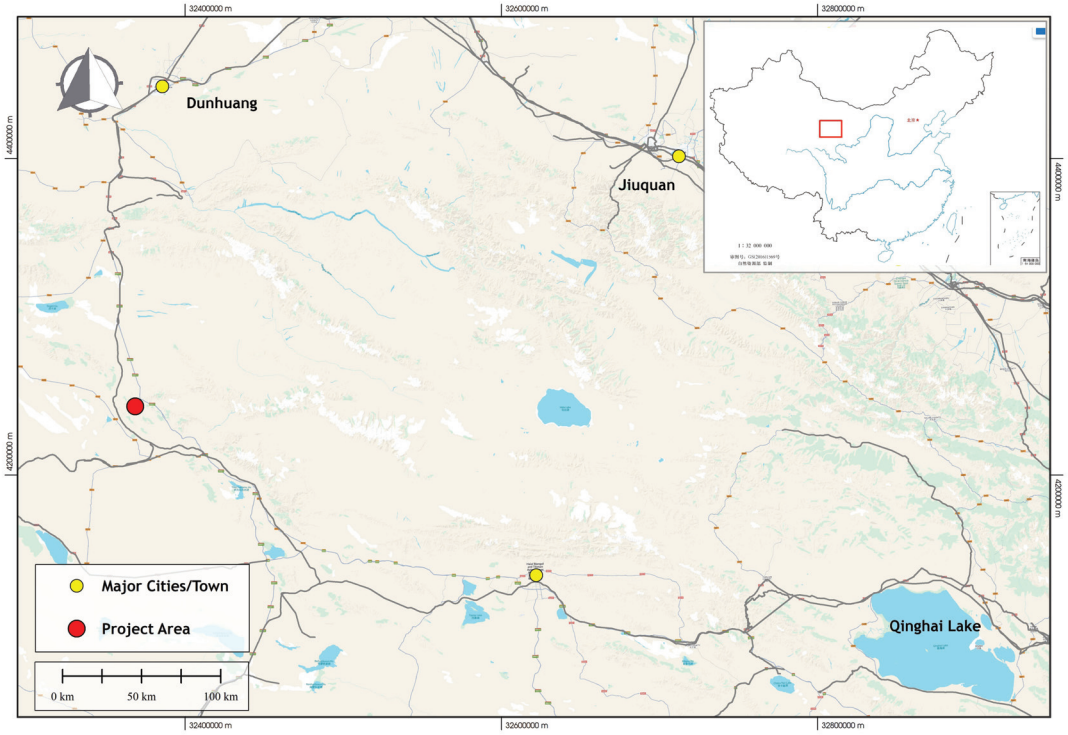
1. "Total consolidated" information is calculated based on 100% of the equity interest for each asset held by our Company. On the other hand, "total attributable" information is calculated based on the percentage of the equity interest for each asset held by our Company.

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

Latest Practicable Date, Qinghai Dachaidan Mining held two valid mining licenses with a combined mining rights area of 9.1 km^2 and five valid exploration permits with a combined mining rights area of 101.3 km^2. 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.

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.

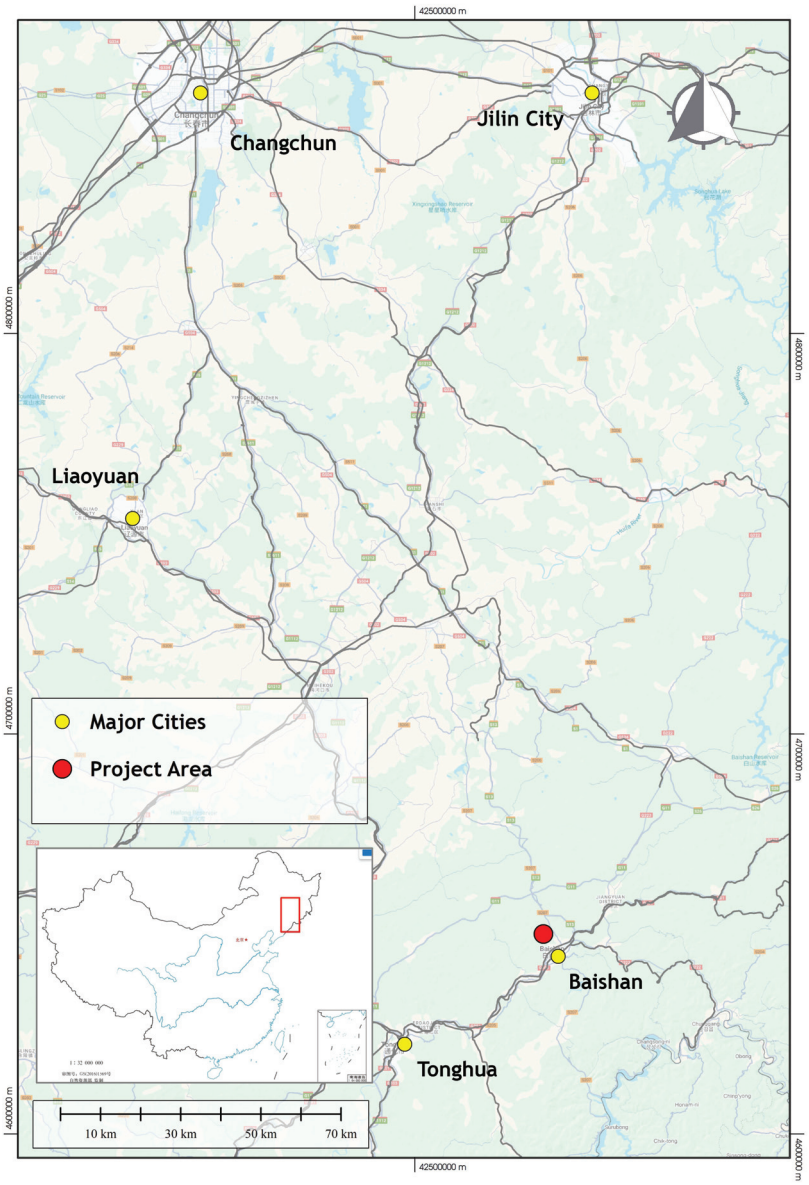
CPR Key Recommendations	Measures and time frame
Additional drilling to be carried out to enhance confidence in mineralization continuity, particularly in the peripheral and deeper extensions of both the Qinglonggou and Tanjianshan areas. The infill and step-out drilling should focus on validating the 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.

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 km^2 and two exploration permits with a combined mining rights area of 21.0 km^2. The principal product of Jilin Banmiaozi Mining is gold doré.

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.

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.

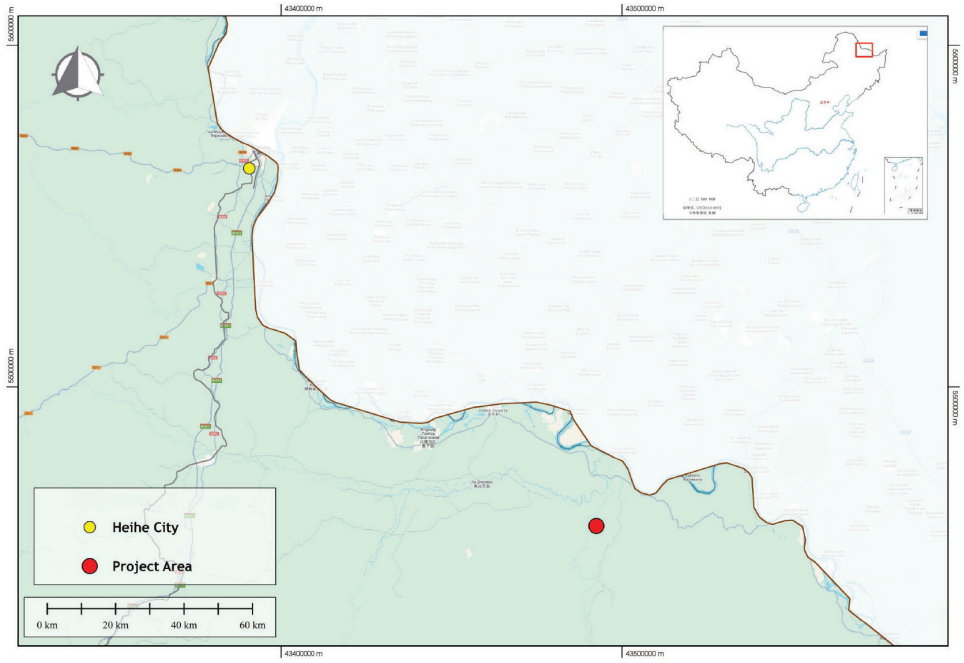
The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Jilin Banmiaozi Mining and the relevant measures that will be taken and the expected time frame.

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 km^2 and one exploration permit with a mining rights area of 18.7 km^2. The major products of Heihe Luoke Mining comprise silver-concentrate and gold doré.

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.

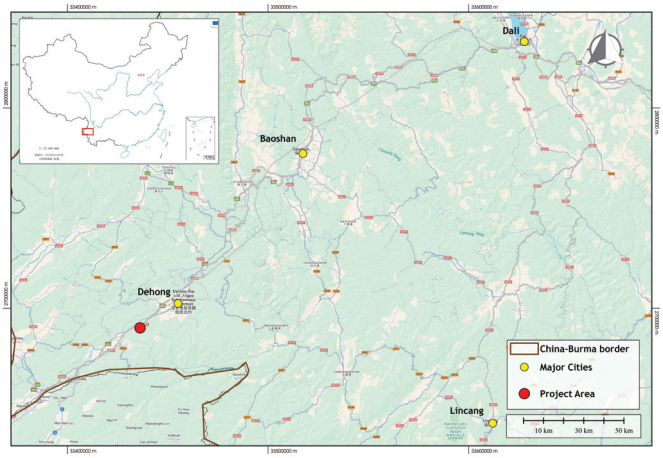
The following table sets forth a selected summary of the key recommendations made by the Independent Technical Consultant towards our Heihe Luoke Mining and the relevant measures that will be taken and the expected time frame.

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 km^2 and two valid exploration permits with a combined mining rights area of 56.0 km^2.

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



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

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 km^2. 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.

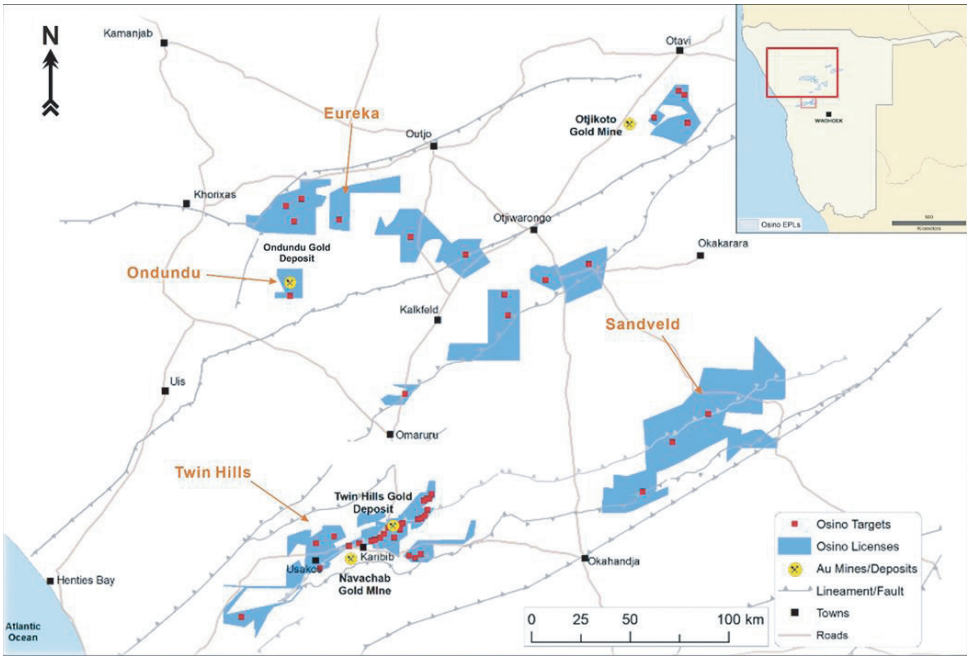
CPR Key Recommendations	Measures and time frame
Pit limits were determined using a directional open pit optimization guided by the site's spatial characteristics and economic scenarios. The final pit selected corresponded to the shell with a revenue factor of 1.0, balancing Net Present Value (NPV) with 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 km^2 and 16 exploration permits with a combined rights area of over 5,087.5 km^2. 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

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.

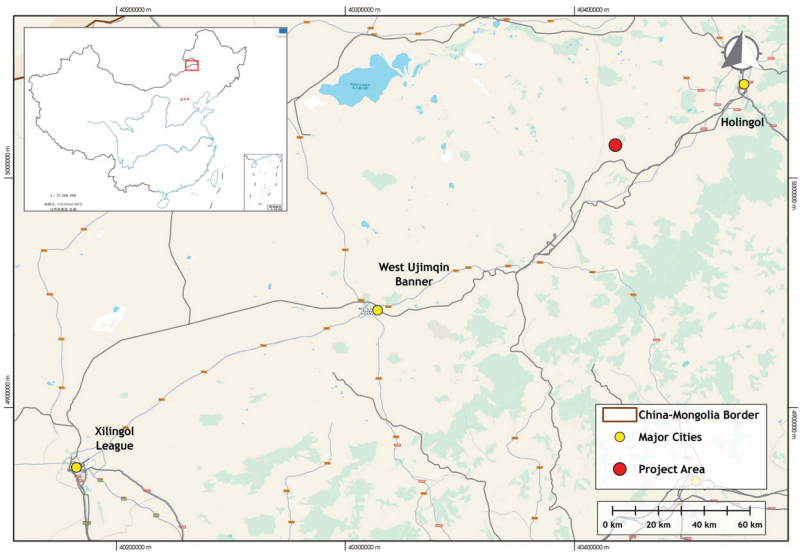
CPR Key Recommendations	Measures and time frame
Allocate additional financial and human resources to enhance overall operational management and improve skillsets for open-pit mining operations. Organize experienced technical personnel to establish a robust production system and strictly adhere to key 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 km^2 and six valid exploration permits with a combined mining rights area of 39.4 km^2. 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

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	Competed 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 braze 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.

CPR Key Recommendations	Measures and time frame
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.	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
Ore mined[1] *(kt)*			
— 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
Ore processed[1] *(kt)*			
— 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
Production volume *(t)*			
— 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
Production volume *(koz)*			
— 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
Processing capacity *(kt/a)*			
— 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
Utilization rate[2] *(%)*			
— 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

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.

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

	Year ended December 31,		
	2023	2024	2025
Qinghai Dachaidan Mining			
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$/oz)	685.9	792.8	1,189.0
Jilin Banmiaozi Mining			
Total AISC (RMB million)	381.5	440.2	457.5
Total AISC (US$ million)	54.1	61.9	64.0
Gold Production (oz)	58,024.3	74,714.8	71,071.5
AISC (US$/oz)	932.7	828.3	900.5
Heihe Luoke Mining			
Total AISC (RMB million)	201.0	180.7	263.8
Total AISC (US$ million)	28.5	25.4	36.9
Gold Production (oz)	69,321.2	71,035.7	72,691.7
AISC (US$/oz)	411.3	357.6	507.6
Our Group			
Total AISC (RMB million)	1,057.0	1,256.5	1,574.8
Total AISC (US$ 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
Ore mined *(kt)*			
Heihe Luoke Mining	461.7	465.2	531.0
Yulong Mining	1,275.6	1,284.7	1,462.4
Ore processed *(kt)*			
Heihe Luoke Mining	427.1	435.0	439.2
Yulong Mining	1,185.7	1,369.9	1,448.8
Production volume *(metal content)*			
Heihe Luoke 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
Processing capacity *(kt/a)*			
Heihe Luoke Mining	375.0	375.0	375.0
Yulong Mining	1,122.0	1,122.0	1,122.0
Utilization rate[(1)] *(%)*			
Heihe Luoke Mining	113.9	116.0	117.0
Yulong Mining	105.7	122.1	129.0

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.

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.

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 Dachaidan 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 Banmiaozi 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.

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 Banmiaozi Mining

Item	2026	2027	2028	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
Workforce Employment	29.35	29.46	28.90	28.29	16.02
Consumables	37.54	37.68	36.97	36.88	25.33
Fuel, electricity, water and other services	23.67	23.76	23.31	23.05	14.55
On and off-site administration	114.14	93.75	89.56	71.97	22.45
Environmental protection and monitoring	13.18	8.61	7.91	5.12	4.24
Transportation of workforce	0.00	0.00	0.00	0.00	0.00
Product marketing and transport	0.95	0.62	0.57	0.37	0.31
Non-income taxes, royalties and other governmental charges	9.32	6.57	6.84	10.52	2.22
Contingency allowances	25.47	25.56	25.08	24.44	13.17

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.

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

Item	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Workforce Employment	73.54	73.30	70.55	71.19	69.95	31.83	14.05	14.39	14.36	13.93	8.36
Consumables	66.66	72.52	71.48	71.22	65.31	31.65	15.67	15.71	15.66	15.55	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	9.13	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	33.74	20.45
Environmental protection and monitoring	19.89	18.12	16.97	17.38	18.39	7.82	2.97	3.14	3.14	2.94	1.74
Transportation of workforce	0.04	0.03	0.03	0.03	0.03	0.01	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	0.79	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	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	28.64	17.39

BUSINESS

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.

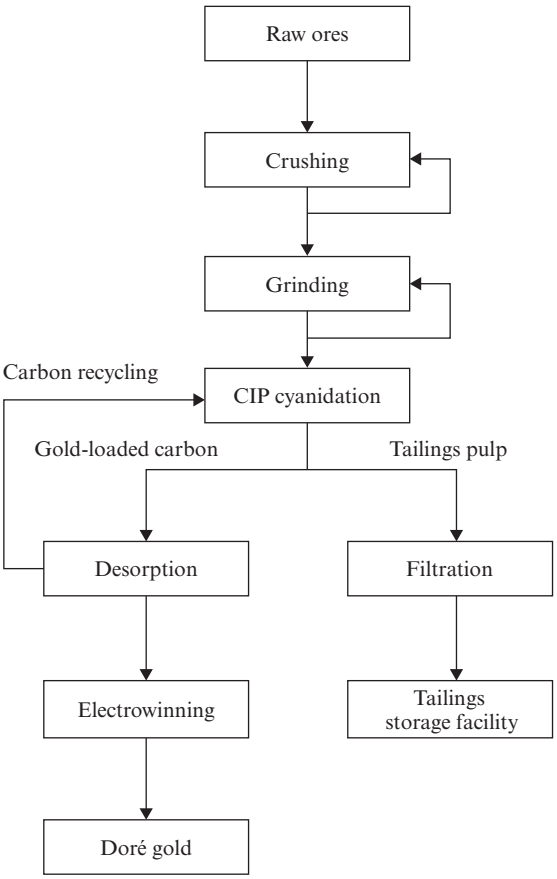
The processing workflow details are as follows:

- ***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

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:

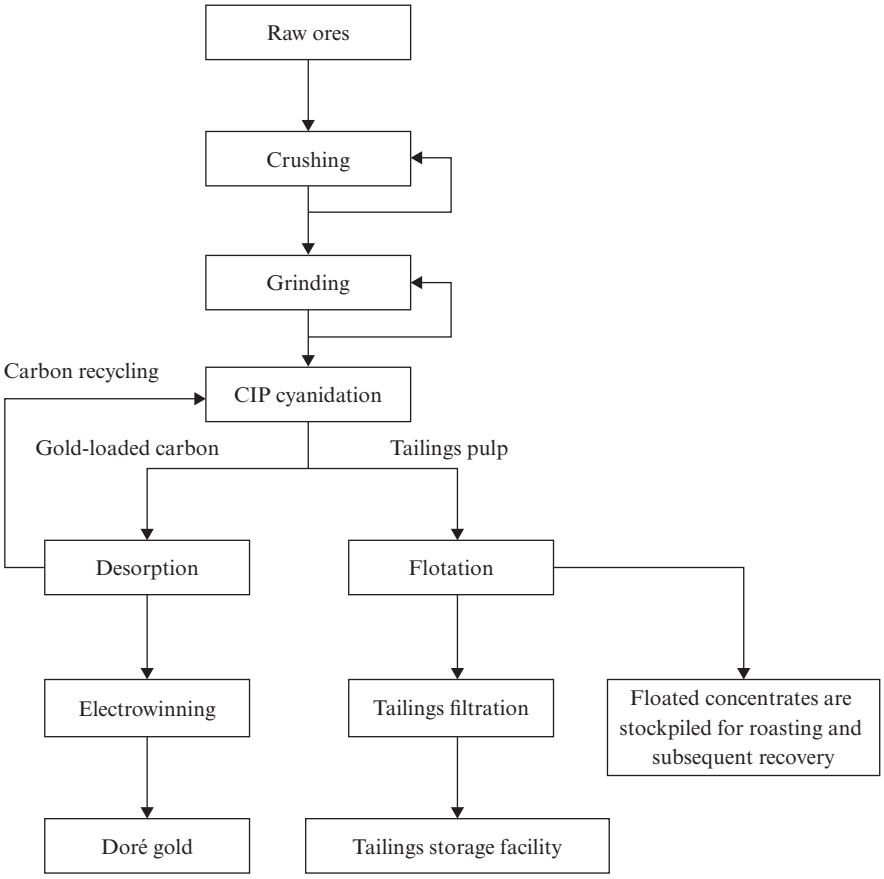


The metallurgical process utilized by Qinghai Dachaidan Mining comprises single-stage open-circuit crushing, single-stage closed-circuit grinding, all-slime cyanidation carbon-in-pulp gold extraction, elution-electrowinning, smelting, cyanide destruction, flotation of detoxified tailings to produce concentrate,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

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

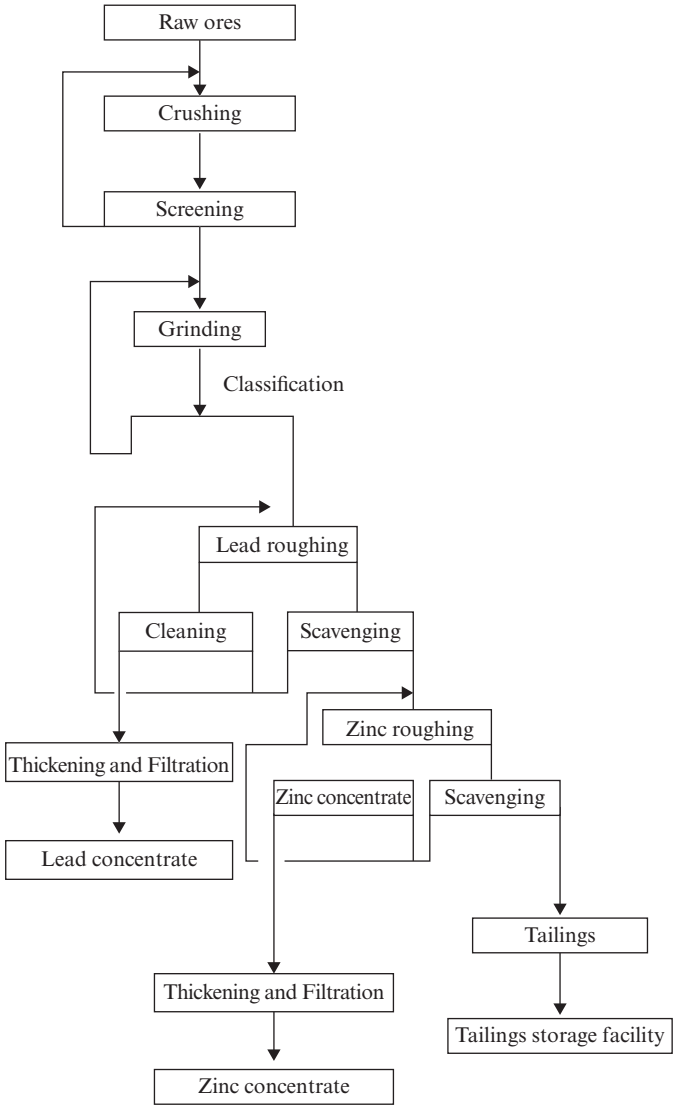


Yulong Mining primarily utilizes the flotation process. Our processing equipment mainly includes crushing circuits, grinding circuits, flotation circuits, filter machines, and conveyors.

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.

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.

BUSINESS

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.

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:

1. 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.
2. 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.
3. 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.
4. Customer D is a Chengdu-based company with a registered capital of RMB500.0 million, engaged in the wholesale of metals and minerals.
5. 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**				

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	Percentage of total revenue	Year of commencement of business relationship	Products provided by us	Credit period granted by us	Payment method
	(RMB'000)	*(%)*				
Customer A	2,428,055	14.3	2018	Gold and other on-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.

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

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.

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

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 a 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.

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**				

Notes:

1. 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.
2. Supplier B is a mining and metallurgy company based in Gejiu, Yunnan Province with a registered capital of RMB78.0 million.
3. 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.
4. 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.
5. 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:

1. 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.
2. Supplier G is a group of companies controlled by three natural persons.
3. Supplier H is a company registered in Hong Kong in the metal trade business.

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	**4,291,963**	**34.0**				

Notes:

1. 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.
2. 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.
3. 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.
4. 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.

- ***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

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.

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.

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

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**

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 m^2; (ii) land leased by us had an aggregate site area of approximately 1,092,852.73 m^2; (iii) properties owned by us had an aggregate gross floor area of 207,405.74 m^2; and (iv) properties leased by us had an aggregate gross floor area of 6,230.83 m^2.

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 m^2, had title defects. These properties lack building ownership certificates.

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 km^2; and (ii) we leased five parcels of land, with an aggregate area of approximately 406.3 km^2. 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 km^2.

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 km^2.

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.

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	T530000200911401003592 2	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.

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

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 Luoke 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 km^2. 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 km^2. 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 exits 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.

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.

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 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 km^2 and 16 exploration permits covering a total area of 5,087.5 km^2. 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.

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.

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.

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.

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.

- ***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.

- *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

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.

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.

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.

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.

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***

	For the year ended December 31,		
Indicator	**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)	176,725.42	186,003.28	193,220.71

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***

	For the year ended December 31,		
Indicator	**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.

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.

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.

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.

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. 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.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. 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. Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment. Construction of small-scale reservoir will reduce the risk of water shortage.
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. 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.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.

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.

CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which are expected to continue after the [REDACTED] and will constitute continuing connected transactions of our Company:

Connected Person	Connected relationship
SDG Group (together with its subsidiaries and 30%-controlled companies, excluding our Group, "**SDG Connected Group**")	Shandong Gold Mining is the Controlling Shareholder. SDG Group is the holding company of Shandong Gold Mining, which controlled approximately 42.86% equity interests of Shandong Gold Mining as of the Latest Practicable Date. As such, SDG Group is an associate of Shandong Gold Mining and constitutes a connected person of our Company under the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transaction	Counterparty	Category of continuing connected transaction	Applicable Listing Rule	Waiver sought
Trademark License Agreements	SDG Group	Fully-exempt continuing connected transactions	Rules 14A.76(1)	N/A
Provision of Services Framework Agreement	SDG Group (for itself and on behalf of its associates)	Partially-exempt continuing connected transactions	Rules 14A.35, 14A.76(2) and 14A.105	Announcement
Sale of Products Framework Agreement	SDG Group (for itself and on behalf of its associates)	Partially-exempt continuing connected transactions	Rules 14A.35, 14A.76(2) and 14A.105	Announcement

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Set forth below are details of continuing connected transactions between us and SDG Group. The transaction is entered into on normal commercial terms (or commercial terms that are better to us) in the ordinary and usual course of our business. Our Directors currently expect that the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will not exceed 0.1% on an annual basis. Under Rule 14A.76(1)(a) of the Listing Rules, the following transactions will be exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Trademark License Agreements

Principal terms

Our Company entered into a trademark license agreement (the "**Original Trademark License Agreement**") and a supplemental trademark license agreement (the "**Supplemental Trademark License Agreement**") with SDG Group on November 5, 2024 and July 31, 2025, respectively, pursuant to which, SDG Group granted to our Company the rights to use certain trademarks/logo at an aggregate consideration of RMB200,000 per year until December 7, 2027.

For details of the licensed trademarks, please see" Statutory and General Information — Further Information about Our Business — 2. Intellectual Property Rights" in Appendix VII to this document.

Reason for the transactions

Since November 2024, we had been using certain trademarks owned by SDG Group in the normal and ordinary course of our business. We will continue using them after the [REDACTED] to maintain the consistency and continuity of the corporate image of our Group.

CONNECTED TRANSACTIONS

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Provision of Services Framework Agreement

Principal terms

On [•], our Company (for itself and on behalf of its associates) entered into a framework agreement (the "**Provision of Services Framework Agreement**") with SDG Group (for itself and on behalf of its associates), pursuant to which, SDG Connected Group will provide gold trading agency services and labor services, to our Group from time to time. The gold trading agency services are financial services for gold futures provided by Shandong Gold Futures Co., Ltd.* (山金期貨有限公司) ("**SDG Futures**"), a subsidiary of SDG Group, to us for conducting hedging-related derivative operations, including trading channel services, funds and settlement services and research and information services. The labour services include (i) reception and meeting services provided by Shandong Gold Corporate Management (Shandong) Co., Ltd.* (山金企業管理(山東)有限公司) ("**SDG Corporate Management**"), a subsidiary of SDG Group, to us, and (ii) consulting, design and technical services provided by SDG Connected Group to us in relation to design consultation of our Group's mining area corporate culture, material storage, scrap storage, parking lot design, as well as processing plant renovation plans and construction drawing design, and technical development work on raw ore samples, exploring recovery rates and economic benefits of the samples.

The initial term of the Provision of Services Framework Agreement will commence on the [REDACTED] and end on December 31, 2028. Both parties or their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions for the provision of services according to the principles provided in the Provision of Services Framework Agreement.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of trading and labor services by our Group from SDG Connected Group were RMB1.60 million, RMB7.39 million and RMB9.93 million, respectively.

Annual caps and basis for annual caps

The maximum aggregate annual transaction amounts under the Provision of Services Framework Agreement for the three years ending December 31, 2028 shall not exceed the caps set out below:

	For the year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Purchases of services	14.80	14.80	14.80

The above proposed annual caps are determined with reference to:

(i) historical figures for our Group's procurement of services from SDG Group for the three years ended December 31, 2025. Specifically, transaction amounts increased from RMB1.60 million to RMB7.39 million between 2023 and 2024, representing a growth rate exceeding 300%. This increase clearly reflects the increasing demand from our Group's expanding business for SDG Connected Group's services;

(ii) the expected growth of our trading business and demand for gold trading agency services through the platform of SDG Futures, and business growth of our Group and increase in demand for labour services. Additionally, as we enhance our production capabilities in gold and other non-ferrous metals and delve deeper into underground mining from 2025 to 2028, the demand for design, consulting, and technical services from SDG Connected Group is expected to rise significantly. Furthermore, the acquisition of Osino Mining and the ensuing technical advancement projects necessitate a substantial increase in labor services. These projects encompass crucial system establishment, engineering services, construction, and exploration services, particularly focusing on the design and construction of open-pit mining operations and concentrators. These initiatives aim to standardize mining practices, enhance production capacity, and elevate the quality of outputs in the pertinent fields.

(iii) detailed cost structures and market parameters, including anticipated adjustments to labor costs, current quotations from Independent Third Party service providers for comparable services and their projected future increases, reasonable buffers to accommodate unforeseen business opportunities, temporary surges in service demand, or unexpected market price fluctuations, which aim to ensure operational flexibility; and

(iv) the value of intra-group synergies. Collaboration with SDG Connected Group generates significant synergies, the value of which is indirectly reflected in the cap. For instance, leveraging its mature deep-level mining technologies reduces our Company's R&D costs and project risks, while utilizing its advanced DCS systems directly enhances recovery rates and increases operating revenue. The annual cap incorporates the anticipated benefit improvements from these technology integrations.

Reason for the transactions

Our business covers a broad range of exploration, mining, and processing of gold and other non-ferrous metals such as silver, lead, and zinc, as well as trading operations. Therefore, we need various services such as gold trading agency services, mining exploration, design, supervision, labour training, conference affairs to support our business, some of which are supplied by SDG Connected Group in its ordinary and usual course of business. When procuring such services in our ordinary and usual course of business, we select suppliers and determine the relevant terms of procurement through negotiations based on the categories and scales of the procurement. We have selected SDG Connected Group as our supplier in light of the suitability of the services it offered, clear understanding of its business management, creditworthiness and contract performance capabilities, as well as geographical convenience and familiarity with our standards.

For gold trading agency services, SDG Futures is one of the earliest established and professionally operated futures companies in the PRC. It provides various services, including commodity futures brokerage, financial futures brokerage, futures trading advisory services, and asset management. YTSH, our subsidiary, has established long-term cooperation relationship with SDG Futures. Through years of cooperation, we've developed a strong rapport with SDG Futures, enabling them to respond swiftly to our needs and deliver more attentive gold trading agency services. In relation to labour services, SDG Group holds a leading technological advantage within the gold industry. For example, it has promoted the application of the backfill mining process, which has significantly improved both mining efficiency and safety. In the field of ore processing, it has a world-leading DCS System that enhances the recycling rate. It also possesses mature technologies for deep-level mining and operates a dedicated research laboratory. These advancements will play a pivotal role in improving our mining and processing efficiency. Additionally, since 2023, our Company has set higher standards for reception and conference services, requiring alignment with the standards of SDG Group. SDG Corporate Management, can provide high-standard unified services and be capable of quickly improving our Company's service levels.

Pricing basis

The commission rates for the gold trading agency services are generally transparent and standardized across the market. The comission rates charged by SDG Connected Group are determined based on arm's length negotiation with reference to the Articles of Association of the Shanghai Futures Exchange and the market fee rates for the latest week for gold futures. The service fee of the Shanghai Futures Exchange is usually in the range of RMB10-RMB20 per board lot, and SDG Connected Group charges us an additional RMB0.01 per board lot on top of this. The Company will generally obtain quotations from at least two Independent Third Parties for reference by telephone, email, webpage and other means. The terms offered to us by SDG Connected Group shall not be less favorable to our Group than the terms offered to us by our independent suppliers for the same or similar type and scope of gold trading agency services.

The amount payable by our Group for procuring consulting, design and technical services from SDG Connected Group under the Provision of Services Framework Agreement is determined by comparable local market prices or through public bidding on a case by case basis. The comparable local market prices refer to the prices arrived at with reference to those charged or quoted by at least two independent third parties providing services with comparable scale in areas where such services were provided under normal trading conditions. Price determination through public bidding refers to the prices determined in accordance with the public bidding and tender procedure required by the relevant regulatory authorities in the areas where the projects are located. The bidding price shall be controlled within the reasonable range which is close to the base price.The base price referenced in pricing for consulting, design and technical services is generally determined by the professionals or agencies as organised or entrusted by the bidding department. The base price is arrived at by adding other fees incurred directly or indirectly, on the-spot expenditures, estimated profits (with reference to the workload of the project and the profit of projects with similar size) and taxes under prescribed procedures to

the sum of costs for labour, materials and machinery utilization based on the workload of consulting, design and technical services of the project. Separate agreements will be entered into under the Provision of Services Framework Agreement by the relevant parties from time to time, and the price of the services provided or received will be negotiated and determined on a case by case basis in accordance with the pricing policies as set out above.

The amount payable by our Group for procuring reception and meeting services under the Provision of Services Framework Agreement shall be in accordance with normal commercial terms and shall be referred to in accordance with the principle of fairness (i) the type and quality of services provided; and (ii) the prevailing market price of comparable services provided by an Independent Third Party. The Company will generally obtain quotations from at least two Independent Third Parties for reference. The terms offered to us by SDG Connected Group shall not be less favorable to our Group than the terms offered to us by our independent suppliers for the same or similar type and scope of labor services.

Listing Rules implications

As the highest applicable percentage ratio in respect of the annual caps of the Provision of Services Framework Agreement calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but less than 5%. Accordingly, the continuing connected transactions under the Provision of Services Framework Agreement are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Sale of Products Framework Agreement

Principal terms

On [•], our Company (for itself and on behalf of its associates) entered into a framework agreement (the "**Sale of Products Framework Agreement**") with SDG Group (for itself and on behalf of its associates), pursuant to which, our Group would sell goods (including lead concentrate, zinc concentrate and gold doré) to SDG Connected Group from time to time.

The initial term of the Sale of Products Framework Agreement will commence on the [REDACTED] and end on December 31, 2028. Both parties or their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions for the sale of goods (including lead concentrate, zinc concentrate and gold doré) according to the principles provided in the Sale of Products Framework Agreement.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the sale of goods (primarily including lead-zinc concentrate) by our Group to SDG Connected Group were approximately RMB83.84 million, RMB180.31 million and RMB316.98 million, respectively.

Annual caps and basis for annual caps

The maximum aggregate annual transaction amounts under the Sale of Products Framework Agreement for the three years ending December 31, 2028 shall not exceed the caps set out below:

	For the year ending December 31,		
	2026	**2027**	**2028**
		(RMB million)	
Sale of goods	450	450	450

The above proposed annual caps are determined with reference to:

(i) historical figures for our Group's product sales to SDG Group for the three years ended December 31, 2025. Specifically, transaction amounts increased from RMB83.84 million to RMB180.31 million between 2023 and 2024, representing a growth rate exceeding 100%. Especially, the transaction amount ended December 31, 2025 has already reached RMB316.98 million, almost twice the total transaction amount for the year 2024;

(ii) based on existing sales contracts and the future business development scale of our Company, we expect the sales volume in 2026 to be about 16,000 tons, while the unit price of lead-zinc concentrates is not expected to fluctuate significantly. Also, it may generate sales of gold doré. The transaction amount in 2027 and 2028 will be approximately the same as that in 2026;

(iii) the existing contract value and our Group's reasonable assessment of foreseeable demand for SDG Group's smelting facilities, which takes into account its smelting capacity, raw material quality requirements, and historical procurement patterns; and

(iv) a reasonable buffer to address metal price fluctuations and production variations.

Reason for the transactions

SDG Connected Group has long-established gold smelting operations supported by industry-leading processing technologies, stable operational track records, and stringent quality-control capabilities. These advantages enable them to provide reliable, efficient, and high-standard smelting services that are not easily substitutable by other market participants.

In addition, the trading subsidiaries of SDG Group possess extensive experience and deep industry know-how in the trading of lead and zinc concentrates. Over years of participation in the non-ferrous metals market, they have developed strong procurement and marketing networks, maintained a solid reputation among industry peers, and consistently offered commercially competitive pricing aligned with prevailing market levels. Their credibility and market presence contribute to enhancing the overall reliability and predictability of commercial transactions.

During the Track Record Period, SDG Connected Group has been mainly procuring lead concentrate and zinc concentrate from our Group on a recurring basis. Sales of these products represent a major revenue contributor for our Group. The continued procurement by SDG Connected Group demonstrates mutual commercial trust and underscores the long-term demand for our products. Such relationship forms an integral component of the broader strategic cooperation between both groups.

Partnering with SDG Connected Group ensures that our Group's products are processed through a mature and professional smelting platform, while at the same time providing SDG Group with a stable and quality-assured supply of raw materials essential for their smelting activities. This mutually reinforcing supply-processing relationship creates vertical integration synergies that enhance operational efficiency, improve resource allocation, and strengthen the resilience of our Group's business model against market volatility.

Moreover, engaging SDG Connected Group as a customer and trading partner enables our Group to effectively control transaction risks, minimise communication and coordination costs, and streamline the overall sales process. These efficiencies support smoother commercial execution and contribute positively to the sustainable business development of both our Group and SDG Connected Group.

Pricing basis

The prices payable by SDG Group to our Group for the purchase of lead concentrate and zinc concentrate under the Sale of Products Framework Agreement will be determined on arm's length basis with reference to (i) the prevailing lead concentrate and zinc concentrate benchmark prices published the Shanghai Metals Market and (ii) reasonable costs incurred in providing such products, plus a reasonable profit (a buffer for surges in the price level and labour costs, which is arrived at through arm's length negotiation between our Group and SDG Group after taking comprehensive consideration of the normal profit margin (being the comparable market profit margin of the relevant products) of such products provided by our Group to SDG Group, and is not lower than the profit margin charged to independent third parties). The Company will generally obtain quotations from at least two independent third parties.

Listing Rules implications

As the highest applicable percentage ratio in respect of the annual caps of the Sale of Products Framework Agreement calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but less than 5%. Accordingly, the continuing connected transactions under the Sale of Products Framework Agreement are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

APPLICATION FOR AND CONDITIONS FOR WAIVER

In relation to the Provision of Services Framework Agreement and Sale of Products Framework Agreement with SDG Connected Group (the "**Framework Agreements**"), we have applied for[, and the Stock Exchange has granted to us,] a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate value of such continuing connected transactions for the years ending December 31, 2026, 2027 and 2028 shall not exceed relevant annual amounts stated above. See "Waivers from Strict Compliance with the Listing Rules" for details of the waiver. The Group will comply with the relevant requirements under Chapter 14A of the Listing Rules apart from the announcement requirement for which a waiver has been sought.

DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, are of the view that all the continuing connected transactions described above have been and shall be entered into: (i) in the ordinary and usual course of our business, (ii) on normal commercial terms or better, and (iii) that the continuing connected transactions and their respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

JOINT SPONSORS' VIEW

Based on the review of the documentation, information and data provided by our Company and the participation in the due diligence and discussion with our Company, the Joint Sponsors are of the view that, as of the Latest Practicable Date, (i) the Framework Agreements, for which the waiver has been sought, have been and will be entered into in the ordinary and usual course of business of our Company, are on normal commercial terms, are fair and reasonable, and are in the interests of the Shareholders as a whole, and (ii) the proposed annual caps under the Framework Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Chapter 18 of the Listing Rules contains a series of requirements applicable to mining companies. Such companies include those engaged in the exploration or extraction of natural resources. Our Company is submitting its [REDACTED] under Chapter 18 of the Listing Rules. Key to the [REDACTED] is that our Company's directors and senior management have sufficient and compelling experience, of at least five years, in gold and other non-ferrous metals exploration and extraction activities that our Company is pursuing.

Our Company's management team primarily consists of three Executive Directors and three senior management members (other than Executive Directors), whom our Company considers possess the requisite mining experience for mine operation. Our Company believes that our Directors and senior management have the skills, vision, and extensive industry knowledge necessary to seize market opportunities, formulate sound business strategies, assess and manage risks, as well as enhance and implement management and production plans. Such experience is sufficient to satisfy the requirements under Rule 18.04 of the Listing Rules.

Upon [REDACTED], the Board of Directors of our Company will consist of eleven Directors, including three Executive Directors, four Non-executive Directors and four Independent Non-executive Directors. The Board is responsible for and has general authority to manage and operate our Company. Directors serve a term of three years and may be re-elected upon expiry of their term.

Our Company's senior management consists of six members who are responsible for managing the day-to-day operations of our Company.

Directors

The following table sets out the key information on the Directors on the Latest Practicable Date:

Name	Age	Positions	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Ou Xingong (歐新功)	52	Executive Director and General Manager	May 1, 2017	November 16, 2020	Responsible for the overall development strategy of our Company and the comprehensive management of its business operations
Mr. Zhang Xiao (張肖)	49	Executive Director and Secretary of the Board of Directors	August 14, 2023	August 14, 2023	Responsible for the information disclosure, investor relations management, and capital operations of our Company
Mr. Song Zhongshan (宋忠山)	45	Executive Director and Chief Financial Officer	January 31, 2024	March 5, 2024	Responsible for the financial management, centralized procurement, and internal coordination of our Company
Mr. Liu Qin (劉欽)	57	Non-executive Director and Chairman	August 14, 2023	August 14, 2023	Responsible for the overall development strategy of our Company and providing high-level supervision of the management and operation of our Group
Mr. Wang Renjian (汪仁建)	48	Non-executive Director and Vice Chairman	August 14, 2023	August 14, 2023	Responsible for the overall development strategy of our Company and providing high-level supervision of the management and operation of our Group
Mr. Wang Shui (王水)	64	Non-executive Director	February 28, 2013	February 28, 2013	Responsible for providing strategic advice to the Board and high-level supervision of the management and operation of our Group

Name	Age	Positions	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Tang Qi (湯琦)	48	Non-executive Director	[REDACTED]	Effective since the [REDACTED]	Responsible for high-level supervision of the management and operation of our Group
Mr. Yan Qingyue (閆慶悅).	63	Independent Non-executive Director	November 14, 2023	November 14, 2023	Responsible for overseeing and providing independent opinion and judgment to the Board
Mr. Liu Hongwei (劉洪渭).	63	Independent Non-executive Director	November 14, 2023	November 14, 2023	Responsible for overseeing and providing independent opinion and judgment to the Board
Mr. Zhang Da (張達)	58	Independent Non-executive Director	November 16, 2020	November 16, 2020	Responsible for overseeing and providing independent opinion and judgment to the Board
Ms. Huang Ying (黃穎)	50	Independent Non-executive Director	[REDACTED]	Effective since the [REDACTED]	Responsible for overseeing and providing independent opinion and judgment to the Board

Executive Director

Mr. Ou Xingong (歐新功), aged 52, is the Executive Director and General Manager of our Company, mainly responsible for the overall development strategy of our Company and the comprehensive management of its business operations. Mr. Ou also serves as a director, legal representative and manager of certain subsidiaries of our Company, including: (i) the director of Yulong Mining since March 2021; (ii) the legal representative, director and manager of YTYH since September 2024, (iii) the legal representative, chairman and manager of YTSH since September 2024, and (iv) since November 2024, he has served as a director and manager of YTSH Singapore.

Mr. Ou has over 20 years of experience in the field of mining. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
July 2003 to July 2006	Postdoctoral fellow, Guangzhou Institute of Geochemistry, Chinese Academy of Sciences	Primarily responsible for the planning and execution of scientific research, the management of the scientific research team, the development of an academic ecosystem, and the transformation and application of research results
May 2007–December 2009 . . .	Senior Manager of China Exploration and Commerce at Sino Gold Mining Limited (澳華黃金有限公司)	Primarily responsible for strategic planning and target area development, participating in the assessment of the company's resource base and reserves and standard compliance management, exploration projects management, and driving the acquisition of mining licenses and technical cooperation
January 2010–May 2017.	Commercial manager and senior manager of exploration in China, Eldorado Gold Corporation Headquartered in (Canada) (加拿大埃爾拉多黃金公司中國區)	Primarily responsible for strategic planning, geological exploration management, business expansion, government-enterprise liaison and compliance development, project support, and risk management

Mr. Ou obtained a bachelor's degree in geology from China University of Geosciences (Wuhan) in the PRC in June 1997, a master's degree in structural geology from China University of Geosciences (Wuhan) in the PRC in June 2000 and a doctorate degree in tectonic geology and petrophysics from China University of Geosciences (Wuhan) in the PRC in June 2003. Mr. Ou was awarded the title of Associate Researcher by the Guangzhou Institute of Geochemistry, Chinese Academy of Sciences from February 2007 to January 2009.

Mr. Zhang Xiao (張肖), aged 49, is the Executive Director and Secretary of the Board of Directors of our Company, mainly responsible for the information disclosure, investor relations management, and capital operations of our Company.

Mr. Zhang has over 15 years of work experience related to mining and began his career in the field of mining in 2009. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
October 2009–June 2014	Risk Controller and Special Audit Supervisor of SDG Group	Responsible for the group's risk management and internal audit
June 2014–February 2020	Deputy Manager of the Audit Department of Shandong Gold Financial Holding Capital Management Co., Ltd. (山金金控資本管理有限公司) and department manager and chief financial officer of Shanjin Futures Co., Ltd. (山金期貨有限公司)	Responsible for the company's transaction operations, risk control settlement, asset management, etc.
February 2020–October 2020	Deputy General Manager of Shanjin Futures Co., Ltd. (山金期貨有限公司)	Responsible for the company's back-end operations, asset management, etc.
October 2020–July 2023	Successively served as Deputy Director of the Comprehensive Deepening Reform Office of SDG Group, Deputy General Manager of the Capital Operations Department and Deputy Director of the Board Office of Shandong Gold Mining	Responsible for the company's capital operations, investor relations management, etc.

Mr. Zhang obtained a bachelor's degree in economics from Anhui Institute of Finance and Trade (安徽財貿學院) in the PRC in July 1999. Mr. Zhang was awarded the title of non-practicing member of the Chinese Institute of Certified Public Accountants in December 2014.

Mr. Song Zhongshan (宋忠山), aged 45, is the Executive Director and Chief Financial Officer of our Company, responsible for the financial management, centralized procurement, and internal coordination of our Company.

Mr. Song hold directorship of the following public company in the last three years:

Date	Company	Position
April 2023–February 2026	Focus Minerals Limited (Listed on the Australian Securities Exchange, Stock Code: FML)	Non-executive director

Mr. Song has over 15 years of work experience related to mining and began his career in the field of mining in September 2009. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
September 2009–November 2010	Assistant manager of the finance department of Shandong Gold Group Qingdao Gold Co., Ltd. (山東黃金集團青島黃金有限公司)	Assisted the department manager with budgeting, financial analysis, and other responsibilities, successfully transitioned from the audit field to the finance function, and acquired a preliminary understanding of the fundamental principles of financial management within a gold mining enterprise

Period of Service	Position	Previous Experience and Responsibilities
November 2010–July 2017	Deputy manager of the finance department of Shandong Gold International Mining Co., Ltd. (山東黃金國際礦業有限公司) (during this period, he concurrently served as the Investment Development Officer of the former international affairs and cooperation department at SDG Group)	Took full charge of finance-related tasks, responsible for establishing an overall structure, refining policies, streamlining processes, and developing an integrated system, acquiring a preliminary understanding of the financial characteristics of foreign-invested enterprises and mining companies
July 2017–December 2021	Deputy manager and manager of the financial division of the Overseas Mining Business Department of SDG Group and Shandong Gold Mining successively	Took full charge of the finance department, responsible for overseeing daily accounting, analysis, and reporting activities, systematically acquiring a thorough understanding of the financial accounting, management, and control practices of foreign-invested enterprises and mining companies
December 2021–January 2024	Director of the finance department of the mining management branch (Mining Management Group) of Shandong Gold Mining	Took full charge of the finance department, responsible for implementing directives from superior administrative authorities and company leadership, focusing primarily on performance management, cost control, capital financing, asset security, and tax compliance within the enterprises under his management

Mr. Song graduated from China Institute of Coal Economics with a major in international accounting and financial management in July 2002 and obtained a bachelor's degree in accounting from Shandong Institute of Technology and Business School (formerly China Institute of Coal Economics) in July 2004. Mr. Song was awarded the title of non-practicing member of the Chinese Institute of Certified Public Accountants by the Shandong Institute of Certified Public Accountants in August 2021.

Non-executive Directors

Mr. Liu Qin (劉欽), aged 57, is the Chairman of our Company and will be re-designated as Non-executive Director of our Company upon [REDACTED]. Mr. Liu also serves as a director of certain subsidiaries of our Company, including: (i) director of YTSH since September 2023 and (ii) director of YTSH Singapore since September 2023.

Mr. Liu has over 35 years of experience in the field of mining engineering. In June 2009, Mr. Liu was awarded the National Award for Outstanding Contribution to the Gold Industry (Science and Technology) (全國黃金行業科技突出貢獻獎) by the China Gold Association. In January 2015, he has been granted a special government allowance and certificate from the State Council of the People's Republic of China. In November 2016, he was honored as a National Pioneer of the Gold Industry (Science and Technology) for the 12th Five-Year Plan (「十二五」全國黃金行業科技標兵) by the China Gold Association. In October 2017, he was awarded as 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. From August 1990 to December 1998, Mr. Liu successively served as a mining technician, team leader, deputy plant manager and director at the open-pit mine of Cangshang Gold Mine in Laizhou. From December 1998 to May 2005, he successively served as vice mine manager and secretary of the production party branch at Laizhou Jincang Mining Co., Ltd. (萊州金倉礦業有限公司), mine manager of the Cangshang branch of Shandong Jincang Mining Co., Ltd. (山東金倉礦業股份有限公司), mine manager, secretary of the production party branch, mine manager and the secretary of the party branch of Cangshang Gold Mine of Shandong Zhonghai Jincang Mining Co., Ltd. (山東中海金倉礦業有限公司); from May 2005 to February 2010, he served as the mine manager and the secretary of the Party Branch of Cangshang Gold Mine and the mine manager and the secretary to CPC Committee of Sanshandao Gold Mine of SDG Group; from February 2010 to October 2010, he served as the vice chairman of Shanjin Mining Co., Ltd. (山金礦業有限公司); from February 2010 to March 2011, he served as the secretary to CPC Committee and the general manager of Inner Mongolia Mining Construction Base (內蒙古礦業建設基地) and the secretary to CPC Committee and the general manager of Aerhada Mining Co., Ltd. (阿爾哈達礦業有限公司); from July 2010 to March 2011, he served as the vice secretary to CPC Committee of Shandong Gold Non-ferrous Metal Mine Group (山東黃金有色礦業集團), and concurrently held the position of the vice chairman of the CPC Committee Shandong Gold Non-ferrous Metal Mine Group (山東黃金有色礦業集團) from October 2010 to March 2011; from March 2011 to June 2012, he

served as the vice chairman and general manager of Shandong Gold International Mining Co., Ltd. (山東黃金國際礦業有限公司); from June 2012 to March 2014, he successively served as a candidate of the executive deputy general manager, the vice secretary to CPC Committee, the vice chairman and the general manager of SDG Mineral Resources Group Co., Ltd. (山東黃金礦產資源集團有限公司); from March 2014 to April 2016, he served as the secretary to CPC Committee, chairman and general manager of Shandong Gold Resources Development Co., Ltd. (山東黃金資源開發有限公司); from June 2015 to June 2018, he served as the secretary to CPC Committee and chairman of Shandong Gold Geological Mine Exploration Co., Ltd. (山東黃金地質礦產勘查有限公司). Since April 2016, he has served as the party secretary and president of the resource exploration division, the party secretary and president of the overseas mining division, and the party secretary and chairman of the Mining Management Branch (Mining Management Group) of Shandong Gold Mining. From April 2016 to now, he has held the positions of deputy general manager and deputy chairman of Shandong Gold Mining, and from December 2021 to July 2025, he served as the general manager of Shandong Gold Mining. Since June 2024, he has been a member of the standing committee of the party committee and deputy general manager of SDG Group. Since July 2025, he has been the chief legal counsel and chief compliance officer of SDG Group.

Mr. Liu graduated from Shenyang Gold College in China in July 1990 with a degree in mining engineering. Mr. Liu was awarded the title of Applied Researcher of Engineering Technology by Shandong Provincial Department of Human Resources and Social Security (山東省人力資源和社會保障廳) in March 2013.

Mr. Wang Renjian (汪仁建), aged 48, is the Vice Chairman of our Company and is re-designated as a Non-executive Director of our Company upon [REDACTED], responsible for the overall development strategy of our Company and providing high-level supervision of the management and operation of our Group.

Mr. Wang has over 30 years of experience in the field of mining engineering. From August 2000 to February 2009, Mr. Wang successively served as a mining technician, deputy secretary of Youth League Committee, mining assistant engineer, deputy director of the dispatching office, secretary of Youth League Committee and mining supervisor of Shandong Jinzhou Mine Group Co., Ltd. (山東金洲礦業集團有限公司); from February 2009 to September 2013, he successively served as the manager of the production technology department, assistant to the general manager, member of the CPC Committee, safety director and deputy general manager of Chifeng Chaihulanzi Gold Mining Co., Ltd. (赤峰柴胡欄子黃金礦業有限公司); from September 2013 to March 2015, he successively served as a safety director and deputy mine director of Xincheng Gold Mine of Shandong Gold Mining while concurrently serving as a member of the CPC Committee of Xincheng Gold Mine of Shandong Gold Mining. He held various positions in Shandong Gold Jinchuang Group Co., Ltd. (山東黃金金創集團有限公司), including serving as the executive vice general manager and vice secretary to CPC Committee, the secretary to CPC Committee and general manager, the secretary to CPC Committee, the chairman and general manager from March 2015 to June 2022 respectively. Mr. Wang has served as the secretary of the CPC Committee and Chairman of Shandong Gold (Beijing) Industry Investment Co., Ltd. (山東黃金(北京)產業投資有限公司) since June 2022. Since September 2024, he has served as a standing member of the CPC Committee and deputy general manager of SDG Group.

Mr. Wang obtained a bachelor's degree in mining engineering from Shandong University of Science and Technology in China in July 2000 and a master's degree in engineering from Shandong University of Science and Technology in China in June 2022. Mr. Wang was awarded the title of senior engineer in December 2021.

Mr. Wang Shui (王水), aged 64, is re-designated as the Non-executive Director of our Company upon [REDACTED], responsible for providing strategic advice to the Board and high-level supervision of the management and operations of our Group. At the same time, Mr. Wang has been a director of YTSH Singapore, a subsidiary of our Company, since June 2018.

Mr. Wang successively served as the deputy mine manager and mine manager of Chifeng Wutonghua Lead-Zinc Mine (赤峰梧桐花鉛鋅礦). Since July 2004, he has been the chairman and legal representative of Xinxin Mining Co., Ltd. In Xinbalhu Right Banner (新巴爾虎右旗新鑫礦業有限責任公司) at New Barag Right Banner, where he participated in strategic decision-making and overseeing daily operations. From May 2006 to September 2021, he served as a director of Chifeng Zhongse Kubohongye Zinc Co., Ltd. (赤峰中色庫博紅煒鋅業有限公司). From March 2011 to January 2015, he was the legal representative of Hainan Xinde Taisheng Investment Management Co., Ltd (海南信得泰盛投資管理有限公司).

Mr. Tang Qi (湯琦), aged 48, is re-designated as a Non-Executive Director of our Company upon [REDACTED], responsible for high-level supervision of our Group's management and operations.

From July 2000 to September 2011, Mr. Tang successively served as a secretary to the board office, the secretarial director of the board office, the securities affairs representative of the board, and a deputy officer of the board office at Shandong Gold Mining. From September 2011 to August 2015, he served as an officer and a securities affairs representative of the board office at Shandong Gold Mining. From August 2015 to March 2016, he served as an assistant to the general manager and the director of the R&D Department at Shandong Gold Venture Capital Co., Ltd (山東黃金創業投資有限公司) (from August 2014 to March 2016, assigned to work in the Deepening Reform Office of SDG Group). From March 2016 to November 2017, he served as a

deputy general manager and director of the R&D Department at Shandong Gold Venture Capital Co., Ltd.. From November 2017 to November 2019, he served as a director, the secretary to the board, and the officer of the board office of Shandong Gold Mining. From November 2019 to October 2020, he served as a director, the secretary to the board, the officer of the board office, and general manager of the capital operations department at Shandong Gold Mining. From October 2020 to December 2021, he served as a director, the secretary to the board, the officer of the board office, and the general director of the capital operations department and the director of the deep reform office in Shandong Gold Mining. From December 2021 to August 2025, served as director, secretary of the board of directors, head of the board office, and general manager of the capital operations department, director of the strategic planning department, of Shandong Gold Mining; from August 2025 to the present, serving as a director, general manager, and director of the strategic planning department of Shandong Gold Mining.

Mr. Tang obtained a bachelor's degree in science from Shandong Normal University (山東師範大學) in the PRC in July 2000. In April 2004, he received a certification from the Shanghai Stock Exchange upon completing the 24th Board Secretary Training Program for Listed Companies. Furthermore, Mr. Tang served as a member of the Board Secretaries Committee of the China Association for Public Companies and regional convener for the Shandong district from July 2024 to now; vice chairman of the Third Investor Relations Management Professional Committee of the China Association for Public Companies; member of the Overseas Public Companies Branch of the China Association for Public Companies from December 2023 to now; chairman of the Fourth Board Secretaries Professional Committee of the Shandong Association of Listed Companies from November 2024 to now.

Independent Non-executive Directors

Mr. Yan Qingyue (閆慶悅), aged 63, is an Independent Non-executive Director of our Company, responsible for overseeing and providing independent opinion and judgement to the Board.

Mr. Yan has over 35 years of experience in the disciplines of economics and finance. From July 1988 to September 2022, Mr. Yan served in various positions in the former Shandong University of Finance (山東財政學院) including teacher at the Department of International Economics, vice dean at the School of Finance, and dean and professor at the School of Economics. He was a postdoctoral researcher focusing on Sino-Japanese studies within the framework of East Asian economic cooperation at Hiroshima University in Japan from October 1998 to September 1999. From November 2011 to September 2022, he served as the dean and professor of the School of Insurance of Shandong University of Finance and Economics (山東財經大學).

Mr. Yan obtained a bachelor's degree in history from Shandong University (山東大學) in the PRC in July 1985, a master's degree in history from Liaoning University (遼寧大學) in July 1988 and a doctorate degree in political economy from Peking University in July 1998. Mr. Yan was granted the qualification of an independent director of a listed company by the Shenzhen Stock Exchange in March 2024.

In October 2001, December 2005 and September 2009, Mr. Yan was awarded the 4th Batch of Professional and Technical Top-Notch Talents, the 1st Edition of Famous Teachers, and the 1st Edition of Teacher Ethics Model by Shandong University of Finance respectively. In November 2012, he was awarded the 3rd Shandong Outstanding Postgraduate Tutor jointly by the Academic Degree Committee of Shandong Provincial Government, Shandong Provincial Department of Education and Shandong Provincial Department of Finance.

Mr. Liu Hongwei (劉洪渭), aged 63, is an Independent Non-executive Director of our Company, responsible for overseeing and providing independent opinion and judgement to the Board.

Mr. Liu hold directorship of the following public companies in the last three years:

Date	Company	Position
Since December 2022	Shandong Weigao Orthopedic Device Company Limited (山東威高骨科材料股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 688161)	Independent director
Since June 2023	Qilu Expressway Company Limited (listed on the Stock Exchange, stock code: 1576)	Independent director
Since December 2024	Lucion Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600783)	Independent director

From July 1983 to September 1998, Mr. Liu served as the chief of the Experimental Equipment Section of the Academic Affairs Office, the deputy director and associate professor of the Department of Economics of the Jinan Graduate School at Shandong Mining Institute (山東礦業學院). From September 2001 to December 2022, he served as deputy director, director, assistant dean, vice dean and professor of the Department of Accounting of the School of Management of Shandong University. Mr. Liu served as the vice president, chief accountant and secretary of the board of directors of Shandong Huatedia Health Co., Ltd. (山東華特達因健康股份有限公

司) (formerly known as Shandong Shanda Huate Technology Co., Ltd., listed on the Shenzhen Stock Exchange, stock code: 000915) from October 2001 to June 2006; he served as an independent director of Joyoung Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002242) from September 2007 to April 2014. From June 2008 to January 2015, he served as an independent director of Dong-E-E-Jiao Company Limited (東阿阿膠股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000423). From August 2010 to August 2013, he served as an independent director of Stanley Agricultural Group Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002588). From May 2012 to the present, he has served as the Minister of Finance, the Director of Academic Discipline Development and Planning, the Secretary of the Party Working Committee of Cheeloo College of Medicine, and the Professor of the School of Management at Shandong University. Since June 2023, he has served as the chairman of the Shandong Science and Technology Consulting Association (山東科技諮詢協會).

Mr. Liu obtained a bachelor's degree in mining engineering from Shandong University of Mining and Technology in the PRC in July 1983, a bachelor's degree in economics from Jinan campus of Shandong Mining Institute (山東礦業學院) in October 1985. Mr. Liu studied International Accounting and International Taxation and Finance at the Faculty of Economics of Xiamen University from March 1989 to January 1990. Mr. Liu obtained a master's degree in accounting from China University of Mining and Technology in the PRC in June 1997, and a doctorate degree in management science and engineering from Southeast University in the PRC in March 2010. Mr. Liu was awarded the qualification of Chinese Certified Public Accountant by the Chinese Institute of Certified Public Accountants in May 1999, a professorship by Shandong University in February 2015, the qualification of secretary of the board of directors by the Shenzhen Stock Exchange in July 2002, and the qualification of an independent director of a listed company by the Shanghai Stock Exchange in September 2008. In July 2023, he participated in the pre-appointment training for independent directors of the Science and Technology Innovation Board conducted by the Shanghai Stock Exchange.

Mr. Zhang Da (張達), aged 58, is an Independent Non-executive Director of our Company, responsible for overseeing and providing independent opinion and judgement to the Board.

Mr. Zhang was appointed as an assistant researcher at the Institute of Geomechanics, Chinese Academy of Geological Sciences in September 1999. He also served as a postdoctoral fellow and associate researcher in geology at China University of Geosciences (Beijing) form September 1999 to May 2002. Mr. Zhang has been a professor and doctoral supervisor of the School of Earth Sciences and Resources of China University of Geosciences (Beijing) since December 2006.

Mr. Zhang obtained a bachelor's degree in geomechanics from China University of Geosciences in the PRC in June 1990, a master's degree in structural geology and geomechanics from China University of Geosciences (Beijing) in the PRC in July 1993, and a doctorate degree in structural geology from the Chinese Academy of Geological Sciences in June 1999. Mr. Zhang obtained the qualification of professorship awarded by China University of Geosciences (Beijing) in December 2006 and the qualification of independent director of a listed company by the Shenzhen Stock Exchange in November 2020. Mr. Zhang won the second prize of the Ministry of Land and Resources Science and Technology Achievement Award awarded by the Ministry of Land and Resources in February 2009 and December 2011, respectively.

Ms. Huang Ying (黃穎), aged 50, is an Independent Non-Executive Director of our Company, responsible for overseeing and providing independent opinion and judgement to the Board.

Ms. Huang has over 20 years of experience in the legal field. From March 2001 to July 2003, she served as a paralegal at AIAL Shanghai Wanya Information Consulting Co., Ltd.; from July 2003 to December 2004, she served as a legal counsel at Jones Day (U.S.); from January 2005 to November 2005, she served as a legal advisor for the China Region at AIG China; she served as a legal officer at DLA Piper Hong Kong; from September 2011 to August 2019, she served as the founder and executive director at Shenzhen Zhongcheng Anxin Insurance Brokerage Co., Ltd. (深圳市中誠安信保險經紀有限公司); and from August 2019 to August 2021, she served as a compliance officer at Shenzhen Xueshan Fund. Since March 2021, Ms. Huang has served as the Founder and Compliance Officer of Hainan Huace Xinnuo Private Equity Fund Management Co., Ltd. (海南華策信諾股權私募基金管理有限公司), responsible for compliance management in primary market investments.

Ms. Huang obtained a bachelor's degree in international law from Wuhan University, China in July 1997, a master's degree of Business Administration from Oxford Brookes University, United Kingdom in July 1999, a master's degree in commercial law from The University of Manchester, United Kingdom in July 2000, and a master's degree of Laws (LL.M.) from the University of California, Berkeley, United States in July 2012. Ms. Huang has obtained the Fund Practitioner Qualification Certificate from the Asset Management Association of China (AMAC) in September 2019.

Senior Management

The following table sets out the key information on senior management as of the Latest Practicable Date:

Name	Age	Positions	Date of joining our Group	Date of appointment to senior management	Roles and responsibilities
Mr. Ou Xingong	52	Executive Director and General Manager	May 1, 2017	April 25, 2018	Responsible for the overall development strategy of our Company and the comprehensive management of its business operations
Mr. Zhang Xiao	49	Executive Director and Secretary of the Board of Directors	August 14, 2023	August 14, 2023	Responsible for the information disclosure, investor relations management, and capital operations of our Company
Mr. Song Zhongshan	45	Executive Director and Chief Financial Officer	January 31, 2024	January 31, 2024	Responsible for the financial management, centralized procurement, and internal coordination of our Company
Mr. Fan Zuopeng (范作鹏)	58	Deputy General Manager	August 20, 2024	August 20, 2024	Responsible for coordinating mine production operations, safety and environmental protection, and engineering project construction
Mr. Wang Junxin (王俊新)	41	Deputy General Manager	June 26, 2008	February 2, 2026	Responsible for international affairs related to the Namibia project and investment development center
Mr. Jiang Zhigong (姜志功)	57	Chief engineer	January 15, 2025	March 17, 2025	Responsible for the management of our Company's professional technologies and technical services, with a focus on advancing geological exploration, technological innovation, and the digitalization of mining operations

For details of the biographies of Mr. Ou Xingong, Mr. Zhang Xiao and Mr. Song Zhongshan, please refer to the section "Directors — Executive Directors" above.

Mr. Fan Zuopeng (范作鹏), aged 58, served as the deputy general manager of our Company, responsible for coordinating mine production operations, safety and environmental protection, and engineering project construction.

Mr. Fan has over 30 years of work experience and began his career in the mining industry in July 1992. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
July 1992–April 2011	Mining technician, engineer, area chief, deputy director of production, officer, secretary to the CPC general branch, and deputy mine manager of Xincheng Gold Mine of Shandong Gold Mining	Responsible for the overall planning of mining technology and management, on-site production quality control, production plan and resource coordination, and overall safety production work

Period of Service	Position	Previous Experience and Responsibilities
April 2011–June 2012	Member of the CPC Committee and deputy director of Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd. (山東黃金礦業(萊州)有限公司)	Took the lead in formulating a mine safety production management system and supervise the execution; formulated annual/quarterly production plans and track progress; promoted mining technology innovation
June 2012–February 2013	General manager, secretary of the party committee of Shandong Tiancheng Mining Co., Ltd. (山東天承礦業有限公司)	Under the authorization of the board, implemented the strategic decisions of the board and achieve the business objectives set by the board; organized the management team by establishing functional departments, presided over the overall work of the company, and implemented effective management of the company; be responsible for the operation and management of the company's daily business
February 2013–February 2015	Secretary to the Party Committee and mine manager of Jiaojia Gold Mine of Shandong Gold Mining (Laizhou) Co., Ltd.	Responsible for strategic planning and decision-making, production and operation coordination, safety, environmental protection and management, technological innovation and prospecting, etc.
February 2015–December 2021	Manager of the Operation Management Department, the manager of the Engineering Management Department, the deputy manager of the Corporate Management Department, and the deputy secretary of the CPC Committee and vice president of the Overseas Mining Business Department of SDG Group	Responsible for coordinating production and operation, systematically promoting project construction, and helping overseas production and operation
December 2021–August 2024	Deputy secretary of the CPC Committee, deputy general manager of Shandong Gold Mining (Hong Kong) Co., Ltd.	Led the trade team in anchoring the company's annual objectives, conducted gold trading operations in accordance with the SASAC's relevant regulations on trade activities and the group's trade business management systems, and mitigated trade risks. Interacted with the Shanghai Gold Exchange's international board to advance the implementation of cooperation initiatives

Mr. Fan obtained his doctoral degree in mining engineering from Central South University in the PRC in December 2013. Mr. Fan was granted the qualification of Applied Researcher in Engineering Technology in December 2014.

Mr. Wang Junxin (王俊新), aged 41, served as the deputy general manager of our Company, responsible for international affairs related to the Namibia project and investment development center.

Mr. Wang has over 15 years of work experience and began his career in the field of mining in January 2009. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
January 2009–December 2011	Surveying engineer of Yulong Mining	Responsible for mining area surveying
January 2012–December 2016	Office director of Yulong Mining	Responsible for the company's general affairs
January 2017–August 2020	Deputy general manager of Qinghai Dachaidan Mining	Assist the general manager of the company in participating in overall work
August 2020–December 2025	Chairman and general manager of Qinghai Dachaidan Mining	Responsible for the overall work of the company

Period of Service	Position	Previous Experience and Responsibilities
December 2025–Present	Chairman and chief executive officer of Osino Mining	Oversaw overseas project construction and exploration activities, participating in international mergers and acquisitions expansion

Mr. Wang obtained a bachelor's degree in engineering from Shijiazhuang University of Economics (now renamed Hebei GEO University) in China in June 2008. Mr. Wang was granted the qualification of surveying engineer by Inner Mongolia Autonomous Region Department of Human Resources and Social Security (內蒙古自治區人力資源和社會保障廳) in December 2014 and the qualification of geological engineer by Qinghai Provicial Department of Human Resources and Social Security (青海省人力資源和社會保障廳) in March 2015.

Mr. Jiang Zhigong (姜志功), aged 57, served as the Chief Engineer of our Company, responsible for the management of our Company's professional technologies and technical services, with a focus on advancing geological exploration, technological innovation, and the digitalization of mining operations.

Mr. Jiang has over 30 years of work experience and began his career in the mining industry in July 1994. Details of his relevant experience are set out in the table below.

Period of Service	Position	Previous Experience and Responsibilities
July 1994–November 1999	Mining technician and deputy manager of the mining production department at Nanzhangjia Gold Mine (南張家金礦) in Yantai	Management of the frontline production technology and operational organization at the mining site
December 1999–February 2020	Mining engineer, director of the mining design office, assistant to the dean and director of the mining design office, vice president and president of Shandong Golden Yantai Design Institute (山東黃金煙台設計院)	Participated as a design engineer and project leader in the completion of hundreds of new construction, renovation, and expansion projects; led the preparation of technical reports for Shandong Gold Mining's proposed domestic mergers and acquisitions, participated in the review of technical reports for its international mergers and acquisitions, and supported the preparation of technical reports for the acquisition of Shandong Gold Mining
September 2020–August 2024	Director of the Technology Research and Development Center, the manager of the Process Technology Department and the manager of the Science and Technology Information Department of Shanjin Heavy Industry Co., Ltd. (山金重工有限公司) (formerly known as Shandong Gold Mining Equipment Manufacturing Co., Ltd. (山東黃金礦業裝備製造有限公司))	Studied the current situation of mining equipment application and looked forward to the future direction, and promoted the upgrading of mining equipment to intelligence; led scientific and technological innovation and information construction, and promoted R&D investment and smart factory construction with high quality

Mr. Jiang obtained a bachelor's degree in engineering from Northeastern University in July 1994. Mr. Jiang was granted the title of Senior Mining Engineer by the Shandong Provincial Department of Human Resources and Social Security (山東省人力資源和社會保障廳) in January 2009.

No Director or member of the senior management has any relationship with any other Director or member of the senior management.

Save as disclosed in this section, no Directors and senior management held directorships in any public company whose securities are listed on any securities market in Hong Kong or overseas for three years immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed in this section, there is no other matter relating to the appointment of Directors that require shareholders' attention and no other information relating to Directors is required to be disclosed under Rule 13.51(2) of the Listing Rules.

For the interests of our Directors and General Managers in our shares (as defined in Part XV of the SFO), please refer to Appendix VII to "Statutory and General Information — Disclosure of Interests of Directors and chief executive" in this document.

Director Confirmation

Rule 3.09D of the Listing Rules

Each Director confirms that he (i) has obtained legal advice under Rule 3.09D of the Listing Rules on September 9, 2025 and (ii) is aware of his obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each Independent Non-executive Director has confirmed that (i) he has independence under Rules 3.13(1) to (8) of the Listing Rules; (ii) as at the Latest Practicable Date, he has not had or currently has any financial or other interest in the business of our Company or its subsidiaries, nor has he been connected in any way with any of the core connected persons of our Company under the Listing Rules; and (iii) there were no other factors at the time of appointment that could affect his independence.

Disclosure pursuant to Rule 8.10(2) of the Listing Rules

As at the Latest Practicable Date, save as disclosed in the section headed "Relationship with Shandong Gold Mining" none of our Directors have any interest in any business that directly or indirectly competes with our business pursuant to Rule 8.10(2) of the Listing Rules.

Joint Company Secretaries

Mr. Zhang Xiao has been appointed as our joint company secretaries. Please refer to the section headed "Directors — Executive Directors" above for Mr. Zhang Xiao's biographical details.

Ms. Chan Sze Ting (陳詩婷) is one of the joint company secretaries of our Company. She is currently a director of Company Secretarial Services of Tricor Services Limited (a member of Vistra Group).

Ms. Chan has over 19 years of experience in the company secretarial field, and has served various listed companies in Hong Kong, as well as multi-national corporations, private companies and offshore companies by providing them with professional corporate services.

Ms. Chan obtained a Bachelor of Arts degree from the Hong Kong Polytechnic University in Hong Kong in November 2004, and a Bachelor of Laws degree from the University of London in the United Kingdom in August 2008.

Ms. Chan is a Chartered Secretary and Chartered Governance Professional. She is also a fellow member of each of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute of the United Kingdom.

Special Committees of the Board of Directors

Our Company has established four special committees of the Board of Directors, namely the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy Committee.

Audit Committee

The Audit Committee consists of five Directors, namely Mr. Liu Hongwei, Mr. Wang Renjian, Mr. Zhang Da, Mr. Yan Qingyue and Mr. Tang Qi. Mr. Liu Hongwei serves as the chairman of the Audit Committee. Mr. Liu Hongwei has appropriate accounting or related financial management expertise as required by Rules 3.10(2) and 3.21 of the Listing Rules.

The main responsibilities of the Audit Committee include:

(i) Supervise and evaluate the work of external audit institutions, internal audit work, and internal control of our Company;

(ii) Inspect our Company's finances, review our Company's financial reports and give opinions on them;

(iii) Coordinate the communication between management, internal audit institutions and relevant departments with external auditors;

(iv) If our Company's operation is found to be abnormal, it can investigate; if necessary, professional institutions such as accounting firms and law firms can be hired to assist in their work, and our Company shall bear the costs; and

(v) Other matters authorized by the Board of Directors.

Nomination Committee

The Nomination Committee consists of five Directors, namely Mr. Zhang Da, Mr. Liu Qin, Mr. Yan Qingyue, Mr. Liu Hongwei and Ms. Huang Ying. Mr. Zhang Da is currently the chairman of the Nomination Committee.

The main responsibilities of the Nomination Committee include:

(i) Review the structure, size and composition of the Board (including skills, knowledge and experience) at least once a year, assist the Board in compiling the Board Skills Sheet, and make recommendations on any proposed changes to the Board in line with our Company's corporate strategy;

(ii) Identify and select individuals with suitable qualifications to serve as directors and nominate them for or making recommendations to the Board in this regard;

(iii) Assess the independence of Independent Non-executive Directors;

(iv) Make recommendations to the Board on the appointment or re-appointment of Directors and senior management and the succession planning of Directors and senior management, in particular the Chairman and General Manager; and

(v) Other matters authorized by the Board of Directors.

Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee consists of five Directors, namely Mr. Yan Qingyue, Mr. Wang Shui, Mr. Zhang Da, Mr. Liu Hongwei and Mr. Song Zhongshan. Mr. Yan Qingyue is currently the chairman of the Remuneration and Evaluation Committee.

The main responsibilities of the Remuneration and Evaluation Committee include:

(i) Advise the Board on the remuneration of Directors and senior management;

(ii) Provide suggestions to the Board on the formulation or change of equity incentive plans and employee stock ownership plans, the granting of rights to incentive recipients, and the fulfillment of conditions for exercising rights;

(iii) Advise the Board and senior management on shareholding arrangements for directors and senior management in the proposed spin-off subsidiaries; and

(iv) Other matters authorized by the Board of Directors.

Strategy Committee

The Strategy Committee is composed of five Directors, namely Mr. Liu Qin, Mr. Wang Renjian, Mr. Wang Shui, Mr. Ou Xingong and Mr. Zhang Xiao. Mr. Liu Qin is currently the chairman of the Strategy Committee.

The main responsibilities of the Strategy Committee include:

(i) Research and give suggestions on our Company's long-term development plan, business goals and development policies;

(ii) Research and give suggestions on our Company's business strategy, including but not limited to product development strategy, market strategy, investment strategy, marketing strategy, and talent strategy;

(iii) Research and give suggestions on our Company's major strategic investment and financing plans;

(iv) Research and give suggestions on our Company's major capital operation and asset management projects;

(v) Research and give suggestions on other major matters affecting our Company's development strategy;

(vi) Follow-up inspection of the implementation of the above matters;

(vii) Research and give recommendations on our Company's sustainable development, including strategy, vision and goals;

(viii) Review our Company's sustainability report and other sustainability-related information disclosures, and supervise the implementation; and

(ix) Other matters authorized by the Board of Directors.

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance to protect shareholders' interests. To this end, our Company intends to comply with all corporate governance requirements under the Corporate Governance Code and the Corporate Governance Report set out in Appendix C1 to the Listing Rules upon [REDACTED].

The Directors fully recognize that incorporating elements of good corporate governance into our Group's management structure and internal control procedures is essential for achieving effective accountability.

Board Diversity

Our Company has adopted a Board Diversity Policy which sets out ways to achieve Board diversity. Our Company recognizes and champions the benefits of having a diverse Board and believes that diversity at the Board level, including gender diversity, is essential to maintain our Company's competitive advantage and enable us to attract, retain and motivate our staff from the widest available talent pool. In accordance with the Board Diversity Policy, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience, when reviewing and evaluating candidates suitable for the position of Director of our Company. In particular, the Board of our Company currently has one female Director and one female Director on the Nomination Committee, and will continue to strive to enhance gender diversity on the Board. Directors have a balanced knowledge and skill set, and we have four Non-executive Directors and four Independent Non-Executive Directors with diverse industry backgrounds. Taking into account our existing business model and specific needs, as well as the diverse backgrounds of our Directors, the composition of the Board is consistent with our Board Diversity Policy. In accordance with the Board Diversity Policy, the Nominating Committee will regularly discuss and, where necessary, agree on relevant measurable targets for Board diversity, including gender diversity, and make recommendations to the Board for formal adoption.

Remuneration of Directors and Senior Management

We provide remuneration to executive directors and senior management officers who are employees of our Company in the form of emoluments, salaries, bonuses, allowances and benefits in kind, as well as contributions of retirement benefit schemes. The remuneration of Directors and senior management is determined by reference to factors such as the responsibilities, risks and commitments of Directors and senior management, industry market standards and our Company's operations. Our independent non-executive directors are remunerated in reference to their respective positions and responsibilities, including serving as members or chairmen of board committees.

The table below sets out the total remuneration paid to Directors and the five highest paid persons (including certain Directors) for each year ended December 31, 2023, 2024 and 2025.

	For the year ended December 31,		
	2023	2024	2025
		(RMB million)	
Director	14.65	10.38	8.96
Five highest-paid individuals	16.96	16.94	16.18

During the Track Record Period, (i) no remuneration was paid to the Directors or the five highest paid individuals as an award for joining or upon joining our Group, (ii) no remuneration was paid or payable to the Directors, outgoing Directors or the five highest paid individuals for the loss of directorship in any member of our Group or any other position in connection with the management of the affairs of any member of our Group, and (iii) no Director waives or agrees to waive any remuneration.

Save as disclosed above and in "Financial Information," "Accountant Report" and "Statutory and General Information," there is no other payments paid or payable to the Directors and senior management by our Group in connection with the Track Record Period. Based on the arrangements in force as at the date of this document, we estimate that the total remuneration of Directors (excluding discretionary bonuses) for the year ended December 31, 2026 is approximately RMB9 million.

For details of the remuneration paid to the Directors and senior management and (on an accrual basis) to the five highest paid individuals of our Group during the Track Record Period, please refer to Note 9 and Note 10 of Appendix I to the Accountant Report.

Compliance Advisor

Our Company has appointed Red Solar Capital Limited as a compliance advisor in accordance with Rule 3A.19 of the Listing Rules. The compliance advisor will provide guidance and advice to us in compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise our Company in a number of circumstances, including:

(i) before issuing any regulatory announcements, circulars or financial reports;

(ii) when there are proposed transactions (which may be notifiable transactions or connected transactions), including the [REDACTED] of shares, sale or transfer of treasury shares and repurchase of shares;

(iii) when the manner in which we intend to use the [REDACTED] from the [REDACTED] is different from those detailed in this document, or if our Group's business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) when the Stock Exchange makes an enquiry to our Company pursuant to Rule 13.10 of the Listing Rules regarding unusual fluctuations in the [REDACTED] or [REDACTED] volume of its [REDACTED] securities or any other matter.

The term of office of the compliance advisor will commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules with respect to our financial results for the first full financial year commencing after the [REDACTED], which may be extended by agreement between the parties.

RELATIONSHIP WITH SHANDONG GOLD MINING

OVERVIEW

As at the Latest Practicable Date, Shandong Gold Mining, held 802,251,840 A Shares, accounting for approximately 28.89% of the issued share capital of our Company, which was in turn held by SDG Group as to 42.86%. SDG Group is a sizeable state-owned conglomerate controlled by Shandong SASAC. Shandong Gold Mining is identified as our Company's controlling shareholder and Shandong SASAC is regarded as the "*de facto* controller" of our Company pursuant to the PRC Company Law and the Administration Measures on Takeover of Listed Companies promulgated by the CSRC. SDG Group is not regarded as a controlling shareholder of our Company from the perspective of PRC laws and does not control the composition of a majority of our Board of Directors. Shandong Gold Mining is not a special purpose vehicle holding its interest in our Company and is a company with substantial business which is listed both in the PRC and in Hong Kong. See the paragraph headed "Principal Business of Shandong Gold Mining" below for details. The financial performance of our Company is consolidated into that of Shandong Gold Mining as Shandong Gold Mining is in a position to control our Board of Directors by nominating a majority of the Directors.

Immediately following completion of the [REDACTED], Shandong Gold Mining will be interested in approximately [REDACTED]% of our total share capital (assuming the [REDACTED] is not exercised) or approximately [REDACTED]% of our total share capital (assuming the [REDACTED] is exercised in full) and will continue to be our Controlling Shareholder upon [REDACTED].

DELINEATION OF BUSINESS

Our Principal Business

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 trading operations. See "Business" for details of our business.

Principal Business of Shandong Gold Mining

Shandong Gold Mining is principally engaged in exploration, mining, beneficiation and sales of gold and other non-ferrous metal, production, processing and sales of specialized equipment for gold mines and construction and decoration materials (excluding products restricted by national laws and regulations). Its main products (inclusive of our Group's) include standard gold bullions, investment gold bars, gold doré and silver ingots. In 2024, Shandong Gold Mining's gold mine production volume (including our Group) reached 46.17t. For the year ended December 31, 2024, Shandong Gold Mining (including our Group) achieved revenue of RMB82,517.99 million and profit before tax of RMB5,613.14 million. As at December 31, 2024, Shandong Gold Mining's total assets (including our Group) reached RMB161,010.47 million. Shandong Gold Mining was listed on the Shanghai Stock Exchange in August 2003 (stock code: 600547). and was subsequently listed on the Stock Exchange in September 2018 (stock code: 1787). See "History, Development and Corporate Structure" for details of shareholding structure of Shandong Gold Mining.

Principal Business of SDG Group

SDG Group (excluding Shandong Gold Mining and its subsidiaries) mainly engages in gold mining related operations, including geological exploration and mining of gold, gold processing, gold smelting and technical services, and production and sales of specialized equipment and supplies and construction materials for gold mines. Additionally, SDG Group also engages in lead concentrate and zinc concentrate mining related operations and trading business. As at the Latest Practicable Date, SDG Group was held as to 70%, 20% and 10% by Shandong SASAC, Shandong Development Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司) and Shandong Caixin Asset Management Co., Ltd. (山東省財欣資產運營有限公司) ("**Caixin**"), respectively, Shandong Development Investment Holding Group Co., Ltd. was held as to 97.88% by Shandong SASAC and 2.12% by Caixin and Caixin was wholly owned by Shandong Provincial Department of Finance.

Clear Delineation of Business Between our Group and the Parent Group

The Directors are of the view that there is clear business delineation of our Group from the businesses of the Parent Group for the following reasons:

- **Different products:** Our products mainly include gold doré, lead concentrate powder (containing silver), and zinc concentrate powder (containing silver), while the products of the Parent Group mainly include standard gold bullions, and investment gold bars of various specifications. The Parent Group does not produce gold doré. Our gold doré products require further refining to become standard gold. Essentially, our gold doré products are upstream products of the Parent Group's standard gold production.

- **Different suppliers and customers:** The major customers of our gold doré and lead and zinc concentrate (containing silver) are downstream gold smelters and downstream lead-zinc smelters, respectively, while the major customers of Shandong Gold Mining is the Shanghai Gold Exchange. Our suppliers mainly include (i) large smelters and their affiliated sales platform companies or traders involved in trade-related procurement; (ii) domestic production-material suppliers such as providers of mining and processing equipment, raw materials, and consumables; and (iii) mining labour service providers or engineering contractors. The selection, evaluation, and engagement of all suppliers of our Group are conducted independently by our procurement and operations departments. Shandong Gold Mining does not participate in nor influence the supplier selection process of our Group. For the years ended December 31, 2023 2024 and 2025, to the best knowledge of our Directors, there was no overlap between the top 20 suppliers of our Group and those of the Parent Group. The revenue from the overlapping customers only represented 0.92%, 1.32% and 0% of the revenue of our Group for the year ended December 31, 2023, 2024 and 2025 respectively.
- **Different mining rights and resources:** the Parent Group and our Group are equipped with comprehensive mining and exploration rights that empower the Parent Group and us to independently own and manage a diverse portfolio of mining operations. These rights enable the Parent Group and our Group to explore, extract, and develop different mineral resources and operate distinct mines independently and separately. The Parent Group's mines (excluding those of our Group) are mainly located in the Jiaodong region of China, as well as in Argentina in South America and Ghana in Africa, while our mines are primarily located in Jilin, Heilongjiang, Yunnan, Dachaidan Administrative Region, Qinghai, and Xilin Gol League, Inner Mongolia in China, as well as Namibia in Africa. Despite the geographical proximity of some mines, the Parent Group and our Group maintain clear business boundaries through the following mechanisms: (i) although both operate mines in China, our core products are doré gold, lead concentrate (containing silver), and zinc concentrate (containing silver), whereas Shandong Gold Mining focuses on standard gold bullions and investment gold bars of various specifications. These differences in mineral types naturally lead to distinct mining and processing technologies, production equipment, and product orientations; (ii) the rights and boundaries are completely independent. Each of the Parent Group and our Group holds its own mining rights and exploration rights, and the respective certificates clearly defining the coordinates of each mining area, leaving no overlap or ambiguity in boundaries; and (iii) the management systems of the Parent Group and us are fully separated, with each maintaining its own operational structure covering exploration planning, mining schedules, production dispatching, and product sales, without any shared management teams or overlapping management activities. In summary, even though both the Parent Group and our Group operate mines within China, the two maintain a clear and non-overlapping division of business areas through differentiated resource development, complementary operational positioning, and independent ownership and management systems, thereby ensuring a distinct mine portfolio alignment to avoid competition.
- **Large market size:** According to F&S, the market of both the Parent Group and our Company's products are within the commodities market, which is characterized by active investment and trading and a substantial market size. Currently, both the Parent Group and our Company account for a relatively small share of total market production, and as such, do not pose any material competitive threat to each other.

No Competing Interests

Save as disclosed above in this section, each of Shandong Gold Mining and our Company's Directors confirms that as at the Latest Practicable Date, it/he/she did not have any interest in a business which competes with, or is likely to compete with, our principal business, whether directly or indirectly, which would otherwise require disclosure to be made under Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKING

Despite there is clear business delineation of business between our Group and Shangdong Gold Mining, as a company listed on the Shenzhen Stock Exchange, we are subject to the supervision of domestic securities regulatory authorities, including the Shenzhen Stock Exchange and the CSRC, which place particular emphasis on the identification and resolution of potential competition issues. In light of this regulatory environment, Shandong Gold Mining, has proactively taken steps to address and mitigate any such concerns.

RELATIONSHIP WITH SHANDONG GOLD MINING

According to the standards under the China Securities Regulatory Commission's Guidelines for Industry Classification of Listed Companies (上市公司行業分類指引), both Shandong Gold Mining and our Company belong to the non-ferrous metal mining and beneficiation industry. When Shandong Gold Mining acquired 20.93% of our Shares in January 2023 and became our Controlling Shareholder, in accordance with the then-effective Listed Company Governance Guidelines (上市公司治理準則), Listed Company Acquisition Management Measures (上市公司收購管理辦法) and Shenzhen Stock Exchange Listed Company Self-Regulatory Guidance No. 1 — Standardized Operation of Main Board Listed Companies (深圳證券交易所上市公司自律監管指引第1號 — 主板上市公司規範運作), among other relevant laws, regulations, and normative documents within China, the controlling shareholder, *de facto* controller, and other entities under their control should not engage in businesses identical or similar to those of the listed company, and the controlling shareholder and *de facto* controller should take effective measures to avoid competition. Therefore, in light of the above rules and regulations, Shandong Gold Mining issued a non-competition undertaking (the "**NCU**") to our Company on January 19, 2023. The terms of the NCU align with of A-share market practices and meet the requirements of PRC regulators. The NCU was executed concurrently with the supplementary agreement to the share transfer agreement for Shandong Gold Mining's acquisition of our equity interests dated January 19, 2023 whose details are further disclosed in our Company's A share announcement headed Progress Announcement Regarding the Signing of the Supplementary Agreement to the Share Transfer Agreement by the Controlling Shareholder and Actual Controller and the Proposed Change in Control (關於控股股東、實際控制人簽署《股份轉讓協議之補充協議》暨控制權擬發生變更的進展公告). It constitutes a commitment made by Shandong Gold Mining pursuant to the PRC laws and regulations in connection with its acquisition of our equity interests. Pursuant to the NCU, Shandong Gold Mining undertook that within five years from the date of obtaining control of our Company, it would proactively coordinate with its affiliated parties to comprehensively utilize various methods, including but not limited to asset restructuring, business adjustments and entrusted management, to steadily advance the integration of relevant businesses in order to resolve the issues of actual or potential competition.

The afore-mentioned solutions include but are not limited to:

- Asset restructuring: Using various methods permitted by relevant laws and regulations, such as cash consideration or share issuance consideration, to purchase assets, swap assets, transfer assets, or adopt other feasible restructuring methods, gradually sorting out and restructuring the assets of Shandong Gold Mining, its affiliated parties, and our Company that overlap in business operations, thereby eliminating certain instances of business overlap;
- Business Adjustment: Clarifying business boundaries and striving to achieve differentiated operations, such as through asset transactions, business delineations, or other methods to distinguish business operations, including but not limited to differentiation in terms of other non-ferrous and precious metal products, mineral rights types, industry classifications, and geographical locations;
- Entrusted Management: Entering into an entrustment agreement whereby one party fully delegates the decision-making and management authority related to the operation of assets with overlapping business operations to the other party for unified management;
- Other feasible solutions within the scope permitted by laws, regulations, and relevant policies.

The implementation of the above solutions is subject to the completion of necessary review procedures by our Company, as well as approvals from securities regulatory authorities and relevant competent authorities in accordance with applicable laws and regulations.

Specifically, (i) with respect to asset restructuring, Shandong Gold Mining shall review the assets of Shandong Gold Mining and its subsidiaries and our Group regularly, including product types, resource reserve types and grades, downstream customers and market regions served, and geographical proximity of mining rights. As stated above, our Group and the Parent Group have clear delineation of business (including different products, different customers, different mining rights and resources, and large market size). As of the Latest Practicable Date, Shandong Gold Mining did not identify any overlapping business segments or operations between the Parent Group and our Group that constitute actual or potential competition; (ii) with respect to business adjustment, Shandong Gold Mining has strictly delineated its business boundaries, including reviewing its business scope from aspects such as product types, mining rights and mineral resources, and geographical locations. To further delineate business boundaries and ensure clear operational separation, the Group and Shandong Gold Mining have implemented a series of structured measures. On the product front, Shandong Gold Mining has adopted a differentiated product strategy consistent with its commitment to "non-overlapping products", defining its core offerings as standard gold bullions and investment gold bars, with a strategic focus on high value-added end-products primarily supplied to the Shanghai Gold Exchange. The Group, by contrast,

is positioned to concentrate on gold doré, lead concentrate powder (containing silver), and zinc concentrate powder (containing silver). Geographically, Shandong Gold Mining enforces its commitments through a "restricted-zone" framework and rigorous mining-rights controls. Together with the Group, it has established a detailed territorial delineation table that designates areas surrounding each party's core mining rights as restricted zones for the other. A pre-approval mechanism for mining-rights tenders has been instituted, requiring internal verification against the territorial list prior to participation. Shandong Gold Mining shall refrain from bidding for mining rights located within our Group's restricted zones (unless the Group elects not to bid). Operationally, Shandong Gold Mining has established a comprehensive multi-layer "firewall" system to ensure effective implementation of these commitments, including dedicated oversight functions, fully independent teams for production, sales, and mining-rights management, and strictly segregated decision-making processes. The sharing of equipment, distribution channels, and customer resources is expressly prohibited. Regular compliance reviews are carried out to ensure that both parties maintain operational independence and continue to adhere to clearly defined business boundaries. As of the Latest Practicable Date, Shandong Gold Mining has completed the review and adjustment of its business boundaries. Our Group's primary products are gold doré, lead concentrate powder (containing silver), and zinc concentrate powder (containing silver), while the products of Shandong Gold Mining mainly include standard gold bullions, and investment gold bars of various specifications. The final forms and target markets of both parties' products are clearly differentiated. Shandong Gold Mining and our Company have delineated distinct geographic areas, refraining from bidding for new mining rights of the same type in regions adjacent to each other's core mining rights (unless our Group withdraws from the bidding). Through these internal control processes, Shandong Gold Mining has established operational firewalls, ensuring complementary rather than competitive relationships across market segments, products, and geographic areas, even within the same broad industry; (iii) with respect to management entrustment, as of the Latest Practicable Date, there were no overlapping assets or competing businesses between the Parent Group and our Group. Therefore, there are currently no management entrustment arrangements between Shandong Gold Mining and our Company; (iv) except for the above circumstances, when Shandong Gold Mining and its affiliates obtain business opportunities that may compete with our business, Shandong Gold Mining will maintain its independent participation in market competition and support us in leveraging our inherent advantages. Shandong Gold Mining undertook to continue to participate in market competition independently with our Company in accordance with the principles of openness, fairness, and impartiality, without harming the interests of our Company and our minority shareholders. Based on the above, the Directors are of the view that the measures under the NCU would be adequate and effective in resolving the competition issues between Shandong Gold Mining and our Company.

Since the issuance of the non-competition undertaking in 2023, Shandong Gold Mining has attached great importance to complying with the commitment and tracking its implementation progress, and the measures it adopted include but not limited to: (i) clarifying business boundaries to ensure that the products of Shandong Gold Mining and our Company are fundamentally distinct; and (ii) independently participating in market-based acquisition activities. For example, our acquisition of Osino was conducted through independent market competition, without any intervention from Shandong Gold Mining in our investments and acquisitions.

INDEPENDENCE FROM SHANDONG GOLD MINING

Our Directors are satisfied, on the basis of the following reasons, that we are capable of carrying on our business independently of the Parent Group after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of 11 Directors, comprising three executive Directors, four non-executive Directors and four independent non-executive Directors, and we also have six senior management members (three of which are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. See "Directors and Senior Management" for qualifications and experience of our Directors and senior management.

RELATIONSHIP WITH SHANDONG GOLD MINING

Save as disclosed below, none of our Directors or members of senior management performs a management role in the Parent Group.

Name	Position with our Company	Positions held within the Parent Group
Mr. Liu Qin	Non-executive Director and Chairman of the Board of Directors	Director and the vice chairman of Shandong Gold Mining, the secretary to CPC Committee, and chairman of its mining management branch (Mining Management Group)
Mr. Tang Qi	Non-executive Director	Director, general manager,and director of the strategic planning department of Shandong Gold Mining

Our Directors consider that our Board and senior management of our Group are capable of functioning independently of the Parent Group for the following reasons:

(a) Mr. Liu Qin and Mr. Tang Qi are non-executive Directors, and not involved in our daily operations. They are responsible for the high-level oversight of the management and operations of our Group;

(b) Our Group and the Parent Group are managed by separate management teams as all of our executive Directors and senior management team members are independent from the Parent Group and have adequate relevant experience to ensure the normal operation of the day-to-day business and management of our Group. All of our executive Directors and senior management do not hold any position in the Parent Group, and are capable to contribute sufficient time and efforts to manage the daily operations of our Group. In addition, the management personnel of our Company have clear reporting lines, and the management team ultimately reports to the executive Directors, who are responsible for reporting to our Board;

(c) we have appointed four independent non-executive Directors, comprising more than one-third of the total members of our Board, who have sufficient knowledge, experience and competence, so that there is a balanced composition of executive, non-executive Directors and independent non-executive Directors to ensure the independence of the Board in making decisions affecting our Company and to promote the interests of our Company and the Shareholders as a whole. In particular, the four independent non-executive Directors possess the relevant qualifications and industry experiences to safeguard the interests of the minority Shareholders of our Company by, among other things, reviewing and opining on connected transactions of our Group, including those between our Group and the Parent Group. Please refer to the section headed "Directors and Senior Management" in this document for details of the biographies of the independent non-executive Directors;

(d) each Director is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit and in the interest of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(e) there is no overlapping senior management personnel who serves at both the Parent Group and us; and

(f) we have adopted other corporate governance measures to manage potential conflicts of interest, if any, between our Group and the Parent Group, which would enhance our independent management, as detailed in the sub-section headed" — Corporate Governance Measures" below.

Based on the above, our Directors are of the view that our Group has our own management team and that we are capable of managing our business independently of the Parent Group.

Operational Independence

We operate our business independently from the Parent Group. We have (i) the necessary qualifications for carrying out our business, (ii) independent production capabilities, and do not rely on the production capacities of the Parent Group, (iii) independent channels to contact customers and suppliers, and have our own management team to carry out business; and (iv) independent sales and supplies channels.

We have the ownership of or the right to use all patents which are significant to our existing business operations. On November 5, 2024 and July 31, 2025, we entered into the Original Trademark License Agreement and the Supplemental Trademark License Agreement with SDG Group, pursuant to which, SDG Group granted to our Company the rights to use trademarks/logo at an aggregate consideration of RMB200,000 per year until

December 7, 2027. We only use the trademarks licensed by SDG Group in office buildings, workplaces, production management sites, relevant documents to implement SDG Group's unified cultural publicity policy. Save for the trademarks licensed by SDG Group to us, there are no other intellectual property rights, technologies, equipment and know-how currently in use by our Group but owned by the Parent Group and SDG Group. For specific information on the patents and licensed trademarks, see "Statutory and General Information" in Appendix VII to this Document.

Our Company will enter into the Provision of Services Framework Agreement with SDG Group, pursuant to which, SDG Connected Group will provide gold trading agency services and labor services, to our Group from time to time. The amounts of transactions with respect to the procurement of trading and labor services by our Group from SDG Connected Group were RMB1.60 million, RMB7.39 million and RMB9.93 million, representing approximately 0.03%, 0.08% and 0.09% of our Group's total cost of sales, respectively, for the years ended December 31, 2023, 2024 and 2025.

Our Company will enter into the Sale of Products Framework Agreement, pursuant to which, our Group would sell goods (including lead concentrate, zinc concentrate and gold doré) to SDG Connected Group from time to time. The amounts of transactions with respect to the sale of goods by our Group to SDG Connected Group were approximately RMB83.84 million, RMB180.31 million and RMB316.98 million, representing approximately 1.04%, 1.33% and 1.85% of our Group's total revenue, respectively, for the years ended December 31, 2023, 2024 and 2025.

Our Company is of the view that the transactions contemplated under the Trademark License Agreements, Provision of Services Framework Agreement and the Sale of Products Framework Agreement only account for a small portion of our business operation and we do not rely on such transactions in any material respect to achieve our performance targets. These connected transactions have been and will continue to be conducted on arm's length and on normal commercial terms or better in the ordinary and usual course of business of our Group, and the pricing policy of our Group and our connected persons are not prejudicial to the interests of our Group. Moreover, our access to independent sources in relation to the transactions contemplated under Provision of Services Framework Agreement and the Sale of Products Framework Agreement enables us to easily identify other suitable partners or substitutes through fair negotiation at similar terms and conditions in line with the market terms to meet our business and the operational needs without causing any undue delay. The Directors are of the view that such agreements will not affect our independence of operation from the Parent Group. See "Connected Transactions" for further details.

Based on the above, our Directors are of the view that our Group operates independently from the Parent Group.

Financial Independence

We have adopted our own independent internal control and financial management systems and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. We make financial decisions and determine our use of funds according to our own business needs. We have adequate internal resources and our own credit profile to support our daily operation. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We open and manage our bank accounts independently, and have not shared any bank account with the Parent Group during the Track Record Period and up to the Latest Practicable Date. We are also capable of obtaining financing from third parties, if necessary, without reliance on the Parent Group. We do not expect to rely on the Parent Group for financing after the [REDACTED] as we expect that our working capital will be primarily funded by cash generated from our business operation, and to a lesser extent, external indebtedness.

No loan, guarantee or other forms of financial assistance has been provided by, or granted to, the Parent Group during the Track Record Period and as at the Latest Practicable Date.

In light of the above, our Directors are of the view that we are able to maintain financial independence from the Parent Group.

RELATIONSHIP WITH SHANDONG GOLD MINING

CORPORATE GOVERNANCE MEASURES

Our Directors acknowledge the importance of good corporate governance in protection of our Shareholders' interests. In order to further manage any potential conflicts of interest with the Parent Group, we have adopted the following measures:

(a) our independent non-executive Directors will review the effective non-competition undertaking and compliance situation on an annual basis;

(b) our Company will disclose the decision made and/or matter reviewed by our independent non-executive Directors relating to compliance and enforcement of the aforementioned non-competition undertaking in our annual reports and/or by way of an announcement;

(c) we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors who possess sufficient experience and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders;

(d) in the event of a conflict of interest, such as resolutions regarding transactions with the Parent Group, the relevant Director(s) who are connected with the Parent Group shall abstain from voting on such matters and shall not be counted toward the quorum at the relevant Board meeting. Further, when considering connected transactions and competing business, the independent non-executive Directors will review the relevant transactions, and where needed, we will engage additional independent consultants to provide advice to the independent non-executive Directors;

(e) in the event that any potential conflict of interest in connection with the Parent Group arises at the shareholders' level, Shandong Gold Mining shall abstain from voting at the general meeting of our Company with respect to the relevant resolution(s);

(f) our Directors, including our independent non-executive Directors, will be entitled to seek independent professional advice from external parties in appropriate circumstances at our Company's expense;

(g) our Company will monitor potential or proposed transaction between our Group and our connected persons, and ensure compliance with Chapter 14A of the Listing Rules including, where applicable, the announcement, reporting, annual review and independent Shareholders' approval requirements;

(h) as required by the Listing Rules, our independent non-executive Directors shall review any connected transactions (including continuing connected transactions) annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;

(i) we have appointed Red Solar Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(j) our Audit Committee will conduct a review on the effectiveness of the above internal control measures on an annual basis and conduct research and provide advice to the Board in relation to our legal compliance and risk management; and

(k) our Nomination Committee will from time to time review the independence of our Directors in terms of performing their duties as our Directors to ensure effective management of conflict of interest.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED] and assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], the following persons will have an interest or short position (as applicable) in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company:

				Assuming that the [REDACTED] is not exercised		Assuming that the [REDACTED] is fully exercised	
Name of Shareholder	Nature of interest	Number and class of Shares held or interested[(1)]	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Shareholding in our A Shares immediately after the [REDACTED]	Shareholding in our total issued Shares immediately after the [REDACTED]	Shareholding in our A Shares immediately after the [REDACTED]	Shareholding in our total issued Shares immediately after the [REDACTED]
Shandong Gold Mining	Beneficial owner	802,251,840 A Shares	28.89%	28.89%	[REDACTED]	28.89%	[REDACTED]
SDG Group	Interest in controlled corporation[(2)]	802,251,840 A Shares	28.89%	28.89%	[REDACTED]	28.89%	[REDACTED]
Mr. Wang Shui	Beneficial owner	332,224,407 A Shares	11.96%	11.96%	[REDACTED]	11.96%	[REDACTED]

Notes:

(1) All interests stated are long positions.

(2) As of the Latest Practicable Date, Shandong Gold Mining was a subsidiary of SDG Group. Therefore, SDG Group was deemed to be interested in the Shares held by Shandong Gold Mining under the SFO. (i.e. 802,251,840 A Shares)

Save as disclosed above, the Directors are not aware of any person who will, immediately following completion of the [REDACTED] (and the offering of any additional Shares pursuant to the [REDACTED]), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at any general meeting of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the [REDACTED] of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was 2,776,722,265 Shares of nominal value of RMB1.00 each, which are all listed on the main board of the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares	2,776,722,265	100%

UPON [REDACTED] OF THE [REDACTED]

Immediately following [REDACTED] of the [REDACTED] (assuming that the [REDACTED] is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares	2,776,722,265	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**100.00%**

Immediately after the [REDACTED] (assuming that the [REDACTED] is fully exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares	2,776,722,265	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Our H Shares in [REDACTED] upon [REDACTED] of the [REDACTED], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or [REDACTED] by Hong Kong and other overseas [REDACTED] and qualified domestic institutional [REDACTED]. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [REDACTED] for and [REDACTED] by mainland Chinese [REDACTED] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares or other forms. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

SHARE CAPITAL

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to [REDACTED] H Shares and seek the [REDACTED] H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the Shareholders' general meeting of our Company held on September 22, 2025 and is subject to the following conditions:

a) *Size of the [REDACTED]*. The number of H Shares to be [REDACTED] will not exceed [REDACTED] of the total share capital of our Company after the [REDACTED] (assuming that the [REDACTED] is fully exercised).

b) *Method of [REDACTED]*. The method of [REDACTED] shall be by way of an [REDACTED] to institutional [REDACTED] and a [REDACTED] for [REDACTED] in Hong Kong.

c) *Target [REDACTED]*. The H Shares shall be [REDACTED] to [REDACTED] in Hong Kong under the [REDACTED] and [REDACTED], qualified domestic institutional investors in mainland China and other investors who are approved by mainland Chinese regulatory bodies to invest abroad in [REDACTED].

d) *[REDACTED]*. The [REDACTED] [REDACTED] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, acceptance of [REDACTED] and the risks related to the [REDACTED], according to international practice, through the demands for [REDACTED] and [REDACTED], subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

e) *Date of [REDACTED] and [REDACTED]*. Our Company will choose an appropriate timing and [REDACTED] window during the validity period of the Shareholders' general meeting resolution to complete this [REDACTED] and [REDACTED]. The specific [REDACTED] and [REDACTED] date will be determined by the Board of Directors authorized by the Shareholders' meeting and/or designated personnel authorized by the Board of Directors based on international capital market conditions, approval from domestic and foreign regulatory authorities, filing progress, and other relevant situations.

There is no other approved offering plans for our Shares except the [REDACTED].

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstance under which our Shareholders' general meeting is required, see "E. Shareholders' General Meeting" in Appendix VI to this document.

FINANCIAL INFORMATION

*You should read the following discussion and analysis with our audited consolidated financial information as of and for the Track Record Period, including the notes thereto, included in the Accountants' Report in Appendix I to this document ("**Historical Financial Information**"). The consolidated financial information has been prepared in accordance with IFRS Accounting Standards.*

Potential [REDACTED] should read the whole Historical Financial Information and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Past performance is no guarantee of future results. In evaluating our business, you should carefully consider the information provided in this document, including, but not limited to, the sections headed "Risk Factors" and "Business."

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 increased 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.

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

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are certain key factors which have historically affected our results of operations and may continue to impact our results in the future:

Resources and reserves

Resources and reserves are fundamental to the financial and operational performance of a mining enterprise. These estimates underpin mine plan, investment decisions, and long-term strategic forecasting. The grade, quantity, quality, and classification of resources and reserves directly influence the expected life of mine, production volumes, and cost structures, all of which have a material impact on revenue generation, asset valuation, and capital expenditure. A large and high-quality reserve base provides significant advantages, including sustained production visibility, enhanced flexibility in responding to market conditions, and improved access to financing. Conversely, a limited or declining reserve base can constrain growth, increase reliance on external sources, and introduce additional operational and financial risks.

The mining industry is inherently extractive, consuming finite natural resources that cannot be regenerated. As such, a mining company must continuously maintain and replenish its reserve base to ensure operational longevity and strategic viability. This requires ongoing exploration, investment in geological modelling, and the identification of new resource opportunities. Without a proactive approach to reserve replacement, a company risks depleting its productive assets, leading to reduced output, higher unit costs, and eventual decline in profitability. The ability to maintain a strong reserve pipeline is therefore not only a technical necessity but a strategic imperative for long-term sustainability.

We believe that it is important to recognize that mineral resource and reserve estimates are subject to uncertainty. These estimates rely on geological data, sampling, and modelling techniques that, while rigorous, are inherently limited by the quality and quantity of available information. Factors such as geological complexity, sampling density, and assumptions about future commodity prices and operating conditions introduce variability into the estimates. Overestimation may result in inflated asset values, misallocated capital, and underperformance against projected outputs, while underestimation can lead to missed opportunities and undervaluation of assets. These risks highlight the importance of applying consistent and internationally recognized standards in resource estimation. Nevertheless, our Company boasts a resource base of quality minerals with appealing metal grades.

The accuracy and consistency of mineral resource and reserve estimates are critical to our financial reporting and strategic decision-making, yet they remain inherently uncertain. These estimates influence key financial metrics such as depreciation schedules, impairment testing, and revenue recognition, and any material change can have a direct impact on our financial position. As we continue to refine our geological models and integrate new data under the JORC framework, we acknowledge that estimation outcomes may vary and require ongoing reassessment. We remain committed to maintaining robust estimation practices and transparent disclosures, but stakeholders should understand that resource and reserve figures are subject to revision and should be interpreted with caution, particularly during periods of methodological transition.

Market demand and prices of gold and other non-ferrous metals

During the Track Record Period, our revenue was derived from the sales of gold and other non-ferrous metals, as well as metal trading, the fluctuation of which may be dependent on the ever changing prices of such metals in the global market. Such prices can be affected by numerous factors beyond our control, for example, the global economic cycles, fluctuations in the global currency supply of and demand for such metals, macroeconomic factors such as GDP growth, inflation, changes in interest rates, geopolitical tensions, and speculative trading activities. When metal prices are high, we may realize higher selling prices for our output, which boosts our revenue and gross profit margin from mining operations. Furthermore, favorable metal prices may strengthen our operating cash flows and enable us to deploy additional resources towards mining expansion, exploration and trading operations. On the other hand, any sharp decline in metal prices can also lead to inventory valuation write-downs or impairments of our mining assets.

For instance, taking gold as an example, the global gold prices have generally trended upward from 2022 amid the Russia-Ukraine conflict and inflationary pressures in multiple major economies, then climbed to near-record highs in 2023 and 2024 as a response to market turbulence, rising recession expectations, slower interest rate hikes, leading to central banks buying more gold in hopes to mitigate such risks. As our revenue generated from the sales of gold products represented 40.8%, 32.6% and 32.2% of our total revenue for the year ended December 31, 2023, 2024 and 2025, respectively, it is deemed necessary for us to pay close attention to global prices for gold. Should there be any significant fluctuations in global prices for gold, our results of operations may be materially affected. The tables below set forth the impact of fluctuation of gold price on our results of operations for the periods indicated:

	Year ended December 31, 2023							
	(RMB in millions, except for percentages)							
Hypothetical fluctuation of gold price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Change in gross profit	(660)	(495)	(330)	(165)	165	330	495	660
Change in gross profit margin	(6.0%)	(4.4%)	(2.9%)	(1.4%)	1.4%	2.7%	3.9%	5.1%

	Year ended December 31, 2024							
	(RMB in millions, except for percentages)							
Hypothetical fluctuation of gold price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Change in gross profit	(885)	(663)	(442)	(221)	221	442	663	885
Change in gross profit margin	(4.9%)	(3.6%)	(2.4%)	(1.2%)	1.1%	2.2%	3.3%	4.3%

	Year ended December 31, 2025							
	(RMB in millions, except for percentages)							
Hypothetical fluctuation of gold price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Change in gross profit	(1,090)	(818)	(545)	(273)	273	545	818	1,090
Change in gross profit margin	(4.6%)	(3.4%)	(2.2%)	(1.1%)	1.1%	2.1%	3.1%	4.1%

The above sensitivity analysis illustrates the potential impact of shifting gold prices on our gross profit and margins, assuming sales volume remains constant. It is important to note that this analysis does not take into account changes in utility and raw material costs, as such fluctuations are considered non-material to our overall cost structure. In a rising gold price environment, stable production volumes would translate into higher revenue and improved gross profit margins, thereby enhancing our overall financial performance. Conversely, if gold prices decline, maintaining high production volumes can help offset the adverse pricing impact by preserving revenue levels and leveraging fixed cost efficiencies. As such, production discipline and cost control remain critical to sustaining profitability across varying market conditions.

Production volume

Our results of operations are closely tied to the production volume of gold and other non-ferrous metals. For the year ended December 31, 2023, 2024 and 2025, our production volumes reached (i) 7.0t (225.5 koz), 8.0t (258.4 koz), and 7.6t (245.5 koz) of gold; (ii) 193.0t (6,205.1 koz), 196.1t (6,303.2 koz) and 163t (5,247.0 koz) of silver; (iii) 9.5 kt, 12.7 kt, and 11.1 kt of lead; and (iv) 16.5 kt, 17.1 kt, and 21.1 kt of zinc, respectively. Production volume is a key driver of revenue and gross profit, as higher output generally leads to greater sales volumes, assuming stable or rising commodity prices. Conversely, lower production volumes may limit revenue generation and reduce economies of scale, thereby increasing unit costs and compressing margins.

Production volume can be influenced by a range of operational and external factors. These include the capacity and efficiency of our processing facilities, the availability and quality of ore, equipment reliability, labor productivity, and adherence to production schedules. External factors such as weather conditions, geological variability, regulatory delays, and supply chain disruptions can also impact actual output. In some cases, actual production may deviate from planned targets due to lower-than-expected ore grades, unexpected technical challenges, or natural events such as floods or rockfalls — many of which are beyond our control.

In a rising metal price environment, higher production volumes allow us to capitalize on favorable market conditions by maximizing revenue and improving gross profit margins. Increased output spreads fixed costs over a larger volume of production, enhancing cost efficiency and supporting stronger financial performance. On the other hand, if metal prices are low, maintaining high production volumes can still be beneficial, as it helps preserve cash flow and operational leverage, provided that unit costs remain competitive. In such scenarios, disciplined cost control and operational efficiency become even more critical to sustaining profitability.

For such reasons, we believe that our ability to manage costs and mitigate operational risks is essential to delivering consistent and resilient financial results across commodity cycles.

Cost of sales and recovery rate

Our cost of sales primarily comprises expenses related to both our mining and trading operations. For mining, this includes depreciation and amortization, contractor costs, preliminary mining and drilling, raw materials, energy, labor, maintenance, and other site-related expenditures. For trading operations, cost of sales reflects the purchase cost of metals sold. For the year ended December 31, 2023, 2024 and 2025, our cost of sales accounted for 68.0%, 70.0% and 68.1% of our total revenue, respectively. Fluctuations in cost of sales directly affect our gross profit margins and, consequently, our overall results of operations. An increase in cost of sales, whether due to higher input costs or changes in product mix, can compress margins and reduce profitability.

Our results of operations are also influenced by mining efficiency, as reflected in our metal recovery rate. The recovery rate measures the proportion of valuable metal successfully extracted from the ore during processing. A lower recovery rate means that more ore must be processed to produce the same amount of metal, which increases cost of sales and reduces operational efficiency. For the year ended December 31, 2025, the gold recovery rates at Qinghai Dachaidan Mining, Jilin Banmiaozi Mining, and Heihe Luoke Mining were 94.4%,

89.5%, and 97.0%, respectively. Recovery rates are affected by factors such as ore grade, mineralization characteristics, and the effectiveness of the processing method. Sustaining or improving recovery rates is therefore critical to maintaining cost efficiency and supporting stable financial performance.

Production costs

Production costs go beyond cash operating costs and encompass all expenditures associated with sustaining mining operations over time. In the gold mining industry, this broader measure is commonly referred to as all-in sustaining cost ("**AISC**"). It includes not only the direct costs of mining and processing, but also sustaining capital expenditures such as equipment replacement and infrastructure upgrades required to maintain current production levels. Additionally, it covers exploration and development costs aimed at discovering new reserves and expanding existing ones, corporate overhead including head office expenses and executive salaries, and closure and reclamation costs related to environmental rehabilitation and mine closure planning. AISC provides a more comprehensive view of the long-term cost of producing metal and is particularly valuable for investors and analysts assessing the sustainability and profitability of a mining operation over its life cycle.

If production costs are high, it may negatively affect our results of operations by compressing gross profit margins and reducing overall profitability, especially if commodity prices remain flat or decline. Conversely, lower production costs enhance operational efficiency and support stronger financial performance, contributing positively to our gross profit margins.

Strategic acquisitions

Our overall growth is driven by both organic expansion and strategic acquisitions and investments. We believe that successfully executing acquisition strategies and integrating acquired operations are major drivers of business and operational success. The size and quality of our mineral resource and reserve base are critical to our long-term growth prospects. Maintaining and expanding gold reserves through resource acquisition is therefore a key factor in sustaining and improving our future performance. Abundant reserves provide a solid foundation for continued production and revenue in the years ahead, whereas depleting reserves without replacement would eventually lead to declining output. For this reason, we devote significant efforts to resource acquisition initiatives.

During the Track Record Period, we acquired 100% equity of Osino Mining, thereby obtaining full ownership of Osino Mining's assets, including the Twin Hills gold project in Namibia. This successful resource expansion through acquisition strengthens our asset portfolio and enhances our future production potential. Going forward, we intend to continue leveraging strategic acquisitions as part of our growth strategy, where suitable opportunities arise. Our future performance will depend in part on our capacity to secure attractive gold assets at reasonable valuations, negotiate favorable terms, and efficiently integrate new acquisitions into our operations.

Expansion and capital expenditures

Mining is a capital-intensive industry that demands substantial investment in equipment, land resources, and adherence to strict safety production and environmental protection standards. It necessitates the implementation of resource exploration, recycling processes, and/or acquisitions to secure sustainable and abundant reserves. Additionally, investing in advanced technology is crucial to addressing the challenges and intricacies associated with mining, such as those in relation to mining at greater depths.

Whilst existing mines are situated in favorable mineralization environments, showcasing significant exploration prospects across the majority of the mining regions, and we aim to further maximize the potential of our existing mines by continuously expanding production and continuously investing in new technologies to improve recovery rates. To do so, we may incur additional costs to achieve a robust and sustainable growth. Moreover, in the year ended December 31, 2023, 2024 and 2025, our capital expenditure attributable to payment for the purchase of property, plant and equipment, intangible assets and other non-current assets amounted to RMB614.8 million, RMB687.8 million and RMB1,193.0 million, respectively. Such costs could have a significant impact on our financial condition and results of operations, particularly if we are unable to produce and sell at a sufficient volume to recover our investment or generate a profit.

Trading and derivatives

During the Track Record Period, in addition to our mining operations which we generate revenue from the sales of gold and other non-ferrous metals, we are also engaged in the trading of such metals. For the year ended December 31, 2023, 2024 and 2025, revenue generated from trading operations accounted for 43.7%, 56.9% and 58.4% of our total revenue, respectively. Despite the significant contribution to revenue, the gross profits derived from trading activities remained minimal.

Moreover, to manage price volatility in gold and other non-ferrous metals, we implemented hedging strategies through options contracts. Fair value gains arising from these instruments were recorded as other gains and losses in our consolidated statement of profit or loss. As of December 31, 2023, 2024 and 2025, we recognized derivative financial assets related to other non-ferrous metal futures contracts of RMB11.0 million, RMB1.9 million and RMB5.5 million, respectively. As of December 31, 2023, 2024 and 2025, we recognized derivative financial liabilities of RMB20.1 million, RMB9.0 million and RMB36.5 million, respectively. The fair value gains and losses on these contracts were determined based on the difference between the strike price stipulated in the derivative contract and the prevailing spot price of the underlying metals. The effectiveness of these hedging instruments is influenced by market conditions, including fluctuations in spot prices. The accounting treatment of these activities, including the recognition of fair value changes and the classification of gains and losses, should be carefully considered when evaluating our results of operations. Our investment in derivative instruments after the [REDACTED] will be subject to the compliance with Chapter 14 of the Listing Rules.

Regulatory policies relating to mining industry

Regulatory policies play a significant role in shaping the mining industry and can impact various aspects of mining operations, from exploration and extraction to environmental management and economic contributions. Our operations in the PRC and Namibia are subject to a range of national laws, regulations, policies, standards, and requirements, particularly concerning exploration, mining, production, taxation, labor standards, occupational health and safety, waste treatment, environmental protection, and operational management. In each of these jurisdictions, the respective regulatory authorities hold full authority to grant, renew, and terminate the permits and licenses for exploration, mining, and production. While we anticipate being able to renew our licenses and permits in each of the markets we operate, any inability to do so for any reason could materially and adversely affect our business and results of operations. See "Risk Factors — Risks relating to Our Business and Industry — We may fail to obtain, maintain or renew the government permits, licenses, and approvals required for our operations."

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). Our Directors believe that we have adequate resources to continue operations and meet our abilities when they fall due for the foreseeable future of not less than 12 months from the end of the Track Record Period, by taking into account our expected cash inflows from operating activities. Therefore, our Directors are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis. The Historical Financial Information has been prepared under the historical cost convention except for equity investments designated at fair value through other comprehensive income and certain financial instruments which have been measured at fair value at the end of each of the Track Record Period.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions and complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operating results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future as of the date of this document.

When reviewing our consolidated financial statements, you should consider various factors, including (i) information about our material accounting policy; (ii) the judgments and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. Information about our material accounting policy, estimates and judgments, which are important for an understanding of our financial condition and results of operations, including any changes in accounting policy and disclosures, are set forth in detail in notes 2 and 3 to the Accountants' Report in Appendix I to this document.

Material accounting policies

Intangible assets — exploration and mining rights

Exploration rights and related assets are stated at cost less accumulated impairment losses. Exploration rights include the cost of acquiring exploration rights, and exploration related assets include costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalized when the mineral properties are reasonably determined to be commercially available. Exploration rights and related assets will be transferred to mining rights after obtaining mining rights or permits, which will be amortized under the unit-of-production ("**UOP**") method. If any construction was abandoned in the development phase, all costs shall be written off and recognized in profit or loss for the current period.

Mining rights are stated at cost less accumulated amortization and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration rights and exploration and evaluation assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortized in accordance with the production plans of the entities concerned and the proved and probable reserves and where appropriate the portion of resources considered to be probable of economic extraction based on the plans of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognized for a provision is the present value of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss at the end of each period during the Track Record Period.

Provisions for our Group's obligations for environmental rehabilitation and restoration of mines are based on estimates of required expenditure at the mines in accordance with the local rules and regulations where the mines are located. Our Group estimates our liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure for the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. Our Group records a corresponding asset in the period in which the liability is incurred. The liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognized at the appropriate discount rate.

Revenue and other income

Income is classified by us as revenue when it arises from the sale of goods in the ordinary course of our business. Revenue is recognized when control over a product is transferred to the customer at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of our revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue from the sale of goods is recognized when control of the goods has transferred based on the terms of the sale contracts. In most cases, the control of goods has transferred upon delivery when the goods have been shipped at our premises. In some other cases, the control of goods has transferred upon delivery at specific destination ports or plants.

We are the principal for our revenue transactions and recognizes revenue on a gross basis when we are the principal, including the sale of products that are sourced externally. In determining whether we act as a principal or as an agent, we consider whether we obtain control of the products before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the products.

We sell gold and other non-ferrous metal products under provisional pricing arrangements where final grades of gold and other non-ferrous products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenue is recognized using forward prices for the expected date of final settlement. The period between revenue recognition and final settlement is within one to three months. The contractual cash flows of trade receivable vary depending on the market price at the date of final settlement and do not represent solely payments of principal and interest on the principal amount outstanding. Consequently, these trade receivables resulted from provisionally priced contracts are measured at fair value through profit or loss ("**FVTPL**").

(ii) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iii) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Significant accounting judgments and estimates

Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of certain production facilities of us as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mining and smelting industries and they are normally incurred at the end of the life of the mine and production facilities. The costs are estimated on the basis of plant closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized reflecting our obligations at that time. A corresponding provision is created on the liability side. The capitalized asset is charged to profit or loss through depreciation over the life of the operation and the provision is increased during each period during the Track Record Period via unwinding the discount on the provision. The management estimates are mainly based on the local legislation. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

We provide for such costs in accordance with the statutory requirements.

Proved and probable mineral reserves and resources

Proved and probable mineral reserves and resources are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation exercised by the management of our Group may not be very accurate. The estimation is updated in accordance with new technologies and new information. This forms the basis for the life of mine plans, and any changes in estimation

will have impact on amounts of depreciation of the mining properties and amortisation of mining rights using the UOP method. That may result in changes of or impact on our development and operation programme, and our operation and operating results.

DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**8,094,837**	**100.0**	**13,580,429**	**100.0**	**17,090,098**	**100.0**
Cost of sales	(5,502,074)	(68.0)	(9,509,711)	(70.0)	(11,640,595)	(68.1)
Gross profit	**2,592,763**	**32.0**	**4,070,718**	**30.0**	**5,449,503**	**31.9**
Other net income	56,454	0.7	44,091	0.3	43,298	0.3
Other gains and losses	79,118	1.0	(54,588)	(0.4)	(25,804)	(0.2)
Selling expenses	(2,258)	(0.0)	(5,216)	(0.0)	(4,314)	(0.0)
General and administrative expenses	(380,759)	(4.7)	(416,311)	(3.1)	(531,614)	(3.1)
Research and development costs	(6,272)	(0.1)	(119,570)	(0.9)	(177,869)	(1.0)
Reversal of impairment losses/(impairment losses) on financial assets, net	529	0.0	2,994	0.0	(2,954)	(0.0)
Other expenses	(211,750)	(2.6)	(289,695)	(2.1)	(407,511)	(2.4)
Profit from operations	**2,127,825**	**26.3**	**3,232,423**	**23.8**	**4,342,735**	**25.4**
Finance costs	(44,806)	(0.6)	(50,737)	(0.4)	(57,075)	(0.3)
Profit before taxation	**2,083,019**	**25.7**	**3,181,686**	**23.4**	**4,285,660**	**25.1**
Income tax	(517,454)	(6.4)	(743,496)	(5.5)	(1,003,624)	(5.9)
Profit for the year	**1,565,565**	**19.3**	**2,438,190**	**18.0**	**3,282,036**	**19.2**

Revenue

During the Track Record Period, we generated our revenue from the sales of gold and other non-ferrous metals mining, as well as trading operations, mostly in the PRC. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from PRC represented 100.0%, 99.9% and 100.0%, of our total revenue, respectively, with our overseas revenue generated mostly from our Singapore operations in relation to YTSH's trading 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.

Sales volume and average selling price ("ASP")

The following table sets forth our sales volume and average selling price of gold and other non-ferrous metal for the periods indicated:

	Gold		Silver		Lead		Zinc	
	Sales vol.	ASP	Sales vol.	ASP	Sales vol.	ASP	Sales vol.	ASP
	(koz)	*(RMB/oz)*	*(koz)*	*(RMB/oz)*	*(kt)*	*(RMB/t)*	*(kt)*	*(RMB/t)*
For the year ended December 31, 2023	235.9	13,985.5	6,257.4	143.4	9.5	13,699.5	17.8	12,872.0
For the year ended December 31, 2024	258.8	17,094.4	5,660.2	174.5	11.0	14,010.3	16.9	17,055.9
For the year ended December 31, 2025	228.6	24,076.5	5,304.0	218.8	11.2	15,125.0	18.1	15,381.9

The ASP of the majority of our metal products experienced a continuous growing trend during the Track Record Period, primarily benefiting from the favorable global rising market prices of the respective metal products. Specifically, (i) the ASP for gold increased from 13,985.5 RMB/oz in 2023 to 17,094.4 RMB/oz in 2024 and further increased to 24,076.5 RMB/oz in 2025; (ii) the ASP for silver increased from 143.4 RMB/oz in 2023 to 174.5 RMB/oz in 2024 and further increased to 218.8 RMB/oz in 2025 and (iii) the ASP for lead increased from 13,699.5 RMB/t in 2023 to 14,010.3 RMB/t in 2024 and further increased to 15,125.0 RMB/t in 2025. The ASP for zinc increased from 12,872.0 RMB/t in 2023 to 17,055.9 RMB/t in 2024 and further decreased to 15,381.9 RMB/t in 2025, which is in line with the fluctuations of zinc market prices, primarily driven by product demand dynamics and global trade policy developments.

Cost of sales

Our cost of sales primarily consisted of (i) those in relation to mining operations, such as depreciation and amortization, contracting cost, preliminary mining and drilling cost, raw material, energy cost, labor cost, maintenance cost and others; and (ii) those in relation to trading operations. For the year ended December 31, 2023, 2024 and 2025, our cost of sales represented 68.0%, 70.0% and 68.1% of our total revenue, respectively.

The following table sets forth a breakdown of our cost of sales by the type of operations for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cost of sales from mining operations						
— Gold products	1,297,189	23.6	1,165,945	12.3	1,004,074	8.7
— Silver products	455,034	8.3	465,909	4.9	540,741	4.6
— Other non-ferrous metal products	214,742	3.8	239,183	2.5	255,158	2.2
Sub-total	**1,966,965**	**35.7**	**1,871,037**	**19.7**	**1,799,973**	**15.5**
Cost of sales from trading operations	3,535,109	64.3	7,638,674	80.3	9,840,622	84.5
Total	**5,502,074**	**100.0**	**9,509,711**	**100.0**	**11,640,595**	**100.0**

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cost of sales for mining operations						
Depreciation and amortization[(1)]	926,349	16.8	656,126	6.9	611,710	5.3
Contracting cost	259,973	4.7	285,937	3.0	356,470	3.1
Raw material	206,536	3.8	218,885	2.3	220,600	1.9
Preliminary mining and drilling cost	190,654	3.5	259,157	2.7	189,222	1.6
Energy cost	136,309	2.5	147,650	1.6	125,623	1.1
Labor cost	112,643	2.0	118,133	1.2	123,253	1.1
Maintenance cost	49,046	0.9	54,569	0.6	55,630	0.5
Others[(2)]	85,455	1.5	130,580	1.4	117,465	0.9
Sub-total	**1,966,965**	**35.7**	**1,871,037**	**19.7**	**1,799,973**	**15.5**
Cost of sales from trading operations	3,535,109	64.3	7,638,674	80.3	9,840,622	84.5
Total	**5,502,074**	**100.0**	**9,509,711**	**100.0**	**11,640,595**	**100.0**

Notes:

1. Depreciation and amortization mainly consist of (i) amortisation of mining rights, software and patented technology as intangible assets; and (ii) depreciation of mine properties, machinery and equipment, plant and buildings, and electronic and transportation equipment as property, plant and equipment.

2. Others primarily included safety production measure fee, service fee, heating bill and boiler house costs.

Gross profit and gross profit margin

For the years ended December 31, 2023, 2024 and 2025, our overall gross profit amounted to RMB2,592.8 million, RMB4,070.7 million and RMB5,449.5 million, at gross profit margin of 32.0%, 30.0% and 31.9%, respectively. During the same periods, our mining operations had achieved gross profit margin of 56.8%, 68.0% and 74.7%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by the type of operations for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mining operations						
— Gold products	2,002,035	60.7	3,257,242	73.6	4,500,616	81.8
— Silver products	442,456	49.3	521,605	52.8	619,728	53.4
— Other non-ferrous metal products	144,677	40.3	203,019	45.9	191,220	42.8
Subtotal	**2,589,168**	**56.8**	**3,981,866**	**68.0**	**5,311,564**	**74.7**
Trading operations	3,595	0.1	88,852	1.1	137,939	1.4
Overall gross profit/ gross profit margin	**2,592,763**	**32.0**	**4,070,718**	**30.0**	**5,449,503**	**31.9**

Other net income

Our other net income consisted of interest income, government grants, and others. For the years ended December 31, 2023, 2024 and 2025, our other net income represented 0.7%, 0.3% and 0.3% of our total revenue, respectively. The following table sets forth a breakdown of our other net income for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest income	47,119	83.5	36,112	81.9	30,838	71.3
Government grants	6,228	11.0	3,418	7.8	4,088	9.4
Others	3,107	5.5	4,561	10.3	8,372	19.3
Total	**56,454**	**100.0**	**44,091**	**100.0**	**43,298**	**100.0**

Other gains and losses

Our other gains and losses mainly consisted of (i) gains/(losses) on disposal of derivative financial assets/liabilities; (ii) gains on disposal of financial assets at FVTPL; (iii) (losses)/gains from changes in fair value of derivative financial assets/liabilities; (iv) foreign exchange (losses)/gains, net; and (v) losses from changes in fair value of financial assets at FVTPL. We recorded other gains of RMB79.1 million in the year ended December 31, 2023, and we recorded other losses of RMB54.6 million and RMB25.8 million for the year ended December 31, 2024 and 2025, respectively. The following table sets forth a breakdown of our other gains and losses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gains/(losses) on disposal of property, plant and equipment, net	166	119	(6,911)
Losses from changes in fair value of financial assets at FVTPL	(1,226)	(1,551)	(586)
(Losses)/gains from changes in fair value of derivative financial assets/liabilities	(5,993)	6,073	(137,609)
Gains on disposal of financial assets at FVTPL	34,256	33,486	14,739
Gains/(losses) on disposal of derivative financial assets/ liabilities	57,463	(85,185)	89,500
Investment income on other equity instruments	—	6	6
Foreign exchange (losses)/gains, net	(5,548)	(7,536)	15,057
Total	**79,118**	**(54,588)**	**(25,804)**

Selling expenses

Our selling expenses primarily consisted of employee compensation, storage expense and travel expense. For the year ended December 31, 2023, 2024 and 2025, our selling expenses represented 0.0% of our total revenue. The following table sets forth a breakdown of our selling expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation	1,534	67.9	1,489	28.5	2,688	62.3
Storage expense	225	10.0	3,076	59.0	860	19.9
Travel expense	238	10.5	298	5.7	219	5.1
Others	261	11.6	353	6.8	547	12.7
Total	**2,258**	**100.0**	**5,216**	**100.0**	**4,314**	**100.0**

General and administrative expenses

Our general and administrative expenses mainly consisted of (i) staff costs; (ii) depreciation and amortization; (iii) professional services; (iv) landscaping and exploration expenses; (v) travelling and hospitality expenses; (vi) office and heating expenses; and (vii) maintenance and suspension costs. For the year ended December 31, 2023, 2024 and 2025, our general and administrative expenses represented 4.7%, 3.1%, and 3.1% of our total revenue, respectively. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	188,893	49.6	203,367	48.8	262,655	49.5
Depreciation and amortization	42,533	11.2	43,194	10.4	44,518	8.4
Professional services	31,902	8.4	58,227	14.0	62,780	11.8
Landscaping and exploration expenses	4,065	1.1	6,614	1.6	52,643	9.9
Travelling and hospitality	18,834	4.9	19,336	4.6	20,264	3.8
Office and heating	12,319	3.2	14,028	3.4	14,539	2.7
Maintenance and suspension costs	37,532	9.9	23,846	5.7	13,384	2.5
Others[(1)]	44,681	11.7	47,699	11.5	60,831	11.4
Total	**380,759**	**100.0**	**416,311**	**100.0**	**531,614**	**100.0**

Note:

(1) Others primarily included vehicle expenses, environmental management expenses, deferred expenses, disabled employment security fund, other financial costs, utility, labor protection costs, insurance expenses, promotion and publicity expenses, rental expenses, and other non-operating expenses.

Research and development expenses

Our research and development expenses consisted of (i) employee compensation; (ii) depreciation and amortization; (iii) direct input; (iv) outsourced R&D expenses; and (v) others. For the year ended December 31, 2023, 2024 and 2025, our research and development expenses amounted to RMB6.3 million, RMB119.6 million and RMB177.9 million, representing 0.1%, 0.9%, and 1.0% of our total revenue, respectively.

Reversal of impairment losses/(impairment losses) on financial assets, net

Our reversal of impairment losses/impairments losses on financial assets mainly related to our receivables. For the year ended December 31, 2025, we recorded a net impairment losses on financial assets of RMB3.0 million, representing 0.0% of our total revenue. For the year ended December 31, 2023 and 2024, we recorded a net reversal of impairment losses on financial assets of RMB0.5 million and RMB3.0 million, representing 0.0% and 0.0% of our total revenue, respectively.

Other expenses

Our other expenses consisted of taxes and surcharges (mainly comprising resources tax, stamp tax, property tax, land use tax, urban maintenance and construction tax) write-down of inventories. For the year ended December 31, 2023, 2024 and 2025, our other expenses represented 2.6%, 2.1% and 2.4% of our total revenue, respectively. The table below sets forth a breakdown of our other expenses for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Taxes and surcharges	211,750	100.0	284,263	98.1	407,511	100.0
Write-down of inventories	—	—	5,432	1.9	—	—
Total	**211,750**	**100.0**	**289,695**	**100.0**	**407,511**	**100.0**

Finance costs

Our finance costs consisted of (i) interest on bank and other borrowings, (ii) interest on long-term payables, (iii) interest on lease liabilities; and (iv) unwinding of discount. For the year ended December 31, 2023, 2024 and 2025, our finance costs represented 0.6%, 0.4% and 0.3% of our total revenue, respectively. The table below sets forth a breakdown of our finance costs by nature for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank and other borrowings	38,817	40,723	48,904
Interest on long-term payables	3,740	7,245	10,011
Interest on lease liabilities	1,119	1,269	1,282
Unwinding of discount	1,130	1,500	2,119
Less: interest expense capitalized into properties under development	—	—	(5,241)
Total	**44,806**	**50,737**	**57,075**

Income tax

For the year ended December 31, 2023, 2024 and 2025, our income tax expenses amounted to RMB517.5 million, RMB743.5 million and RMB1,003.6 million at effective tax rate of 24.8%, 23.4% and 23.4%, respectively. We established in mainland China are subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period except for those subject to tax concessions disclosed in the notes below. Income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Track Record Period is 16.5%. No provisions for Hong Kong Profits Tax as we did not have any assessable profits arising from Hong Kong subsidiaries during the Track Record Period. Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries and the applicable statutory income tax rates were listed in table below, except for those subject to tax concessions disclosed in the notes below:

	Year ended December 31,		
	2023	2024	2025
Singapore	17%	17%	17%
Canada	N/A	27%	27%
The Republic of Namibia[(1)]	N/A	31%, 37.5%[(2)]	32% 37.5%[(2)]
The Republic of Mauritius[(1)]	N/A	15%	15%

Notes:

(1) The acquisition of Osino and its subsidiaries was completed by our Group in August 29, 2024.

(2) Our Group is subject to different tax rates in the Republic of Namibia because the local administrative authority imposes distinct tax rates on our mining and non-mining operations.

Our Group's tax exposure in Canada arises from interest income earned by a local entity, resulting in taxable profits. Similarly, the entity in Singapore engages in trading activities that generate taxable income, leading to a corresponding tax obligation. The entity in the Republic of Mauritius primarily serves as an investment holding vehicle for our Group's operations in Namibia. As the operations in Namibia are in a

pre-production development phase and have not yet generated revenue or profits, the Mauritian entity has not realized any taxable income. Consequently, no material income tax exposure exists in the Republic of Mauritius during the Track Record Period. In addition, we enjoyed the following income tax incentives:

- In accordance with PRC's "Notice on Tax Policies for the Western Development" (CaiShui [2011] No. 58), the State Taxation Administration Announcement No. 12 of 2012 and the Announcement on Continuing the Corporate Income Tax Policies for the Western Development issued by of the Ministry of Finance, State Taxation Administration, and National Development and Reform Commission on April 23, 2020, enterprises which meeting the requirements of the policies may provide for and pay the corporate income taxes at a preferential rate of 15%:
  Yulong Mining was recognized as qualified enterprise subject to the above policy and applied the preferential rate of 15% from 2023 to 2025.
- Jilin BanMiaoZi, a subsidiary of our Group, was qualified as High and New Technology Enterprises ("**HNTE**") and was entitled to a preferential corporate income tax rate of 15% from January 1, 2023 to December 31, 2025 according to the tax incentives policies of the PRC Enterprise Income Tax Law for the HNTE.
- According to the Notice on Corporate Income Tax Preferential Policies for the Hainan Free Trade Port (CaiZong [2020] No. 31) and the Notice on Continuing the Implementation of Corporate Income Tax Preferential Policies for the Hainan Free Trade Port (CaiShui [2025] No.3), enterprises registered in the Hainan Free Trade Port and engaged in encouraged industries on a substantive operational basis can enjoy the preferential corporate income tax rate of 15% till December 31, 2027. Hainan Shengwei Trading Co., Ltd. ("**Hainan Shengwei**"), one subsidiary of our Group, was entitled to enjoy the preferential corporate income tax rate during the Track Record Period.
- Pursuant to the relevant laws and regulations in Singapore, the corporate income tax is eligible for progressive tax relief. The subsidiary of our Group is eligible for 75% corporate income tax relief when the profit before taxation is less than SGD10,000, and 50% income tax relief when the profit before taxation is SGD10,000 or greater but less than SGD200,000 during the Track Record Period.
- Pursuant to the relevant laws and regulations in Canada, certain subsidiaries of our Group are entitled to the preferential corporate income tax rate of 27% during the Track Record Period.

According to the relevant tax rules in mainland China, qualified research and development expenses are allowed for additional tax deduction based on 100% of the relevant expenses during the Track Record Period.

The following table sets forth a breakdown of our income tax for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Current tax — The PRC Corporate Income Tax:						
Provision for the year	567,329	109.6	805,672	108.4	1,073,405	106.9
(Over)/under-provision in prior years	(294)	(0.1)	4,012	0.5	2,540	0.3
Current tax — Hong Kong and overseas:						
Provision for the year	10,061	1.9	3,971	0.5	3,355	0.3
Deferred tax						
Origination and reversal of temporary differences	(91,750)	(17.7)	(70,159)	(9.4)	(75,676)	(7.5)
Effect on deferred tax balances on January 1 resulting from change in tax rate	32,108	6.2	—	—	—	—
Total	**517,454**	**100.0**	**743,496**	**100.0**	**1,003,624**	**100.0**

Profit for the year

For the years ended December 31, 2023, 2024 and 2025, our profit for the year amounted to RMB1,565.6 million, RMB2,438.2 million and RMB3,282.0 million, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2025 compared to the year ended December 31, 2024

Revenue

Our total revenue increased by 25.8% from RMB13,580.4 million for the year ended December 31, 2024 to RMB17,090.1 million for the year ended December 31, 2025, primarily due to (i) the growth of our revenue from mining operations by 21.5% from RMB5,852.9 million to RMB7,111.5 million, driven by the rising price trends of metal products; and (ii) the increase in our revenue generated from trading operations by 29.1% from RMB7,727.5 million to RMB9,978.6 million as a result of increased trading volume and prices of the metals traded.

In terms of our revenue generated from our mining operations,

- Our revenue from gold products increased by 24.5% from RMB4,423.2 million for the year ended December 31, 2024 to RMB5,504.7 million for the year ended December 31, 2025, primarily due to the increase in selling price of gold.
- Our revenue from silver products increased by 17.5% from RMB987.5 million to RMB1,160.5 million, mainly due to higher selling prices and sales volume.
- Our revenue from other non-ferrous metal products increased by 0.9% from RMB442.2 million for the year ended December 31, 2024 to RMB446.4 million for the year ended December 31, 2025, primarily due to (i) increase in sales volume of zinc; and (ii) increase in average selling price of lead.

Cost of sales

Our cost of sales increased by 22.4% from RMB9,509.7 million for the year ended December 31, 2024 to RMB11,640.6 million for the year ended December 31, 2025, which was mostly due to an increase in the cost of sales from trading operations from RMB7,638.7 million to RMB9,840.6 million, generally in line with the increased trading volume during the same periods. The cost of sales from mining operations remained relatively stable during the same years at RMB1,871.0 million and RMB1,800.0 million, respectively.

Gross profit and gross profit margin

Our overall gross profit increased by 33.9% from RMB4,070.7 million for the year ended December 31, 2024 to RMB5,449.5 million for the year ended December 31, 2025, which was in line with the growth of our revenue generated from mining operations. Accordingly, our overall gross profit margin remained relatively stable at 30.0% and 31.9% for the year ended December 31, 2024 and 2025, respectively.

- Our gross profit of gold products increased by 38.2% from RMB3,257.2 million for the year ended December 31, 2024 to RMB4,500.6 million for the year ended December 31, 2025. Our gross profit margin of gold products increased from 73.6% for the year ended December 31, 2024 to 81.8% for the year ended December 31, 2025. This was mainly due to the increase in selling price of gold.
- Our gross profit of silver products increased by 18.8% from RMB521.6 million for the year ended December 31, 2024 to RMB619.7 million for the year ended December 31, 2025. Our gross profit margin of silver increased from 52.8% to 53.4% over the same year. This was mainly due to the increase in the selling price of silver.
- Our gross profit of other non-ferrous metal products decreased by 5.8% from RMB203.0 million for the year ended December 31, 2024 to RMB191.2 million for the year ended December 31, 2025. Our gross profit margin of other non-ferrous metal products decreased from 45.9% for the year ended December 31, 2024 to 42.8% for the year ended December 31, 2025. This was mainly due to the increase in the sales volume of zinc which has a lower gross profit margin.
- Our gross profit of trading operations amounted to RMB88.9 million for the year ended December 31, 2024 and RMB137.9 million for the year ended December 31, 2025. We recorded gross profit margin of trading operations at 1.1% and 1.4%, respectively.

Other net income

Our other net income decreased by 1.8% from RMB44.1 million for the year ended December 31, 2024 to RMB43.3 million for the year ended December 31, 2025, primarily due to a decrease in interest income of RMB5.3 million.

Other gains and losses

We recorded other losses of RMB54.6 million for the year ended December 31, 2024 and other losses of RMB25.8 million for the year ended December 31, 2025, which were primarily losses on disposal and changes in fair value of derivative financial assets/liabilities. The changes in this line item were also closely linked to our metal trading hedging strategies and the scale of such strategies.

Selling expenses

Our selling expenses decreased by 17.3% from RMB5.2 million for the year ended December 31, 2024 to RMB4.3 million for the year ended December 31, 2025, primarily attributable to the decrease of our storage expenses related to our trading business.

General and administrative expenses

Our general and administrative expenses increased by 27.7% from RMB416.3 million for the year ended December 31, 2024 to RMB531.6 million for the year ended December 31, 2025, primarily due to (i) the increase of landscaping and exploration expenses to support our mineral exploration activities in the Osino Mining;and (ii) the increased size of our mine management team.

Research and development expenses

Our research and development expenses increased by 48.7% from RMB119.6 million for the year ended December 31, 2024 to RMB177.9 million for the year ended December 31, 2025, mainly, as we increased our overall R&D efforts and the total number of R&D projects during the period. Such increase was also caused by a certain level of depreciation and amortization of our equipment used in R&D.

Reversal of impairment losses/(impairment losses) on financial assets, net

Our reversal of impairment losses/impairment losses on financial assets mainly related to our receivables. For the year ended December 31, 2024, we recorded a net reversal of impairment losses on financial assets of RMB3.0 million. For the year ended December 31, 2025, we recorded net impairment losses on financial assets of RMB3.0 million.

Other expenses

Our other expenses increased by 40.7% from RMB289.7 million for the year ended December 31, 2024 to RMB407.5 million for the year ended December 31, 2025, primarily due to the increase in resources taxes, which was in line with the growth of our revenue generated from mining operations.

Finance costs

Our finance costs increased by 12.6% from RMB50.7 million for the year ended December 31, 2024 to RMB57.1 million for the year ended December 31, 2025, primarily due to the increase in interest on bank and other borrowing.

Income tax

Our income tax increased by 35.0% from RMB743.5 million for the year ended December 31, 2024 to RMB1,003.6 million for the year ended December 31, 2025, which was in line with the growth of our profits.

Profit for the year

As a result of the foregoing, our profit for the period increased by 34.6% from RMB2,438.2 million for the year ended December 31, 2024 to RMB3,282.0 million for the year ended December 31, 2025.

Year ended December 31, 2024 compared to the year ended December 31, 2023

Revenue

Our total revenue increased by 67.8% from RMB8,094.8 million for the year ended December 31, 2023 to RMB13,580.4 million for the year ended December 31, 2024, primarily due to an increase in the revenue generated from trading operations by 118.4% from RMB3,538.7 million to RMB7,727.5 million during the same periods, as a result of increased trading volumes and metal prices.

In relation to our revenue generated from mining operations,

- Our revenue from gold products increased by 34.1% from RMB3,299.2 million for the year ended December 31, 2023 to RMB4,423.2 million for the year ended December 31, 2024, primarily due to the increase in both the sales volume and selling price of gold.
- Our revenue from silver products increased by 10.0% from RMB897.5 million to RMB987.5 million, mainly due to higher selling prices of silver.
- Our revenue from other non-ferrous metal products increased by 13.7% from RMB1,256.9 million for the year ended December 31, 2023 to RMB1,429.7 million for the year ended December 31, 2024, primarily due to (i) the increase in selling price of silver and zinc, and (ii) an increased sales volume of lead.

Cost of sales

Our cost of sales increased by 72.8% from RMB5,502.1 million for the year ended December 31, 2023 to RMB9,509.7 million for the year ended December 31, 2024, which was primarily attributable to the increase in cost of sales from trading operations from RMB3,535.1 million to RMB7,638.7 million during the same periods, generally in line with the increased trading volume.

Gross profit and gross profit margin

Our overall gross profit increased by 57.0% from RMB2,592.8 million for the year ended December 31, 2023 to RMB4,070.7 million for the year ended December 31, 2024. Our overall gross profit margin remained relatively stable at 32.0% for the year ended December 31, 2023 and 30.0% for the year ended December 31, 2024.

- Our gross profit of gold products increased by 62.0% from RMB2,013.1 million for the year ended December 31, 2023 to RMB3,261.1 million for the year ended December 31, 2024. Our gross profit margin of gold products increased from 61.0% for the year ended December 31, 2023 to 73.7% for the year ended December 31, 2024. This was mainly due to the increase in the selling price of gold.
- Our gross profit of silver products increased by 17.9% from RMB442.5 million for the year ended December 31, 2023 to RMB521.6 million for the year ended December 31, 2024. Our gross profit margin of silver increased from 49.3% to 52.8% over the same year. This was mainly due to the increase in the selling price of silver.
- Our gross profit of other non-ferrous metal products increased by 25.1% from RMB576.0 million for the year ended December 31, 2023 to RMB720.8 million for the year ended December 31, 2024. Our gross profit margin of other non-ferrous metal products increased from 45.8% for the year ended December 31, 2023 to 50.4% for the year ended December 31, 2024. This was mainly due to the increase in the selling price of silver.
- Our gross profit of trading operations amounted to RMB3.6 million for the year ended December 31, 2023 and RMB88.9 million for the year ended December 31, 2024, with gross profit margin of 0.1% and 1.1% for the same periods, respectively.

Other net income

Our other net income decreased by 21.9% from RMB56.5 million for the year ended December 31, 2023 to RMB44.1 million for the year ended December 31, 2024, primarily due to the decrease in interest income, resulting from our cash payment for Osino Mining's acquisition and future development.

Other gains and losses

We recorded other gains of RMB79.1 million for the year ended December 31, 2023 and losses of RMB54.6 million for the year ended December 31, 2024, mainly attributable to losses on disposal of derivative financial assets/liabilities of RMB85.2 million recognized in 2024.

Selling expenses

Our selling expenses remained relatively stable at RMB2.3 million and RMB5.2 million for the year ended December 31, 2023 and 2024, respectively.

General and administrative expenses

Our general and administrative expenses increased by 9.3% from RMB380.8 million for the year ended December 31, 2023 to RMB416.3 million for the year ended December 31, 2024, primarily due to (i) an increase in our overall staff size; and (ii) professional fees incurred in relation to the acquisition of Osino Mining.

Research and development expenses

Our research and development expenses increased significantly from RMB6.3 million for the year ended December 31, 2023 to RMB119.6 million for the year ended December 31, 2024, mainly as we increased our overall R&D efforts.

Reversal of impairment losses on financial assets, net

We recorded a net reversal of impairment losses on financial assets of RMB0.5 million for the year ended December 31, 2023 and RMB3.0 million for the year ended December 31, 2024.

Other expenses

Our other expenses increased by 36.8% from RMB211.8 million for the year ended December 31, 2023 to RMB289.7 million for the year ended December 31, 2024, primarily due to the increase in resource taxes.

Finance costs

Our finance costs increased by 13.2% from RMB44.8 million for the year ended December 31, 2023 to RMB50.7 million for the year ended December 31, 2024, primarily due to the increase in interest on bank and other borrowings, resulting from project acquisitions.

Income tax

Our income tax increased by 43.7% from RMB517.5 million for the year ended December 31, 2023 to RMB743.5 million for the year ended December 31, 2024, which was in line with our increased profit before tax.

Profit for the year

As a result of the foregoing, our profit for the year increased by 55.7% from RMB1,565.6 million for the year ended December 31, 2023 to RMB2,438.2 million for the year ended December 31, 2024.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current assets and non-current liabilities

The following table sets forth our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Non-current assets			
Property, plant and equipment	3,125,277	3,453,087	4,205,452
Intangible assets	6,053,382	8,054,295	7,884,713
Right-of-use assets	443,207	424,273	564,412
Goodwill	452,366	452,366	452,366
Other equity investments	20,820	20,820	20,820
Deferred tax assets	170,002	209,147	232,059
Other non-current assets	26,311	51,323	80,917
Total non-current assets	**10,291,365**	**12,665,311**	**13,440,739**
Non-current liabilities			
Bank and other borrowings	64,081	1,006,364	1,187,990
Deferred income	342	308	274
Lease liabilities	24,046	11,644	13,604
Long-term payables	168,737	189,477	150,189
Provision for restoration, rehabilitation and environmental costs	42,647	122,589	123,500
Deferred tax liabilities	224,027	193,013	140,249
Total non-current liabilities	**523,880**	**1,523,395**	**1,615,806**
Net assets	**13,368,647**	**14,811,842**	**16,779,832**

Property, plant and equipment

Our property, plant and equipment mainly consisted of (i) plant and buildings; (ii) mining properties; (iii) machinery and equipment; (iv) electronic and transportation equipment and others; and (v) construction in progress.

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Plant and Buildings	1,066,964	1,157,636	1,143,478
Mining properties	1,079,771	1,482,108	1,473,415
Machinery and equipment	557,647	515,750	516,666
Electronic and transportation equipment and others	32,722	39,772	51,992
Constructions in progress	388,173	257,821	1,019,901
Total	**3,125,277**	**3,453,087**	**4,205,452**

Our property, plant and equipment increased by 10.5% from RMB3,125.3 million as of December 31, 2023 to RMB3,453.1 million as of December 31, 2024, primarily due to the increase in mining properties, resulting from increase in the number of projects launched. This was further increased by 21.8% to RMB4,205.5 million as of December 31, 2025, primarily due to the increase in construction in progress in relation to Qinghai Dachaidan Mining and Mangshi Huasheng Mining, in the form of additional buildings, mining shaft and tunnel assets, and machinery and equipment.

Intangible assets

Our property, plant and equipment mainly consisted of (i) exploration rights and related assets; (ii) mining rights; and (iii) software, patented technology and others.

The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Exploration rights and related assets	1,241,276	1,239,837	1,383,770
Mining Rights	4,803,634	6,802,681	6,484,057
Software, patented technology and others	8,472	11,777	16,886
Total	**6,053,382**	**8,054,295**	**7,884,713**

Our intangible assets increased by 33.1% from RMB6,053.4 million as of December 31, 2023 to RMB8,054.3 million as of December 31, 2024, primarily due to the acquisition of Osino Mining. Our intangible assets remained relatively stable at RMB7,884.7 million as of December 31, 2025.

Right-of-use assets

Our right-of-use assets comprised properties leased for own use and interest in leasehold land held. Our right-of-use assets remained relatively stable at RMB443.2 million, RMB424.3 million as of December 31, 2023 and 2024. Our right-of-use assets increased by 33.0% from RMB424.3 million as of December 31, 2024 to RMB564.4 million as of December 31, 2025, primarily due to the increase in interests in leasehold land held for own use for premiums paid on our newly leased land properties.

The following table sets forth a breakdown of the net book value of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Properties leased for own use	20,173	20,668	26,486
Interest in leasehold land held for own use	423,034	403,605	537,926
Total	**443,207**	**424,273**	**564,412**

Goodwill

As of December 31, 2023, 2024 and 2025, our book value of goodwill was mainly attributable to acquisition of Tenya HK (which is in relation to the mine operated by Heihe Luoke Mining), Jilin Banmiaozi Mining and Qinghai Dachaidan Mining.

The value in use calculated is higher than the carrying amount for each CGU, accordingly, no impairment of goodwill was recognized during the Track Record Period. A reasonably possible change in key assumptions would not cause an impairment loss.

The following table sets forth the at cost and carrying amount as of December 31, 2023, 2024 and 2025.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At cost and carrying amount			
— Sino Gold Tenya (HK) Limited ("**Tenya HK**")	93,902	93,902	93,902
— Jilin BanMiaozi	130,558	130,558	130,558
— Qinghai Dachaidan	227,906	227,906	227,906
	452,366	452,366	452,366

The recoverable amounts of these CGUs have been determined on the basis of value in use calculations by estimating the future cash flows expected from these CGUs. The key assumptions for the value in use calculations are those regarding the discount rates, estimated gross profit margin and the service life used in the cash flow forecasts. Cash flow forecasts are based on past practices and expectations of future changes in the market. The directors of the Company estimate pre-tax discount rates that reflect current market assessment of the time value of money and the risks specific relating to the CGUs. Cash flow forecasts of each CGU are derived from financial budgets approved by the directors of the Company. The growth rates are based on the relevant CGUs past performance and management's expectation for the market development and production plans. The service lives of respective CGU are determined by life of mine plans for each mine.

Tenya HK CGU mainly consists of non-current operating assets of Heihe Luoke, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

Jilin BanMiaozi CGU mainly consists of non-current operating assets of Jilin BanMiaoZi, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

Qinghai Dachaidan CGU mainly consists of non-current operating assets of Qinghai Dachaidan, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

The cash inflows generated by each above CGU are basically independent of the cash inflows generated by other assets or asset groups.

The key assumptions used in the value in use calculation for related CGUs include:

Tenya HK CGU:

	As of December 31,		
	2023	**2024**	**2025**
Service life	3 years	1 year and 5 months	2 years and 4 months
Gold price	421RMB/g –455RMB/g	591RMB/g –613RMB/g	788RMB/g –938RMB/g
Gross profit margin	68.44%–72.90%	75.48%–76.38%	80.24%–83.67%
Pre-tax discount rate	11.96%	11.86%	11.42%

Jilin BanMiaozi CGU:

	As of December 31,		
	2023	**2024**	**2025**
Service life	7 years	4 years and 5 months	5 years and 1 months
Gold price	421RMB/g –455RMB/g	491RMB/g –613RMB/g	609RMB/g –938RMB/g
Gross profit margin	57.45%–65.06%	59.11%–72.78%	9.42%–79.81%
Pre-tax discount rate	11.96%	11.86%	11.42%

Qinghai Dachaidan CGU:

	As of December 31,		
	2023	**2024**	**2025**
Service life	11 years	10 years and 2 months	9 years
Gold price	421RMB/g –455RMB/g	491RMB/g –613RMB/g	609RMB/g –938RMB/g
Gross profit margin	14.17%–75.79%	31.10%–72.25%	34.68%–80.18%
Pre-tax discount rate	11.96%	11.86%	11.42%

The headroom measured by the excess of the recoverable amount over the carrying amount of related CGUs are set out below:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tenya HK CGU	1,041,185	1,217,487	1,421,149
Jilin BanMiaozi CGU	1,367,377	2,043,691	3,622,933
Qinghai Dachaidan CGU	1,522,240	2,005,947	4,818,092

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth the remaining headroom as of December 31, 2023, 2024 and 2025, respectively, under the assumptions where the discount rate increases by one percent or projected future gold price decrease by 5%, with all other variables held constant.

Tenya HK CGU:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
One percent increases in the discount rate	1,009,145	1,195,972	1,389,149
5% decrease in projected future gold price	913,711	1,101,520	1,304,149

Jilin BanMiaozi CGU:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
One percent increases in the discount rate	1,288,027	1,977,137	3,520,933
5% decrease in projected future gold price	1,155,341	1,816,177	3,302,933

Qinghai Dachaidan CGU:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
One percent increases in the discount rate	1,363,951	1,846,947	4,616,092
5% decrease in projected future gold price	1,167,141	1,625,947	4,319,092

A reasonably possible change in key assumptions on which the Group has based its determination of the respective CGU's recoverable amount would not cause an impairment loss.

Other equity investments

Our other equity investments mainly consisted of unlisted securities. As of December 31, 2023, 2024 and 2025, such investments were RMB20.8 million, RMB20.8 million and RMB20.8 million, respectively. The fair values of these equity securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy. We have put in place internal control measures to approve our investments and monitor them on a continuous basis, and our management will regularly formulate and review our Group's investment strategies.

Deferred tax assets

Our deferred tax assets mainly consisted of (i) impairment of assets, (ii) unrealized intra-group profit, (iii) tax losses, (iv) lease liabilities, (v) depreciation and amortization allowances difference and (vi) long-term payables. The following table sets forth a breakdown of our deferred tax assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Impairment of assets	18,258	18,337	17,900
Unrealised intra-group profit	7,046	6,723	7,413
Tax losses	79,454	116,868	116,497
Lease liabilities	8,242	7,927	6,912
Depreciation and amortization allowances difference	89,135	106,008	116,683
Long-term payables	50,761	30,944	25,712
Fair value arising from financial assets or liabilities at FVTPL	2,202	1,480	32,008
Provision for restoration, rehabilitation, and environmental costs	8,604	20,289	21,890
Others	854	593	593
Subtotal	**264,556**	**309,169**	**345,608**
Less: Amount of offset between deferred tax assets and liabilities	(94,554)	(100,022)	(113,549)
Total	**170,002**	**209,147**	**232,059**

Our deferred tax assets increased from RMB170.0 million as of December 31, 2023 to RMB209.1 million as of December 31, 2024, mainly driven by the increases in deferred tax assets recognized as a result of tax losses incurred by certain of our subsidiaries, and the increases in depreciation and amortization allowances difference. Our deferred tax assets increased by 11.0% from RMB209.1 million as of December 31, 2024 to RMB232.1 million as of December 31, 2025, mainly attributable to the fair value adjustments arising from financial assets or liabilities at FVTPL.

Other non-current assets

Our other non-current assets mainly consisted of prepayments for property, plant and equipment, and prepayments for mining rights and other receivables. Our non-current assets increased by 95.1% from RMB26.3 million as of December 31, 2023 to RMB51.3 million as of December 31, 2024, primarily due to the increase in prepayments for property, plant and equipment of RMB24.8 million. Our non-current assets then increased by 57.7% to RMB80.9 million as of December 31, 2025, primarily due to the increase in deductible input VAT of RMB34.9 million.

Current assets and current liabilities

The table below sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
		(RMB'000)		*(unaudited)*
Current assets				
Inventories	1,484,606	1,240,100	1,159,555	1,188,221
Trade receivables	42,040	21,112	5,573	347,819
Financial assets at FVTPL	1,051,487	1,256,710	—	—
Derivative financial assets	11,010	1,919	5,476	45,048
Prepayments, deposits and other receivables	387,848	133,632	587,837	616,572
Restricted cash	1,194,465	456,882	722,113	741,381
Cash and cash equivalents	1,836,128	2,413,424	4,704,176	4,854,025
Total current assets	**6,007,584**	**5,523,779**	**7,184,730**	**7,793,066**

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	(RMB'000)			*(unaudited)*
Current liabilities				
Bank and other borrowings	374,469	342,299	209,658	158,186
Trade and bills payables	1,517,379	796,283	1,266,342	1,446,279
Accrued expenses and other payables	281,701	315,629	347,600	479,078
Contract liabilities	19,965	3,387	65,683	88,647
Lease liabilities	9,166	20,195	13,423	13,045
Derivative financial liabilities	20,141	9,016	36,469	96,908
Current taxation	114,098	223,131	245,004	186,177
Current portion of long-term payables	69,503	143,913	45,652	51,343
Total current liabilities	**2,406,422**	**1,853,853**	**2,229,831**	**2,519,663**
Net current assets	**3,601,162**	**3,669,926**	**4,954,899**	**5,273,403**

Our net current assets remained relatively stable at RMB3,601.2 million and RMB3,669.9 million as of December 31, 2023 and 2024, respectively.

Our net current assets increased by 35.0% from RMB3,669.9 million as of December 31, 2024 to RMB4,954.9 million as of December 31, 2025, primarily due to the increase in cash and cash equivalents of RMB2,290.8 million, and partially offset by the decrease in financial assets at fair value through profit or loss of RMB1,256.7 million.

As of January 31, 2026, we had net current assets of RMB5,273.4 million.

Inventories

Our inventories mainly consisted of (i) raw materials, mainly comprising production reagents, mining explosives, equipment parts, fuels, and processing consumables, (ii) work in progress, primarily comprising ores, and (iii) finished goods, primarily comprising gold, silver, and various metals.

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Raw materials	181,627	193,209	196,074
Work in progress	823,028	556,575	501,131
Finished goods	479,951	495,748	462,350
Subtotal	**1,484,606**	**1,245,532**	**1,159,555**
Less: Write-down for inventory impairment	—	(5,432)	—
Total	**1,484,606**	**1,240,100**	**1,159,555**

The following table sets forth a breakdown of our inventories related to our mining operations as of the date indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Raw materials	181,627	193,209	196,074
Work in progress	823,028	556,575	501,131
Finished goods	149,877	162,041	294,591
Subtotal	**1,154,532**	**911,825**	**991,796**
Less: Write-down for inventory impairment	—	—	—
Total	**1,154,532**	**911,825**	**991,796**

The following table sets forth a breakdown of our inventories related to our trading operations as of the date indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Raw materials	—	—	—
Work in progress	—	—	—
Finished goods	330,074	330,707	167,759
Subtotal	**330,074**	**330,707**	**167,759**
Less: Write-down for inventory impairment	—	(5,432)	—
Total	**330,074**	**328,275**	**167,759**

Our inventories decreased by 16.5% from RMB1,484.6 million as of December 31, 2023 to RMB1,240.1 million as of December 31, 2024, primarily due to the decreased completion of work in progress. Our inventories remained relatively stable at RMB1,159.6 million as of December 31, 2025.

In terms of turnover, our inventory turnover days were 94 days, 52 days and 38 days in the year ended December 31, 2023, 2024 and 2025, respectively, which was mostly in line with the fluctuations of our trading operations. In particular, such turnover days were 94 days for the year ended December 31, 2023, as we had a decrease in trading volume, leading to a lower cost of sales from trading operations, and yet an increase in inventories from trading operations. The decrease in the year ended December 31, 2025 was mainly due to an increased consumption and sales of our inventory.

The following table sets forth an aging analysis of inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Less than one year	1,408,845	1,160,981	1,052,243
One to two years	18,086	8,419	35,459
Over two years	57,675	70,700	71,853
Total	**1,484,606**	**1,240,100**	**1,159,555**

As of January 31, 2026, RMB417.7 million or 36.0% of the inventories as of December 31, 2025 had been subsequently utilized. Our Directors confirm that even in view of such utilization rates, no provision has been made for our inventories, primarily due to a substantial percentage of utilized inventories comprises work-in-progress products, primarily consisting of raw ores, resulted from our high production volume. However, given the recent upward trend in metal prices, there are no signs of impairment for the work-in-progress ores.

Trade receivables

Our trade receivables related to the outstanding payments from our trading operations. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Trade receivables	44,252	22,223	5,866
Less: Allowance for credit losses	(2,212)	(1,111)	(293)
Total	**42,040**	**21,112**	**5,573**

Our trade receivables decreased by 49.8% from RMB42.0 million as of December 31, 2023 to RMB21.1 million as of December 31, 2024, primarily due to the increase in settlement balance at the end of the year. Our trade receivables decreased by 73.5% from RMB21.1 million as of December 31, 2024 to RMB5.6 million as of December 31, 2025, primarily due to the decrease in unsettled outstanding balance. In terms of turnover, our trade receivable turnover days remained stable at 1.9 days, 0.9 days, and 0.3 days during the Track Record Period, respectively.

The following table sets forth an aging analysis of receivables, based on invoice dates as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Within one year	42,040	21,112	5,573

As of January 31, 2026, RMB5.2 million or 92.5% of the trade receivables as of December 31, 2025 had been subsequently settled.

Financial assets at FVTPL

Our financial assets at FVTPL primarily consisted of wealth management products during the Track Record Period. Our financial assets at FVTPL increased by 19.5% from RMB1,051.5 million as of December 31, 2023 to RMB1,256.7 million as of December 31, 2024, primarily due to additional purchase of wealth management products, further recorded nil as of December 31, 2025, primarily due to the redemption of all matured wealth management products.

Derivative financial assets

Our derivative financial assets primarily consisted of other non-ferrous metal futures contracts during the Track Record Period. Our derivative financial assets decreased by 82.7% from RMB11.0 million as of December 31, 2023 to RMB1.9 million as of December 31, 2024, representing the movement in our futures positions. Our derivative financial assets increased to RMB5.5 million as of December 31, 2025. This increase was primarily driven by the establishment of new hedging positions required to support current trading activities. As of December 31,2024, many of our spot trading positions had been closed, resulting in a reduction in associated derivative holdings. In contrast, the year of 2025 saw a ramp-up in trading operations, necessitating the deployment of additional derivative instruments. These changes reflect our proactive hedging strategy, which aims to manage price volatility and protect trading margins in a dynamic market environment. Our investment in derivative instruments after the [REDACTED] will be subject to the compliance with Chapter 14 of the Listing Rules.

Prepayments, deposits and other receivables

Our prepayments, deposits and other receivables mainly consisted of (i) prepayments for inventories and others, primarily comprising of the purchase of other non-ferrous metal for our trading activities, (ii) deductible input VAT, (iii) deposits, (iv) prepaid tax, and (v) other receivables, with consideration of loss allowance.

The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Prepayments for inventories and others	28,828	10,040	26,082
Deductible input VAT	32,413	22,461	22,625
Deposits	273,490	84,413	445,817
Prepaid tax	21,120	8,348	1,004
Prepayments for costs incurred in connection with the proposed initial [REDACTED] of H shares	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	98,771	73,207	129,444
Less: loss allowance	(66,774)	(64,837)	(68,702)
Total	**387,848**	**133,632**	**[REDACTED]**

Our prepayments, deposits and other receivables decreased from RMB387.8 million as of December 31, 2023, to RMB133.6 million as of December 31, 2024, primarily due to the decrease in position of our financial derivative assets in 2024. Our prepayments, deposits and other receivables increased to RMB587.8 million as of December 31, 2025, primarily due to the increase in margin deposits, resulting from the additional derivative transactions.

As of January 31, 2026, RMB477.7 million or 81.3% of the prepayments, deposits and other receivables as of December 31, 2025 had been subsequently settled.

Restricted cash

Our restricted cash mainly represented guarantee deposits pledged to bank for issuance of bills payables and letters of credit during the Track Record Period. Our restricted cash decreased by 61.8% from RMB1,194.5 million as of December 31, 2023 to RMB456.9 million as of December 31, 2024, primarily due to the decrease in security deposits for bank acceptance bills and letters of credits. Our restricted cash increased by 58.0% to RMB722.1 million as of December 31, 2025, primarily due to the increase in security deposits for bank acceptance bills.

Trade and bills payables

Our trade and bills payables mainly related to our mining operations. Our trade and bills payables decreased by 47.5% from RMB1,517.4 million as of December 31, 2023 to RMB796.3 million as of December 31, 2024, primarily because we opted to settle more transactions with bank acceptance bills issued closer to the balance sheet date in light of the prevailing market conditions. Our trade and bills payables increased by 59.0% to RMB1,266.3 million as of December 31, 2025, which were mainly due to our increase in bills payable in relation to our mining business. In terms of turnover, our trade payable turnover days remained stable at 15.9 days, 10.1 days, and 10.6 days during the Track Record Period, respectively.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Within one year	1,492,106	784,165	1,247,600
Over one year	25,273	12,118	18,742
Total	**1,517,379**	**796,283**	**1,266,342**

As of January 31 2026, RMB206.4 million or 52.6% of the trade payables as of December 31, 2025 had been subsequently settled.

Accrued expenses and other payables

The accrued expenses and other payables mainly consisted of deposits, payroll payables, other tax payables, payables for properties, plant and equipment and intangible assets, dividends payable, accrued expenses, and others.

The following table sets forth a breakdown of our accrued expenses and other payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		RMB'000	
Deposits	162,751	95,348	111,091
Payroll payables	82,054	90,937	134,125
Other tax payables	15,338	48,344	28,824
Payables for properties, plant and equipment and intangible assets	16,179	20,036	31,541
Dividends payable	—	50,000	—
Payables for costs incurred in connection with the proposed initial [REDACTED] of H shares	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,379	10,964	31,900
Total	281,701	315,629	[REDACTED]

Our accrued expenses and other payables increased from RMB281.7 million as of December 31, 2023, to RMB315.6 million as of December 31, 2024, primarily due to the increase of our dividends payables and other tax payables. Our accrued expenses and other payables as of December 31, 2025 were RMB347.6 million, primarily due to increase in payroll payables, primarily due to the expansion of our workforce and improved employee compensation, in line with the scale-up of our business.

As of January 31, 2026, RMB135.4 million or 39.0% of our accrued expenses and other payables as of December 31, 2025 had been subsequently settled.

Contract liabilities

The contract liabilities mainly consisted of advance from customers during the Track Record Period. As of December 31, 2023, 2024 and 2025, all of our contract liabilities are expected to be recognized as revenue within one year. Our contract liabilities decreased by 83.0% RMB20.0 million as of December 31, 2023 to RMB3.4 million as of December 31, 2024, primarily due to the delivery of a higher amount of goods to our customers at the end of 2024. Our contract liabilities increased to RMB65.7 million as of December 31, 2025, primarily due to the increase in advances from customers in our trading activities.

As of January 31, 2026, RMB14.7 million or 22.4% of the contract liabilities as of December 31, 2025 had been recognized as revenue.

Derivative financial liabilities

Our derivative financial liabilities mainly consisted of foreign exchange forward contracts and commodity options and futures contract. Our derivative financial liabilities decreased by 55.2% from RMB20.1 million as of December 31, 2023, to RMB9.0 million as of December 31, 2024. Our derivative financial liabilities increased to RMB36.5 million as of December 31, 2025, representing loss of forward contracts, futures and options contract.

Long-term payables

Our long-term payables mainly consisted of mining rights payments due over one year, representing deferred payment arrangements for mineral rights concession fees.

The following table sets forth a breakdown of the net book value of our long-term payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Current portion	69,503	143,913	45,652
Non-current portion	168,737	189,477	150,189
Total	**238,240**	**333,390**	**195,841**

Increase in our long-term payables during the years ended December 31, 2023 and 2024 were mainly in relation to mining concession fee payments. Our long-term payables decreased from RMB333.4 million as of December 31, 2024 to RMB195.8 million as of December 31, 2025, primarily due to our payment of long-term payables.

Provisions for restoration, rehabilitation, and environmental costs

Our provision for restoration, rehabilitation and environmental costs during the Track Record Period was related to certain subsidiaries which are engaged in mining operations. Such costs amounted to RMB42.6 million, RMB122.6 million and RMB123.5 million as of December 31, 2023, 2024 and 2025, respectively. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in PRC, as discounted at rates of the LPR interest rate of the PRC central bank corresponding to the evaluation period during the Track Record Period, upon the completion of their operations. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life. Our Directors believe that adequate provision has been made at the end of each period during the Track Record Period.

Deferred tax liabilities

Our deferred tax liabilities consisted of fair value adjustments through business combination, capitalized exploration expenditure, fair value arising from financial assets or liabilities at FVTPL, right-of-use assets, depreciation and amortization allowances difference, installment of mining rights, mining properties, and others.

The following table sets forth a breakdown of our deferred tax liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB'000)	
Fair value adjustments through business combination	221,391	190,404	165,838
Capitalized exploration expenditure	10,131	10,131	10,131
Fair value arising from financial assets or liabilities at FVTPL	2,638	4,903	1,480
Right-of-use assets	7,154	6,747	6,714
Depreciation and amortization allowances difference	19,799	18,479	13,858
Installment of mining rights	54,360	47,209	40,009
Mining properties	3,108	15,162	15,768
Subtotal	**318,581**	**293,035**	**253,798**
Amount of offset between deferred tax assets and liabilities	(94,554)	(100,022)	(113,549)
Total	**224,027**	**193,013**	**140,249**

Our deferred tax liabilities decreased by 13.8% from RMB224.0 million as of December 31, 2023, to RMB193.0 million as of December 31, 2024, then decreased by 27.4% to RMB140.2 million as of December 31, 2025, primarily due to fair value adjustments through business combination.

DERIVATIVE FINANCIAL INSTRUMENTS

Our hedging strategy is fundamentally based on a strict risk mitigation principle, where we utilize derivative instruments, including futures and options, exclusively for hedging purposes to reduce exposure to commodity price fluctuations, basis risks, and arising from our physical trading activities. We adhere to a disciplined approach that requires all derivative transactions to be directly correlated with our underlying physical business in terms of commodity type, scale, direction, and duration, ensuring that our hedging activities are aligned with our operational needs and financial capacity. This strategy is implemented through approved annual business plans, which specify hedging volumes, methods, and limits, and we strictly prohibit any form of speculative or arbitrage trading.

Our treasury policies governing derivative activities are designed to maintain robust risk control and financial stability. We establish dedicated hedging margin accounts and manage fund transfers through a structured approval process involving our risk and finance departments, ensuring that sufficient self-owned fund or credit facilities are in place to support margin requirements without impacting normal operations. The policies mandate daily monitoring of margin levels, floating profits and losses, and adherence to pre-defined stop-loss warning lines and limits, with our risk management department authorized to take corrective actions, including position liquidation, if thresholds are breached. This framework ensures that our use of derivatives remains within manageable risk parameters, supporting the overall integrity of our financial operations.

In the year ended December 31, 2023, 2024 and 2025, the transaction amounts of the derivative instruments employed were RMB835.8 million, RMB81,768.6 million and RMB167,099.1 million respectively. The significant increase was primarily due to (1) the increase in the commodity prices in the recent years, (2) the increased scale of our business operations, and (3) the implementation of refined management strategies since 2024, which have significantly increased the frequency of adjusting our hedging positions.

We employ various types of financial instruments, including forward, futures and options contracts. The following paragraphs set forth a summary of the salient terms of our arrangements with our counterparties.

- ***Pricing***. The premium is determined based on the initial price of the underlying contract, the number of units, and a fixed participation rate. The exercise price is fixed at the transaction date.
- ***Maturity***. The option has a specified expiration date. If such date falls on a non-business day, it is adjusted to the next or previous business day as confirmed by the counterparty.
- ***Payment***. We receive the total premium upon execution of the transaction. As the option seller, we are required to pay initial margin not lower than the qualified collateral initial value before the trade date. Settlement payments are made on a net basis on the final settlement date.
- ***Termination Clause***. We or the counterparty may designate an early termination date upon the occurrence of an event of default or termination event under the master agreement. Events of default include failure to pay or deliver, breach of agreement, cross-default and insolvency. Termination events include illegality, force majeure, and credit deterioration upon merger. Upon early termination, all affected transactions are terminated, and a single net termination payment is calculated based on the fair market value.

The Board is actively involved in the oversight of the Group's derivative activities, having formally approved the subsidiary's proposed derivative trading business and the associated scale. We have established a dedicated management system and functional departments for derivative transactions, staffed with professionals responsible for transaction execution, decision-making, authorisation, settlement, reporting, and risk monitoring. We diversify our risk through the use of multiple derivative instruments across various commodity types and exchanges, and employs a multi-layered hedging strategy addressing absolute price and basis.

Risk monitoring practices are robust. Department responsible for risk control conducts real-time monitoring of floating profits and losses against pre-defined stop-loss warning lines and limits. The trading department is required to submit daily trading records to the department responsible for risk control for reconciliation. The stop-loss warning lines and stop-loss limits for each variety are set based on the maximum drawdown at any single point in time. The aggregate stop-loss warning line and stop-loss limit for all varieties are RMB39 million and RMB48.9 million respectively. Should the floating profit and loss reach the stop-loss warning line, the risk control department will promptly notify the trading department and report to senior management. Upon reaching the stop-loss limit, the risk control department is authorised to take action in accordance with company regulations.

The procedure for approving positions that exceed the authorized limits specified in the annual plan requires that any business scale exceeding the initial plan by more than twenty percent must be submitted to the Board for approval before such business and the corresponding increase in hedging volume can be conducted. Our internal systems explicitly prohibit derivative positions from exceeding the authorized holding limits. We do not specify procedures for setting and varying counterparty limits, authorizing excesses over these limits, or the monitoring of value at risk.

Our fundamental hedging philosophy is rooted in a disciplined and proactive approach to risk management, with the primary objective of mitigating the significant exposure to commodity price and foreign exchange rate fluctuations inherent in our trading and operating activities. We do not engage in derivative transactions for speculative purposes. Instead, we employ a structured program utilizing derivative financial instruments, including futures and options, specifically to insulate our operating cash flows and profitability from adverse market movements.

The critical principle we adhere to in executing these hedges is maintaining a direct and quantifiable correlation; the notional amount and tenor of the derivative positions are deliberately aligned to match the volume and expected transaction date of the underlying physical exposure. This practice of ensuring the derivative transaction is opposite in direction and substantially equivalent in quantity to the physical transaction is designed to create an effective economic offset, whereby a loss in the physical market is intended to be substantially compensated for by a gain in the derivative position, and vice versa.

The rationale for adopting these specific hedging practices is driven by the volatile nature of global metal markets and our commitment to achieving a more predictable financial performance. By actively managing these price risks, we seek to stabilize our gross profit margins and protect the economic value of our assets, thereby enhancing shareholder value and supporting the Group's strategic planning and operational budgeting.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been, and is expected to continue to be, cash generated from operating activities together with available credit facilities and bank borrowings. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. We had cash and cash equivalents of RMB1,836.1 million, RMB2,413.4 million and RMB4,704.2 million as of December 31, 2023, 2024 and, 2025, respectively.

Sufficiency of working capital

Taking into account the financial resources available to us, including our cash and cash equivalents, available borrowings, and the estimated net [REDACTED] from the [REDACTED], our Directors are of the opinion, and the Joint Sponsors concur, that we have sufficient working capital required for 125% of our present requirements, that is for at least the next 12 months from the date of this document. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, bank and other borrowings and net [REDACTED] from the [REDACTED]. Other than the bank and other borrowings that we may obtain, we do not have any plans for material external debt financing. The majority of our projects under development are extension projects of our current mines. We believe that we are

able to finance such projects using net operating cash flow from our existing operations for the year ended December 31, 2025, net cash flows generated from operating activities were RMB4,680.1 million and capital expenditures were RMB1,193.0 million.

Cash flows analysis

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
Net cash flows generated from operating activities	2,179,893	3,871,259	4,680,086
Net cash flows generated from/(used in) investing activities	480,149	(2,849,216)	(837,905)
Net cash flows used in from financing activities	(1,625,581)	(431,310)	(1,535,130)
Net increase in cash and cash equivalents	1,034,461	590,733	2,307,051
Cash and cash equivalents at beginning of year	789,843	1,836,128	2,413,424
Effect of foreign exchange rate changes, net	11,824	(13,437)	(16,299)
Cash and cash equivalents at the end of the year	**1,836,128**	**2,413,424**	**4,704,176**

Net cash flows generated from operating activities

For the year ended December 31, 2025, we had net cash generated from operating activities of RMB4,680.1 million, which primarily represents profit before taxation of RMB4,285.7 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB359.9 million and amortization of intangible assets of RMB341.6 million, and (ii) changes in working capital, which primarily consisted of the increase in trade and bills payables, accrued expenses and other payables of RMB926.1 million, partially offset by the increase in trade receivables, prepayments, deposits and other receivables of RMB422.1 million.

In the year ended December 31, 2024, we had net cash generated from operating activities of RMB3,871.3 million, which primarily represents profit before taxation of RMB3,181.7 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB298.4 million and amortization of intangible assets of RMB308.1 million, and (ii) changes in working capital, which primarily consisted of the decrease in trade receivables, prepayments, deposits and other receivables of RMB1,052.6 million, partially offset by the decrease in trade and bills payables, accrued expenses and other payables of RMB695.9 million.

In the year ended December 31, 2023, we had net cash generated from operating activities of RMB2,179.9 million, which primarily represents profit before taxation of RMB2,083.0 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB376.4 million and amortization of intangible assets of RMB552.3 million, and (ii) changes in working capital, which primarily consisted of the increase in inventories of RMB125.6 million and the increase in trade receivables, prepayments, deposits and other receivables of RMB123.2 million.

Net cash flows generated from/(used in) investing activities

For the year ended December 31, 2025, we had net cash flow used in investing activities of RMB837.9 million, which was primarily due to payment for the purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,193.0 million.

In the year ended December 31, 2024, we had net cash flow used in investing activities of RMB2,849.2 million, which primarily due to (i) payment for purchase of financial assets at FVTPL and derivative financial assets of RMB14,347.2 million and (ii) acquisition of subsidiary, net of cash acquired, of RMB1,830.5 million, partially offset by proceeds from disposal of financial assets at FVTPL and derivative financial assets of RMB14,015.9 million.

In the year ended December 31, 2023, we had net cash flow generated from investing activities of RMB480.1 million, which primarily due to proceeds from disposal of financial assets at FVTPL and derivative financial assets of RMB6,437.2 million, partially offset by (i) payment for purchase of financial assets at FVTPL and derivative financial assets of RMB5,336.8 million and (ii) payment for the purchase of property, plant and equipment, intangible assets and other non-current assets of RMB614.8 million.

Net cash flows used in financing activities

For the year ended December 31, 2025, we had net cash flow used in financing activities of RMB1,535.1 million, which was primarily due to (i) dividends paid to our Shareholders of RMB1,013.5 million, and (ii) repayment of bank and other borrowings, long-term payables and interests of RMB1,447.6 million, partially offset by proceeds from bank and other borrowings of RMB1,330.6 million.

In the year ended December 31, 2024, we had net cash flow used in financing activities of RMB431.3 million, which primarily due to (i) repayment of bank and other borrowings, long-term payables and interests of RMB1,088.7 million, (ii) dividends paid to our Shareholders of RMB777.5 million, partially offset by proceeds from bank and other borrowings of RMB1,634.0 million.

In the year ended December 31, 2023, we had net cash flow used in financing activities of RMB1,625.6 million, which primarily due to (i) repayment of bank and other borrowings, long-term payables and interests of RMB1,543.1 million, (ii) dividends paid to our Shareholders of RMB777.5 million, partially offset by proceeds from bank and other borrowings of RMB814.1 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of bank and other borrowings and lease liabilities. Our Directors confirm that our Group had not defaulted on trade and non-trade payables and borrowings, nor had our Group breached any covenants during the Track Record Period and up to the date of the Document.

As of January 31, 2026, our Group's unutilized unsecured banking facilities amount to RMB4,377.7 million. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	(RMB'000)			
				(unaudited)
Current				
Bank and other borrowings	374,469	342,299	209,658	158,186
Lease liabilities	9,166	20,195	13,423	13,045
Non-current				
Bank and other borrowings	64,081	1,006,364	1,187,990	1,187,863
Lease liabilities	24,046	11,644	13,604	12,752
Total	**471,762**	**1,380,502**	**1,424,675**	**1,371,846**

Bank and other borrowings

As of December 31, 2023, 2024 and, 2025, we had bank and other borrowings of RMB438.6 million, RMB1,348.7 million and RMB1,397.6 million, respectively. Our loans and borrowings are denominated in RMB and US$. See note 25 of the Accountants' Report in Appendix I to this document.

Certain of our bank loans are subject to the fulfillment of covenants commonly found in lending arrangements with financial institutions. If we were to breach the covenants, the loans would become repayable on demand. we regularly monitor its compliance with these covenants. See note 36 of the Accountants' Report in Appendix I to this document for further details about our management of liquidity risk.

Lease liabilities

Our lease liabilities mainly consisted of lease for our Beijing headquarter and land in Mangshi, Yunnan during the Track Record Period. Our lease liabilities remained relatively stable at RMB33.2 million and RMB31.8 million as of December 31, 2023 and 2024, respectively. As of December 31, 2025, our lease liabilities amounted to RMB27.0 million, primarily due to our lease payment.

Contingent liabilities

As of December 31, 2023, 2024 and, 2025, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since December 31, 2025 and up to the Latest Practicable Date.

Indebtedness statement

Except as disclosed above, as of January 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since January 31, 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not enter into any outstanding off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES

For the year ended December 31, 2023, 2024 and 2025, our capital expenditure attributable to payment for the purchase of property, plant and equipment, intangible assets and other non-current assets amounted to RMB614.8 million, RMB687.8 million and RMB1,193.0 million, respectively. We have funded and expect to continue to fund our capital expenditure with our cash flow generated from operating activities.

CAPITAL COMMITMENTS

Our capital commitments during the Track Record Period were primarily related to the acquisition of property, plant and equipment. As of December 31, 2023, 2024 and 2025, the amount of our outstanding capital commitments was RMB310.7 million, RMB273.1 million and RMB1,198,0 million, respectively.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See note 39 to the Accountants' Report in Appendix I to this document. Our Directors believe that these transactions were conducted in the ordinary and usual course of business and did not distort our results of operations or make our historical results unreflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods or as of the dates indicated:

	For the year ended/As of December 31,		
	2023	2024	2025
		(RMB'000)	
Rates of return			
Return on assets	9.6%	14.1%	16.9%
Return on equity	12.0%	17.3%	20.8%
Liquidity ratios			
Current ratio	2.5	3.0	3.2
Quick ratio	1.9	2.3	2.7
Gearing ratio	3.5%	9.3%	8.5%

Notes:

1. Return on assets ratio is calculated using net profit divided by the average of the opening and closing balances of total assets, multiplied by 100%.
2. Return on equity ratio is calculated using net profit divided by the average of the opening and closing balances of total equity, multiplied by 100%.
3. Current ratio is calculated using total current assets divided by total current liabilities.
4. Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
5. Gearing ratio is calculated by dividing total debt (which includes current and non-current bank loans, lease liabilities and other borrowings) by total equity.

FINANCIAL RISK MANAGEMENT

We are exposed to various risks in relation to financial instruments in our daily operations. Risks in connection with our business operations, and the risk management strategies adopted by us to mitigate such risks, are summarized as follows:

Credit risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade receivables, other receivables, cash and cash equivalents and restricted deposits. Our exposure to credit risk arising from cash and cash

equivalents and restricted deposits is limited because the counterparties are banks and financial institutions with a high credit standing, for which we consider having low credit risk. Our management continuously monitors the level of exposure to ensure that follow up action is taken to recover overdue debts. We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Generally, trade receivables are due within one year from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before further credit is granted. We do not obtain collateral from customers.

Liquidity risk

The treasury function is centrally managed by us, which includes the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. Our policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Commodity price risk

Our commodity price risk is mainly the exposure to fluctuations in the prevailing market price of metal which are the major commodities purchased, produced and sold by us. To minimise this risk, we enter into metal futures and options contracts and provisional price arrangement to manage our exposure in relation to forecasted sales of metal products, forecasted purchases of metal concentrates, inventories and firm commitments to sell our metal products. We are not exposed to significant commodity price risk.

Fair value measurement

Our fair value instruments categorized into the three-level fair value hierarchy as defined in IFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
— Level 2 valuations:	Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
— Level 3 valuations:	Fair value measured using significant unobservable inputs.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details of our unaudited [REDACTED] adjusted net tangible assets.

DIVIDEND

We declared and paid dividends to our Shareholders of RMB777.5 million, RMB777.5 million and RMB1,013.5 million respectively, for the year ended December 31, 2023, 2024 and 2025. Pursuant to Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. The specific dividend ratios shall be determined by our Board according to relevant regulations and our operating conditions and shall be considered and resolved at our general meeting. Future profit distributions may be conducted in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Whilst we do not have a pre-determined payout ratio, our Group's dividends are guided by a formal dividend policy. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of RMB6,792.6 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our business, financial condition and results of operations since December 31, 2025, which is the end date of the periods reported on in the Accountants' Report as set out in Appendix I to this document, and there is no event since December 31, 2025 which would materially affect the information in the Accountants' Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.

FUTURE PLANS AND [REDACTED]

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.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-64, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANJIN INTERNATIONAL GOLD CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND UBS SECURITIES HONG KONG LIMITED

Introduction

We report on the historical financial information of Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司) (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-4 to I-64], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2023, 2024 and 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-4 to I-64] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] 2026 (the "**Document**") in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we

comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 34(c) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[•] 2026

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

Consolidated statements of profit or loss

(Expressed in RMB)

		Year ended 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	4	8,094,837	13,580,429	17,090,098
Cost of sales		(5,502,074)	(9,509,711)	(11,640,595)
Gross profit		2,592,763	4,070,718	5,449,503
Other net income	5	56,454	44,091	43,298
Other gains and losses	6	79,118	(54,588)	(25,804)
Selling expenses		(2,258)	(5,216)	(4,314)
General and administrative expenses		(380,759)	(416,311)	(531,614)
Research and development costs		(6,272)	(119,570)	(177,869)
Reversal of impairment losses/(impairment losses) on financial assets, net		529	2,994	(2,954)
Other expenses		(211,750)	(289,695)	(407,511)
Profit from operations		2,127,825	3,232,423	4,342,735
Finance costs	7(a)	(44,806)	(50,737)	(57,075)
Profit before taxation	7	2,083,019	3,181,686	4,285,660
Income tax	8	(517,454)	(743,496)	(1,003,624)
Profit for the year		1,565,565	2,438,190	3,282,036
Attributable to:				
Equity shareholders of the Company		1,421,924	2,179,961	2,983,616
Non-controlling interests		143,641	258,229	298,420
Profit for the year		1,565,565	2,438,190	3,282,036
Earnings per share	11			
Basic and diluted (RMB)		0.51	0.79	1.07

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of profit or loss and other comprehensive income

(Expressed in RMB)

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year		1,565,565	2,438,190	3,282,036
Other comprehensive income for the year (after tax)	12			
Item that will not be reclassified to profit or loss:				
Equity investments at FVOCI: net movement in fair value reserve (non-recycling)		5,460	—	—
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries		(336)	17,892	562
Other comprehensive income for the year		5,124	17,892	562
Total comprehensive income for the year		1,570,689	2,456,082	3,282,598
Attributable to:				
Equity shareholders of the Company		1,425,825	2,197,811	2,984,573
Non-controlling interests		144,864	258,271	298,025
Total comprehensive income for the year		1,570,689	2,456,082	3,282,598

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

(Expressed in RMB)

	Note	As at 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000
Non-current assets				
Property, plant and equipment	13	3,125,277	3,453,087	4,205,452
Intangible assets	14	6,053,382	8,054,295	7,884,713
Right-of-use assets	15	443,207	424,273	564,412
Goodwill	16	452,366	452,366	452,366
Other equity investments	17	20,820	20,820	20,820
Deferred tax assets	31(c)	170,002	209,147	232,059
Other non-current assets	18	26,311	51,323	80,917
		10,291,365	12,665,311	13,440,739
Current assets				
Inventories	19	1,484,606	1,240,100	1,159,555
Trade receivables	20	42,040	21,112	5,573
Financial assets at fair value through profit or loss ("FVTPL")	21	1,051,487	1,256,710	—
Derivative financial assets	22	11,010	1,919	5,476
Prepayments, deposits and other receivables	23	387,848	133,632	587,837
Restricted cash	24(a)	1,194,465	456,882	722,113
Cash and cash equivalents	24(a)	1,836,128	2,413,424	4,704,176
		6,007,584	5,523,779	7,184,730
Current liabilities				
Bank and other borrowings	25	374,469	342,299	209,658
Trade and bills payables	26	1,517,379	796,283	1,266,342
Accrued expenses and other payables	27	281,701	315,629	347,600
Contract liabilities	28	19,965	3,387	65,683
Current portion of lease liabilities	29	9,166	20,195	13,423
Derivative financial liabilities	30	20,141	9,016	36,469
Current taxation	31(a)	114,098	223,131	245,004
Current portion of long-term payables	32	69,503	143,913	45,652
		2,406,422	1,853,853	2,229,831
Net current assets		3,601,162	3,669,926	4,954,899
Total assets less current liabilities		13,892,527	16,335,237	18,395,638
Non-current liabilities				
Bank and other borrowings	25	64,081	1,006,364	1,187,990
Deferred income		342	308	274
Lease liabilities	29	24,046	11,644	13,604
Long-term payables	32	168,737	189,477	150,189
Provision for restoration, rehabilitation and environmental costs	33	42,647	122,589	123,500
Deferred tax liabilities	31(c)	224,027	193,013	140,249
		523,880	1,523,395	1,615,806
NET ASSETS		13,368,647	14,811,842	16,779,832
CAPITAL AND RESERVES				
Share capital	34(b)	2,776,722	2,776,722	2,776,722
Treasury shares	34(h)	—	—	(34,098)
Reserves		8,783,942	10,204,271	12,175,340
Total equity attributable to shareholders of the Company		11,560,664	12,980,993	14,917,964
Non-controlling interests		1,807,983	1,830,849	1,861,868
TOTAL EQUITY		13,368,647	14,811,842	16,779,832

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company

(Expressed in RMB)

		As at 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment		3,331	6,325	5,285
Intangible assets		813	975	1,653
Right-of-use assets		16,780	18,246	9,488
Investments in subsidiaries	1	8,682,699	8,789,489	9,415,223
Deferred tax assets	31(c)	38,726	59,595	76,043
		8,742,349	8,874,630	9,507,692
Current assets				
Financial assets at FVTPL	21	—	1,196,124	—
Amounts due from subsidiaries		120,516	1,259,327	553,788
Prepayments, deposits and other receivables	23	3,774	7,267	41,751
Restricted cash	24(a)	—	—	100,000
Cash and cash equivalents	24(a)	35,612	1,894,495	3,763,166
		159,902	4,357,213	4,458,705
Current liabilities				
Bank and other borrowings	25	—	124,660	124,585
Trade and bills payables		3,220	364	816
Amounts due to subsidiaries		—	3,128,489	3,461,827
Accrued expenses and other payables	27	20,236	23,871	36,249
Current portion of lease liabilities	29	4,251	8,684	9,418
		27,707	3,286,068	3,632,895
Net current assets		132,195	1,071,145	825,810
Total assets less current liabilities		8,874,544	9,945,775	10,333,502
Non-current liabilities				
Bank and other borrowings	25	—	676,000	601,861
Lease liabilities	29	12,984	11,170	876
Deferred tax liabilities	31(c)	4,058	4,486	2,324
		17,042	691,656	605,061
NET ASSETS		8,857,502	9,254,119	9,728,441
CAPITAL AND RESERVES				
Share capital	34(b)	2,776,722	2,776,722	2,776,722
Treasury shares	34(h)	—	—	(34,098)
Reserves	34	6,080,780	6,477,397	6,985,817
TOTAL EQUITY		8,857,502	9,254,119	9,728,441

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Share capital	Capital reserves	Statutory reserves	Special reserves	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 34(b))	*RMB'000 (Note 34(d))*	*RMB'000 (Note 34(e))*	*RMB'000 (Note 34(g))*	*RMB'000 (Note 34(f))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023	2,776,722	4,431,280	551,831	5,014	7,244	3,140,431	10,912,522	1,766,745	12,679,267
Changes in equity for 2023:									
Profit for the year	—	—	—	—	—	1,421,924	1,421,924	143,641	1,565,565
Other comprehensive income	—	—	—	—	3,901	—	3,901	1,223	5,124
Total comprehensive income for the year	—	—	—	—	3,901	1,421,924	1,425,825	144,864	1,570,689
Appropriation to reserves	—	—	78,875	(2,374)	—	(76,501)	—	—	—
Acquisition of non-controlling interests	—	(201)	—	—	—	—	(201)	(3,082)	(3,283)
Dividends declared by the Company	—	—	—	—	—	(777,482)	(777,482)	—	(777,482)
Dividends declared by subsidiaries	—	—	—	—	—	—	—	(100,544)	(100,544)
Balance at 31 December 2023 and 1 January 2024	2,776,722	4,431,079	630,706	2,640	11,145	3,708,372	11,560,664	1,807,983	13,368,647

		Attributable to equity shareholders of the Company									
	Note	Share capital	Treasury shares	Capital reserves	Statutory reserves	Special reserves	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000 (Note 34(b))	*RMB'000 (Note 34(h))*	*RMB'000 (Note 34(d))*	*RMB'000 (Note 34(e))*	*RMB'000 (Note 34(g))*	*RMB'000 (Note 34(f))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024		2,776,722	—	4,431,079	630,706	2,640	11,145	3,708,372	11,560,664	1,807,983	13,368,647
Changes in equity for 2024:											
Profit for the year		—	—	—	—	—	—	2,179,961	2,179,961	258,229	2,438,190
Other comprehensive income		—	—	—	—	—	17,850	—	17,850	42	17,892
Total comprehensive income for the year		—	—	—	—	—	17,850	2,179,961	2,197,811	258,271	2,456,082
Appropriation to reserves		—	—	—	117,410	6,846	—	(124,256)	—	—	—
Dividends declared by the Company		—	—	—	—	—	—	(777,482)	(777,482)	—	(777,482)
Dividends declared by subsidiaries		—	—	—	—	—	—	—	—	(235,417)	(235,417)
Capital injection from non-controlling interests		—	—	—	—	—	—	—	—	100	100
Others		—	—	—	—	—	—	—	—	(88)	(88)
Balance at 31 December 2024 and 1 January 2025		2,776,722	—	4,431,079	748,116	9,486	28,995	4,986,595	12,980,993	1,830,849	14,811,842
Changes in equity for the year:											
Profit for the year		—	—	—	—	—	—	2,983,616	2,983,616	298,420	3,282,036
Other comprehensive income		—	—	—	—	—	957	—	957	(395)	562
Total comprehensive income for the year		—	—	—	—	—	957	2,983,616	2,984,573	298,025	3,282,598
Appropriation to reserves		—	—	—	152,192	11,957	—	(164,149)	—	—	—
Repurchase of shares		—	(34,098)	—	—	—	—	—	(34,098)	—	(34,098)
Liquidation of a subsidiary		—	—	—	—	—	—	—	—	(100)	(100)
Dividends declared by the Company		—	—	—	—	—	—	(1,013,504)	(1,013,504)	—	(1,013,504)
Dividends declared by subsidiaries		—	—	—	—	—	—	—	—	(267,036)	(267,036)
Others		—	—	—	—	—	—	—	—	130	130
Balance at 31 December 2025		2,776,722	(34,098)	4,431,079	900,308	21,443	29,952	6,792,558	14,917,964	1,861,868	16,779,832

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of cash flows

(Expressed in RMB)

	Note	Year ended 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000
Operating activities				
Cash generated from operations	24(b)	2,773,905	4,555,528	5,736,746
Income tax paid	31(a)	(594,012)	(684,269)	(1,056,660)
Net cash generated from operating activities		2,179,893	3,871,259	4,680,086
Investing activities				
Payment for purchase of financial assets at FVTPL and derivative financial assets		(5,336,820)	(14,347,159)	(10,617,005)
Proceeds from disposal of financial assets at FVTPL and derivative financial assets		6,437,202	14,015,872	11,125,907
Payment for the purchase of property, plant and equipment, intangible assets and other non-current assets		(614,831)	(687,766)	(1,192,993)
Proceeds from disposal of property, plant and equipment and intangible assets		163	346	1,054
Acquisition of subsidiaries, net of cash acquired	37	—	(1,830,509)	(48,617)
Net increase in investment deposits for purchase of intangible assets		—	—	(100,000)
Payment of deposits for restoration, rehabilitation and environmental costs		(5,565)	—	(6,251)
Net cash generated from/(used in) investing activities		480,149	(2,849,216)	(837,905)
Financing activities				
Payment for repurchase of shares		—	—	(34,098)
Payment for acquisition of non-controlling interests		(3,283)	—	—
Prepayments for costs incurred in connection with the proposed initial [REDACTED] of H shares		—	—	(21,448)
Capital injection from non-controlling interests		—	100	—
Proceeds from bank and other borrowings	24(c)	814,099	1,633,952	1,330,673
Repayment of bank and other borrowings	24(c)	(1,451,141)	(1,004,425)	(1,244,387)
Interests paid	24(c)	(39,558)	(24,985)	(49,459)
Repayment of long-term payables	24(c)	(52,381)	(59,320)	(153,782)
Dividends paid to shareholders of the Company	24(c)	(777,482)	(777,482)	(1,013,504)
Dividends paid to non-controlling shareholders	24(c)	(100,544)	(185,417)	(317,036)
Capital element of lease rentals paid	24(c)	(14,172)	(12,464)	(30,807)
Interest element of lease rentals paid	24(c)	(1,119)	(1,269)	(1,282)
Net cash used in financing activities		(1,625,581)	(431,310)	(1,535,130)
Net increase in cash and cash equivalents		1,034,461	590,733	2,307,051
Cash and cash equivalents at 1 January	24(a)	789,843	1,836,128	2,413,424
Effect of foreign exchange rate changes		11,824	(13,437)	(16,299)
Cash and cash equivalents at 31 December	24(a)	1,836,128	2,413,424	4,704,176

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 Basis of preparation and presentation of historical financial information

Shanjin International Gold Co., Ltd. (山金國際黃金股份有限公司, the "**Company**") is a joint stock company with limited liability incorporated in the People's Republic of China (the "**PRC**"). The Company's A shares were listed on the Main Board of Shenzhen Stock Exchange since June 2000 (Stock Code: 000975).

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the mining of gold and other non-ferrous metal, and trading of non-ferrous metals.

The consolidated financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by ShineWing CPA (Special General Partnership) (信永中和會計師事務所(特殊普通合夥)) ("**ShineWing**").

As at each reporting date during the Track Record Period and at the date of this report, the Company had direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Name of company	Place of establishment and business	Date of establishment	Particulars of registered/ paid-in capital	The Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
Inner Mongolia Yulong Mining Co., Ltd. *(Notes (i) and (iii))* 內蒙古玉龍礦業股份有限公司 ("**Yulong Mining**")	The PRC	29 December 2002	RMB401,152,000/ RMB401,152,000	76.67%	76.67%	—	Silver, lead, and zinc mining, and sales of mineral products
Qinghai Dachaidan Mining Co., Ltd. *(Notes (i) and (iii))* 青海大柴旦礦業有限公司 ("**Qinhai Dachaidan**")	The PRC	11 July 2000	RMB194,838,510/ RMB194,838,510	90.00%	90.00%	—	Gold exploration, mining, smelting, and sales of mineral products
Heihe Luoke Mining Development Co., Ltd. *(Notes (i) and (iii))* 黑河洛克礦業開發有限責任公司 ("**Heihe Luoke**")	The PRC	9 October 2007	USD40,660,000/ USD40,660,000	100.00%	—	100.00%	Gold exploration, mining, smelting, and sales of mineral products
Sino Gold Jilin BanMiaoZi Mining Limited *(Notes (i) and (iii))* 吉林板廟子礦業有限公司 ("**Jilin BanMiaoZi**")	The PRC	14 November 2003	RMB125,041,000/ RMB125,041,000	95.00%	95.00%	—	Gold exploration, mining, smelting, and sales of mineral products
Mangshi Huasheng Gold Mine Development Co., Ltd. *(Notes (i) and (iii))* 芒市華盛金礦開發有限公司 ("**Huasheng Gold Mine**")	The PRC	17 July 2009	RMB5,000,000/ RMB5,000,000	60.00%	60.00%	—	Gold exploration, mining, smelting, and sales of mineral products
YTSH Supply Chain Management Co., Ltd. *(Notes (i) and (iii))* 上海盛鴻融信國際貿易有限公司 ("**YTSH**")	The PRC	31 August 2016	RMB293,790,000/ RMB293,790,000	96.60%	96.60%	—	Mining trading business
Ningbo YTYH Trading Co., Ltd. *(Notes (i) and (iii))* 寧波永盛融信國際貿易有限公司 ("**YTYH**")	The PRC	9 July 2018	RMB100,000,000/ RMB100,000,000	100.00%	100.00%	—	Mining trading business

Name of company	Place of establishment and business	Date of establishment	Particulars of registered/ paid-in capital	The Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
YTSH Singapore Pte Ltd. *(Notes (ii) and (iv))* 上海盛鴻新加坡有限公司 ("**YTSH Singapore**").	Singapore	3 January 2018	20,000,000 United States Dollars/ 20,000,000 United States Dollars	96.60%	—	96.60%	Mining trading business
Osino Resources Corp. ("**Osino**") *(Notes (v), (vi) and (vii))*	Canada	22 November 2005	Canadian Dollars ("**CAD**") 368,000,000/ CAD368,000,000	100.00%	—	100.00%	Investment holding

Notes:

(i) These entities were registered as limited liability companies under the laws and regulations in the PRC. The official names of the entities are in Chinese. The English translations are for identification purpose only.

(ii) The entity was registered as limited liability company under the laws and regulations in Singapore.

(iii) The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by ShineWing.

(iv) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 were prepared in accordance with Financial Reporting Standards in Singapore and audited by ERI PENGSHENG PAC (鵬盛國際(新加坡)會計師事務所). The statutory financial statements for the year ended 31 December 2025 is not yet available as of the date of this report.

(v) The entity was registered as limited liability companies under the laws and regulations in Canada. The acquisition of the entity was completed by the Group on 29 August 2024.

(vi) As at the date of this report, no audited statutory financial statements have been issued for the entity.

(vii) On 1 October 2025, Osino Resources Corp., Osino Holdings Corp. and 1466331 B.C. LTD. have been amalgamated as one company under the name Osino Resources Corp., the registered capital was CAD368,000,000 after the amalgamation.

All companies now comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new or revised standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025 are set out in Note 42.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— trade receivables and trade payables under provisional priced sales arrangements (see Notes 2(n) and 2(p));

— investments in unlisted equity securities (see Note 2(e)); and

— financial assets at fair value through profit or loss ("**FVTPL**") and derivative financial instruments (see Note 2(f)).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale)).

(d) Business combinations and goodwill

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group performs the assessment in accordance with Note 2(w).

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include the amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 36(d). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

— amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method, foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— fair value through other comprehensive income ("**FVOCI**") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

— FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income.

(f) Derivative financial instruments

The Group holds derivative financial instruments to manage its commodity price risk and exchange rate risks exposures. The Group's derivative financial instruments include non-ferrous metals future and option contracts, forward contracts on exchange rate and those embedded in provisional price arrangements.

Derivatives are initially measured at fair value. Subsequently, they are measured at FVTPL.

Provisional price arrangements are initially measured at fair value. Subsequently, they are measured at FVTPL (see Note 36(d)).

(g) Property, plant and equipment

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(j)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method or the unit-of production method.

Mining properties in the course of development or construction are included in construction in progress and are not depreciated. Capitalised mining properties costs are depreciated once commercial production commences, as described in mining properties below.

The estimated useful lives for the Track Record Period for other property, plant and equipment (other than construction in progress and mining properties) are as follows:

	Estimated useful lives
Buildings	20–50 years
Machinery and equipment	5–10 years
Electronic and transportation equipment and others	3–5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties, are firstly capitalised as property, plant and equipment under the heading of "Construction in progress" in the year in which they are incurred and then reclassified to the heading of "Mining properties" when they are ready for commercial production.

When a decision is taken that a mining property is viable for commercial production, all pre-production primary development expenditure other than land, buildings, plant and equipment is capitalised as part of the cost of the mining property until the mining property is capable of commercial production. From that point, the capitalised costs of mining properties are depreciated on the unit-of-production method ("**UOP**"), based on the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic extraction based on the current life of mine plans.

Mining properties, except for stripping activity assets related to capitalised stripping costs incurred during the production phase, are depreciated on the UOP method utilising the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic extraction based on the current life of mine plans. Stripping activity assets related to stripping costs incurred during the production phase are depreciated on the UOP method over the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic

extraction based on the current life of mine plans of the component to which they relate. In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period.

Changes in the commercial reserves and resources affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

(ii) Construction in progress

Construction in progress represents property, plant and equipment under construction, which is stated at cost less accumulated impairment losses (see Note 2(j)(ii)). Capitalisation of construction costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

(h) Intangible assets (other than goodwill)

(i) Exploration rights and related assets

Exploration rights and related assets is stated at cost less accumulated impairment losses (see Note 2(j)(ii)). Exploration rights include the cost of acquiring exploration rights, and exploration related assets includes costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably determined to be commercially available. Exploration rights and related assets will be transferred to mining rights after obtaining mining rights or permits, which will be amortised under the UOP method. If any construction was abandoned in the development phase, all costs shall be written off and recognised in profit or loss for the current period.

(ii) Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses (see Note 2(j)(ii)). Mining rights include the cost of acquiring mining licences, exploration rights and exploration and evaluation assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised in accordance with the production plans of the entities concerned and the proven and probable reserves and where appropriate the portion of mineral resources considered to be probable of economic extraction based on the current life of mine plans of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

(iii) Research and development costs

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Other intangible assets

Other intangible assets that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for the Track Record Period for other intangible assets are as follows:

	Estimated useful lives
Software, patented technology and others	3–10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("**ECLs**") on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables, deposits and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

— fixed-rate financial assets, trade receivables, deposits and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except FVOCI (with recycling) financial assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or past due event;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, where an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

When inventories are sold, the carrying amount of those inventories is recognised as cost of sales in the period in which the related revenue is recognised.

(l) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Track Record Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provisions for the Group's obligations for environmental rehabilitation and restoration of mines are based on estimates of required expenditure at the mines in accordance with the local rules and regulations where the mines are located. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure for the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to

be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognised at the appropriate discount rate.

(m) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Financial assets that do not meet the criteria for being measured at amortised cost or fair value to other comprehensive income ("**FVTOCI**") or designated as FVTOCI are measured at FVTPL.

Trade receivables under provisional priced sales arrangements are measured at FVTPL. Considering that the contractual cash flows of trade receivables vary depending on the market price at the date of final settlement, and do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, time deposits with banks and other financial institutions that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost or at FVTPL.

Trade payables other than those designated at FVTPL and other payables are subsequently measured at amortised cost, using the effective interest method.

It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

(q) Bank and other borrowings

Bank and other borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The employees of the Group's overseas subsidiaries are members of the state-managed retirement benefit schemes operated by local government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits.

In addition, certain employees of the Group are members of the state-managed retirement benefit scheme operated by the PRC government and the Group contributes a certain percentage of their payroll to the retirement benefit scheme to fund the benefit.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring that involves the payment of termination benefits.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its leases and decommissioning obligations;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the

Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods in the ordinary course of the Group's business.

Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Revenue from the sale of goods is recognised when control of the goods has transferred based on the terms of the sale contracts. In most cases, the control of goods has transferred upon delivery when the goods have been shipped at the Group's premises. In some other cases, the control of goods has transferred upon delivery at specific destination ports or plants.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis when the Group is the principal, including the sale of products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

The Group sells gold and other non-ferrous metal products under provisional pricing arrangements where final grades of gold and non-ferrous products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised using forward prices for the expected date of final settlement. The period between revenue recognition and final settlement is within one to three months. The contractual cash flows of trade receivable vary depending on the market price at the date of final settlement, and do not represent solely payments of principal and interest on the principal amount outstanding. Consequently, these trade receivables resulted from provisionally priced contracts are measured at FVTPL.

(ii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgements and estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment assessment of non-financial assets (including the right-of-use assets and goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets and goodwill) at the end of each reporting period. Goodwill is tested annually for impairment. The Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the non-financial asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets are allocated, including allocation of corporate assets when a reasonable and consistent basis of

allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimations, including the discount rate or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of certain production facilities of the Group as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mining and smelting industries and they are normally incurred at the end of the life of the mine and production facilities. The costs are estimated on the basis of plant closure plans and the estimated discounted costs of dismantling and removing those facilities and the costs of restoration are capitalised reflecting the Group's obligations at that time. A corresponding provision is created on the liability side.

The capitalised asset is charged to profit or loss through depreciation over the life of the operation and the provision is increased during each reporting period via unwinding the discount on the provision. The management estimates are mainly based on the local legislation. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

The Group provides for such costs in accordance with the statutory requirements.

(c) Income taxes

The Group is subject to taxes in a number of jurisdictions. Significant judgement is required in determining the tax position and the estimates and assumptions in relation to the provision for taxes, having regard to the nature and timing of their origination and compliance with the relevant tax legislation.

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment. In addition, the applicable tax rate used in recognising deferred tax assets is determined by the forecast proportion of assessable income against gross sales and the timing of the usage of tax losses when the entity was granted income tax incentives.

(d) Proven and probable mineral reserves and resources

Proven and probable mineral reserves and resources are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation exercised by the management of the Group may not be very accurate. The estimation is updated in accordance with new technologies and new information. This forms the basis for the life of mine plans, and any changes in estimation will have impacts on amounts of depreciation of the mining properties and amortisation of mining rights using the UOP method. That may result in changes of or impacts on the Group's development and operation programme, and the Group's operation and operating results.

4 Revenue and segment reporting

(a) Revenue

The Group is principally engaged in the mining of gold and other non-ferrous metal, and trading of non-ferrous metals business. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and by the timing of revenue recognition is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Point in time			
Revenue from mining operations			
— Gold products	3,299,224	4,423,187	5,504,690
— Other non-ferrous metal products	1,256,909	1,429,716	1,606,847
	4,556,133	5,852,903	7,111,537
Trading revenue	3,538,704	7,727,526	9,978,561
	8,094,837	13,580,429	17,090,098

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the total revenue of the Group in the respective years/periods are as follows. Details of concentrations of credit risk arising from largest debtors are set out in Note 36(a).

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	2,201,549	1,869,309	2,428,055
Customer B	1,240,340	2,656,063	2,286,674

(ii) Information about the Group's performance obligations

The Group's revenue arises from the sale of gold and other non-ferrous metal products, and the revenue from these contracts is recognised at the point in time when the control of goods is transferred to the customer.

The Group has elected the practical expedient as described in IFRS 15.121(b) to not disclose the remaining performance obligations for these types of contracts.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segment.

- Mining operations — Production and sale of gold and other non-ferrous metals.
- Trading operations — Trading business for non-ferrous metal.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit.

The Group's other operating income and expenses, such as other net income, other gains and losses, selling expenses, general and administrative expenses, research and development costs, (impairment losses)/reversal of impairment losses on financial assets, net and other expenses are not measured under individual segments. The Group's senior executive management monitor the Group's assets and liabilities as a whole, accordingly, no segment assets and liabilities is presented.

Disaggregation information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Track Record Period is set out below.

	2023		
	Mining operations	**Trading operations**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	4,556,133	3,538,704	8,094,837
Reportable segment gross profit	2,589,168	3,595	2,592,763

	2024		
	Mining operations	**Trading operations**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	5,852,903	7,727,526	13,580,429
Reportable segment gross profit	3,981,866	88,852	4,070,718

	2025		
	Mining operations	**Trading operations**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	7,111,537	9,978,561	17,090,098
Reportable segment gross profit	5,311,564	137,939	5,449,503

(ii) Geographic information

Disaggregation of revenue from contracts with customers by geographic markets, based on the delivery location is in the PRC.

The Group's specified non-current assets, including property, plant and equipment, intangible assets, right-of-use assets, goodwill, other equity investments and other non-current assets, analysed by the physical location of the asset are detailed as below.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Mainland China (place of domicile)	10,120,684	10,350,384	10,500,948
Hong Kong and overseas	679	2,105,780	2,707,732
	10,121,363	12,456,164	13,208,680

5 Other net income

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income	47,119	36,112	30,838
Government grants	6,228	3,418	4,088
Others	3,107	4,561	8,372
	56,454	44,091	43,298

6 Other gains and losses

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gains/(losses) on disposal of property, plant and equipment, net	166	119	(6,911)
Losses from changes in fair value of financial assets at FVTPL	(1,226)	(1,551)	(586)
(Losses)/gains from changes in fair value of derivative financial assets/liabilities	(5,993)	6,073	(137,609)
Gains on disposal of financial assets at FVTPL	34,256	33,486	14,739
Gains/(losses) on disposal of derivative financial assets/liabilities	57,463	(85,185)	89,500
Investment income on other equity instruments	—	6	6
Foreign exchange (losses)/gains, net	(5,548)	(7,536)	15,057
	79,118	(54,588)	(25,804)

7 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank and other borrowings	38,817	40,723	48,904
Interest on long-term payables	3,740	7,245	10,011
Interest on lease liabilities	1,119	1,269	1,282
Unwinding of discount (Note 33)	1,130	1,500	2,119
Less: interest expense capitalised into constructions in progress	—	—	(5,241)
	44,806	50,737	57,075

Note:

Unwinding of discount includes RMB1,130,000, RMB1,500,000 and RMB2,119,000 relating to unwinding interests on provision for restoration, rehabilitation and environmental costs during the years ended 31 December 2023, 2024 and 2025.

(b) Staff costs

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	278,033	315,698	378,193
Contributions to defined contribution retirement schemes *(Notes (i) and (ii))*	26,969	29,127	35,815
	305,002	344,825	414,008

Notes:

(i) The employees of the Company and the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these companies are required to contribute to the schemes during the Track Record Period. Employees of these companies are entitled to retirement benefits, calculated based on certain percentages of the average employee salary as agreed by the respective local municipal governments to the scheme to fund the retirement benefits of the employees (other than Hong Kong), from the above-mentioned retirement schemes at their normal retirement age.

(ii) The Group has no further obligation for payment of other retirement benefits beyond the contributions mentioned in (i) above.

(c) Other items

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation of			
— property, plant and equipment *(Note 13)*	376,372	298,390	359,946
— right-of-use assets *(Note 15)*	30,546	31,451	29,254
Amortisation of intangible assets *(Note 14)*	552,320	308,139	341,639
Cost of inventories sold *(Notes (i) and (ii))*	5,502,074	9,509,711	11,640,595
Provision of allowance for inventories net *(Note 19)*	—	5,432	—
[REDACTED]	—	—	[REDACTED]
Auditors' remuneration	1,450	1,730	2,124
Research and development costs *(Note (iii))*	6,272	119,570	177,869

Notes:

(i) Cost of inventories sold includes RMB112,643,000, RMB118,133,000 and RMB123,253,000, relating to staff costs during the years ended 31 December 2023, 2024 and 2025, which are also included in the respective total amounts disclosed in Note 7(b).

(ii) Cost of inventories sold also includes RMB926,349,000, RMB656,126,000 and RMB611,710,000 relating to depreciation and amortisation expenses during the years ended 31 December 2023, 2024 and 2025.

(iii) During the years ended 31 December 2023, 2024 and 2025, research and development costs include RMB5,190,000, RMB31,975,000 and RMB28,918,000, respectively, relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in the Note 7(b) for each of these types of expenses.

8 Income tax in the consolidated statements of profit or loss

(a) Taxation in the consolidated statements of profit or loss represents:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax — The PRC Corporate Income Tax			
Provision for the year	567,329	805,672	1,073,405
(Over)/under-provision in prior years	(294)	4,012	2,540
Current tax — Hong Kong and overseas			
Provision for the year	10,061	3,971	3,355
Deferred tax			
Origination and reversal of temporary differences	(91,750)	(70,159)	(75,676)
Effect on deferred tax balances at 1 January resulting from change in tax rate *(Note 8(b)(ii))*	32,108	—	—
	517,454	743,496	1,003,624

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	2,083,019	3,181,686	4,285,660
Tax on profit before taxation, calculated at the rates applicable to the results in the jurisdictions concerned	430,645	664,544	906,454
Tax effect of assets acquisition	47,500	38,480	34,518
Tax effect of non-deductible expenses	7,307	9,575	14,868
Tax effect of unused tax losses and temporary differences not recognised	264	25,074	46,827
Tax effect of reversal of the recognised deferred tax	775	3,910	—
(Over)/under-provision in prior years	(294)	4,012	2,540
Effect on changes in tax rate *(Note (ii))*	32,108	—	—
Tax effect of tax concessions *(Note (iii))*	(851)	(2,099)	(1,583)
Income tax	517,454	743,496	1,003,624

Notes:

(i) The Company and the subsidiaries of the Group established in mainland China are subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period except for those subject to tax concessions disclosed in the notes below.

Income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Track Record Period is 16.5%. No provisions for Hong Kong Profits Tax as the Group did not have any assessable profits arising from Hong Kong subsidiaries during the Track Record Period.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries and the applicable statutory income tax rates were listed in table below, except for those subject to tax concessions disclosed in the notes below:

	Year ended 31 December		
	2023	2024	2025
Singapore	17%	17%	17%
Canada	Not applicable	27%	27%
The Republic of Namibia *(Note)*	Not applicable	31%, 37.5%	32%, 37.5%
The Republic of Mauritius	Not applicable	15%	15%

Note: The acquisition of Osino and its subsidiaries was completed by the Group on 29 August 2024.

(ii) The Group enjoyed the following income tax incentives:

- In accordance with PRC's "Notice on Tax Policies for the Western Development" (CaiShui [2011] No. 58), the State Taxation Administration Announcement No. 12 of 2012 and the Announcement on Continuing the Corporate Income Tax Policies for the Western Development issued by of the Ministry of Finance, State Taxation Administration, and National Development and Reform Commission on 23 April 2020, enterprises which meeting the requirements of the policies may provide for and pay the corporate income taxes at a preferential rate of 15%:

  Yulong Mining was recognised as qualified enterprise subject to the above policy and applied the preferential rate of 15% from 2023 to 2025.

- Jilin BanMiaoZi, a subsidiary of the Group, was qualified as High and New Technology Enterprises ("**HNTE**") and was entitled to a preferential corporate income tax rate of 15% from 1 January 2023 to 31 December 2025 according to the tax incentives policies of the PRC Enterprise Income Tax Law for the HNTE.

- According to the Notice on Corporate Income Tax Preferential Policies for the Hainan Free Trade Port (CaiZong [2020] No. 31) and the Notice on Continuing the Implementation of Corporate Income Tax Preferential Policies for the Hainan Free Trade Port (CaiShui [2025] No.3), enterprises registered in the Hainan Free Trade Port and engaged in encouraged industries on a substantive operational basis can enjoy the preferential corporate income tax rate of 15% till 31 December 2027. Hainan Shengwei Trading Co., Ltd. ("**Hainan Shengwei**"), one subsidiary of the Group, was entitled to enjoy the preferential corporate income tax rate during the Track Record Period.

- Pursuant to the relevant laws and regulations in Singapore, the corporate income tax is eligible for progressive tax relief. The subsidiary of the Group is eligible for 75% corporate income tax relief when the profit before taxation is less than SGD10,000, and 50% income tax relief when the profit before taxation is SGD10,000 or greater but less than SGD200,000 during the Track Record Period.

- Pursuant to the relevant laws and regulations in Canada, certain subsidiaries of the Group are entitled to the preferential corporate income tax rate of 27% during the Track Record Period.

(iii) According to the relevant tax rules in mainland China, an additional 100% qualified research and development expenses are allowed to be deducted from taxable income during the Track Record Period.

(c) Pillar Two income taxes

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") for a new global minimum tax reform applicable to large multinational enterprises.

Pillar Two model rules are enacted in certain jurisdictions in which the Company's subsidiaries are incorporated from 2025, and this implementation has no material tax impact to the Group. Pillar Two model rules has been effected on or after 1 January 2025 within the Group. The Group has no related current tax exposure during the Track Record Period.

9 Directors' and supervisors' emoluments

Details of the emoluments of the directors and supervisors of the Company during the Track Record Period are as follows:

	Year ended 31 December 2023				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liu Qin (Chairman) (i) and (v)	—	—	—	—	—
Mr. Wang Renjian (i) and (v)	—	—	—	—	—
Mr. Ou Xingong (ii)	—	1,466	2,820	63	4,349
Mr. Zhang Xiao (i)	—	206	—	—	206
Ms. Zhang Yu (i) and (iv)	—	200	—	—	200
Mr. Liu Liming (iii)	—	736	1,280	63	2,079
Mr. Yang Haifei (iii)	—	1,984	2,634	63	4,681
Non-executive directors					
Mr. Wang Shui	28	—	2,724	—	2,752
Mr. Lu Sheng (iii)	13	—	—	—	13
Mr. Yuan Meirong (iii)	20	—	—	—	20
Independent non-executive directors					
Mr. Zhang Da	108	—	—	—	108
Mr. Liu Hongwei (ii)	20	—	—	—	20
Mr. Yan Qingyue (ii)	20	—	—	—	20
Mr. Cui Jin (i)	87	—	—	—	87
Mr. Wang Yaping (i)	87	—	—	—	87
Mr. You Jianxin (i)	25	—	—	—	25
Supervisors					
Ms. Zhang Ying (i) and (v)	—	—	—	—	—
Mr. Hu Bin	—	542	234	63	839
Mr. Liu Weimin	—	560	244	63	867
Ms. Zhao Shimei (iii)	—	—	—	—	—
	408	5,694	9,936	315	16,353

	Year ended 31 December 2024				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liu Qin (Chairman)	—	—	—	—	—
Mr. Wang Renjian	—	—	—	—	—
Mr. Ou Xingong	—	1,732	3,700	66	5,498
Mr. Zhang Xiao	—	465	102	71	638
Mr. Song Zhongshan (iv)	—	399	93	38	530
Ms. Zhang Yu	—	16	—	—	16
Non-executive directors					
Mr. Wang Shui	—	—	3,220	—	3,220
Independent non-executive directors					
Mr. Yan Qingyue	160	—	—	—	160
Mr. Liu Hongwei	160	—	—	—	160
Mr. Zhang Da	160	—	—	—	160
Supervisors					
Ms. Zhang Ying	—	—	—	—	—
Mr. Hu Bin	—	483	291	66	840
Mr. Liu Weimin	—	483	320	66	869
	480	3,578	7,726	307	12,091

	Year ended 31 December 2025				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liu Qin (Chairman)	—	—	—	—	—
Mr. Wang Renjian	—	—	—	—	—
Mr. Ou Xingong	—	1,297	2,376	68	3,741
Mr. Zhang Xiao	—	433	283	71	787
Mr. Song Zhongshan	—	409	283	43	735
Non-executive directors					
Mr. Wang Shui	—	—	3,220	—	3,220
Mr. Tang Qi (vii)	—	—	—	—	—
Independent non-executive directors					
Mr. Yan Qingyue	160	—	—	—	160
Mr. Liu Hongwei	160	—	—	—	160
Mr. Zhang Da	160	—	—	—	160
Ms. Huang Ying (vii)	—	—	—	—	—
Supervisors					
Ms. Zhang Ying (vi)	—	—	—	—	—
Mr. Hu Bin (vi)	—	359	307	51	717
Mr. Liu Weimin (vi)	—	360	361	51	772
	480	2,858	6,830	284	10,452

Notes:

(i) On 14 August 2023, Mr. Liu Qin was appointed as the chairman of the board of the Company. Mr. Wang Renjian, Mr. Zhang Xiao and Ms. Zhang Yu were appointed as the directors of the Company.

On 14 August 2023, Ms. Zhang Ying was appointed as the supervisor of the Company.

On 14 August 2023, Mr. You Jianxin, was appointed as the independent non-executive director of the Company and resigned on 14 November 2023.

On 14 August 2023, Mr. Wang Yaping was resigned as the independent non-executive director of the Company.

On 14 November 2023, Mr. Cui Jin was resigned as the independent non-executive director of the Company.

(ii) On 14 November 2023, Mr. Ou Xingong was re-appointed as the director of the Company, and Mr. Liu Hongwei and Mr. Yan Qingyue were appointed as the independent non-executive directors of the Company.

(iii) On 21 July 2023, Mr. Yang Haifei and Mr. Liu Liming resigned as the directors of the Company.

On 24 July 2023 and 14 November 2023, Mr. Lu Sheng and Mr. Yuan Meirong resigned as the directors of the Company, respectively.

On 14 November 2023, Ms. Zhao Shimei resigned as the supervisor of the Company.

(iv) On 31 January 2024, Ms. Zhang Yu resigned as the director of the Company. On 5 March 2024, Mr. Song Zhongshan was appointed as the director of the Company.

(v) During the Track Record Period, Mr. Liu Qin, Mr. Wang Renjian and Ms. Zhang Ying received emolument from the Group's parent company. No apportionment has been made as the qualifying services provided by them to the Group are incidental to their responsibilities to the larger group.

(vi) On 22 September 2025, the board of supervisors of the Company was cancelled as resolved by the extraordinary general meeting of the Company.

(vii) On 22 September 2025, Mr. Tang Qi and Ms. Huang Ying were appointed as a non-executive director and an independent non-executive director of the Company, as resolved by the extraordinary general meeting of the Company, respectively.

There was no arrangement under which a director or supervisor waived or agreed to waive any emoluments during the Track Record Period. No amounts were paid or payable by the Group to the directors and the supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 Individuals with highest emoluments

The number of directors, supervisors and other employees included in the five highest paid individuals for the years ended 31 December 2023, 2024 and 2025 are set forth below:

	Year ended 31 December		
	2023	**2024**	**2025**
	Number of individuals	*Number of individuals*	*Number of individuals*
Directors and supervisors	4	2	2
Other employees	1	3	3
	5	5	5

The emoluments of the directors and supervisors are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining highest paid individuals during the Track Record Period are as followings:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,137	3,505	2,100
Discretionary bonuses	892	3,662	6,957
Retirement scheme contributions	68	187	161
	3,097	7,354	9,218

The emoluments of the individuals who are not directors or supervisors and who are amongst the five highest paid individuals of the Group are within the following band:

	Year ended 31 December		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
HKD2,500,001–HKD3,000,000	—	3	1
HKD3,000,001–HKD3,500,000	1	—	1
HKD4,000,001–HKD4,500,000	—	—	1

During the Track Record Period, no emoluments were paid or payable by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

11 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the Track Record Period, calculated as follows:

Weighted average number of ordinary shares

	Year ended 31 December		
	2023	2024	2025
	'000	*'000*	*'000*
Issued ordinary shares at 1 January	2,776,722	2,776,722	2,776,722
Effect of ordinary shares repurchased *(Note 34(h))*	—	—	(956)
Weighted average number of ordinary shares at 31 December	2,776,722	2,776,722	2,775,766

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding during the Track Record Period. Hence, the diluted earnings per share is the same as basic earnings per share.

12 Other comprehensive income

(a) Tax effects relating to each component of other comprehensive income

	Year ended 31 December								
	2023			2024			2025		
	Before-tax amount	Tax expense	Net-of-tax amount	Before-tax amount	Tax expense	Net-of-tax amount	Before-tax amount	Tax expense	Net-of-tax amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Exchange differences on translation of financial statements of Hong Kong and overseas subsidiaries	(336)	—	(336)	17,892	—	17,892	562	—	562
Equity investments at FVOCI: net movement in fair value reserve (non-recycling)	5,460	—	5,460	—	—	—	—	—	—
Other comprehensive income	5,124	—	5,124	17,892	—	17,892	562	—	562

13 Property, plant and equipment

	Plant and buildings	Mining properties	Machinery and equipment	Electronic and transportation equipment and others	Constructions in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2023	2,117,602	2,402,991	1,690,076	113,005	247,343	6,571,017
Additions	16,634	—	25,981	9,181	277,060	328,856
Transfer in/(out)	15,800	57,549	56,747	6,134	(136,230)	—
Reclassification	12,458	(31,136)	(1,105)	19,783	—	—
Disposals	(1,031)	(946)	(29,325)	(12,113)	—	(43,415)
Others	—	—	(4,531)	—	—	(4,531)
At 31 December 2023	2,161,463	2,428,458	1,737,843	135,990	388,173	6,851,927
At 1 January 2024	2,161,463	2,428,458	1,737,843	135,990	388,173	6,851,927
Additions	101,595	122	28,614	14,616	429,602	574,549
Additions through assets acquisitions *(Note 37)*	1,872	51,478	567	3,860	—	57,777
Transfer in/(out)	74,741	465,406	17,455	2,352	(559,954)	—
Disposals	(4,214)	—	(7,941)	(3,719)	—	(15,874)
Foreign exchange differences	(61)	(1,610)	(19)	(127)	—	(1,817)
Others	—	—	(307)	—	—	(307)
At 31 December 2024	2,335,396	2,943,854	1,776,212	152,972	257,821	7,466,255
At 1 January 2025	2,335,396	2,943,854	1,776,212	152,972	257,821	7,466,255
Additions	26,894	2,011	41,199	19,543	1,033,653	1,123,300
Transfer in/(out)	63,580	154,562	43,943	9,488	(271,573)	—
Disposals	(31,880)	—	(41,358)	(15,845)	—	(89,083)
Foreign exchange differences	186	4,092	21	412	—	4,711
Others	(78)	—	—	—	—	(78)
At 31 December 2025	2,394,098	3,104,519	1,820,017	166,570	1,019,901	8,505,105

	Plant and buildings	Mining properties	Machinery and equipment	Electronic and transportation equipment and others	Constructions in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:						
At 1 January 2023	1,019,116	1,140,921	1,136,873	82,321	—	3,379,231
Charge for the year	79,096	202,030	81,695	13,551	—	376,372
Reclassification	(14,545)	6,635	(10,485)	18,395	—	—
Disposals	(659)	(899)	(25,817)	(10,999)	—	(38,374)
Others	—	—	(2,070)	—	—	(2,070)
At 31 December 2023	1,083,008	1,348,687	1,180,196	103,268	—	3,715,159
At 1 January 2024	1,083,008	1,348,687	1,180,196	103,268	—	3,715,159
Charge for the year	85,232	113,059	86,902	13,197	—	298,390
Reclassification	—	—	37	(37)	—	—
Disposals	(1,945)	—	(6,497)	(3,191)	—	(11,633)
Foreign exchange differences	(26)	—	(5)	(37)	—	(68)
Others	—	—	(171)	—	—	(171)
At 31 December 2024	1,166,269	1,461,746	1,260,462	113,200	—	4,001,677
At 1 January 2025	1,166,269	1,461,746	1,260,462	113,200	—	4,001,677
Charge for the year	92,677	169,358	81,775	16,136	—	359,946
Disposals	(19,421)	—	(38,428)	(14,932)	—	(72,781)
Foreign exchange differences	(337)	—	(458)	174	—	(621)
Others	(59)	—	—	—	—	(59)
At 31 December 2025	1,239,129	1,631,104	1,303,351	114,578	—	4,288,162
Impairment:						
At 1 January 2023, 31 December 2023, 31 December 2024 and 31 December 2025	11,491	—	—	—	—	11,491
Net book value:						
At 31 December 2023	1,066,964	1,079,771	557,647	32,722	388,173	3,125,277
At 31 December 2024	1,157,636	1,482,108	515,750	39,772	257,821	3,453,087
At 31 December 2025	1,143,478	1,473,415	516,666	51,992	1,019,901	4,205,452

Note:

As of 31 December 2023, 2024 and 2025, the Group has not obtained the certificates of ownership for certain buildings with carrying amount of RMB205,095,000, RMB218,341,000 and RMB239,679,000, respectively. The directors of the Company consider that there is no legal impediment for the Group to access and use such land and it should not lead to any significant adverse impact on the operations of the Group.

14 Intangible assets

	Exploration rights and related assets	Mining Rights	Software, patented technology and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	915,747	8,186,818	22,523	9,125,088
Additions	325,529	112,623	1,354	439,506
At 31 December 2023	1,241,276	8,299,441	23,877	9,564,594
At 1 January 2024	1,241,276	8,299,441	23,877	9,564,594
Additions	105,144	174,183	4,977	284,304
Additions through assets acquisition *(Note 37)*	—	2,024,748	—	2,024,748
Conversion of exploration rights to mining rights	(106,583)	106,583	—	—
At 31 December 2024	1,239,837	10,604,955	28,854	11,873,646
At 1 January 2025	1,239,837	10,604,955	28,854	11,873,646
Additions	92,618	22,348	7,058	122,024
Additions through assets acquisition *(Note 37)*	51,315	—	—	51,315
Foreign exchange differences	—	(1,282)	—	(1,282)
At 31 December 2025	1,383,770	10,626,021	35,912	12,045,703
Accumulated amortisation:				
At 1 January 2023	—	2,944,991	13,901	2,958,892
Charge for the year	—	550,816	1,504	552,320
At 31 December 2023	—	3,495,807	15,405	3,511,212
At 1 January 2024	—	3,495,807	15,405	3,511,212
Charge for the year	—	306,467	1,672	308,139
At 31 December 2024	—	3,802,274	17,077	3,819,351
At 1 January 2025	—	3,802,274	17,077	3,819,351
Charge for the year	—	339,690	1,949	341,639
At 31 December 2025	—	4,141,964	19,026	4,160,990
Net book value				
At 31 December 2023	1,241,276	4,803,634	8,472	6,053,382
At 31 December 2024	1,239,837	6,802,681	11,777	8,054,295
At 31 December 2025	1,383,770	6,484,057	16,886	7,884,713

15 Right-of-use assets

(a) Reconciliation of carrying amount

	Properties leased for own use	Interest in leasehold land held for own use	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2023	17,825	550,349	568,174
Additions	37,082	8,422	45,504
Early termination of lease term	(31,899)	—	(31,899)
At 31 December 2023 and 1 January 2024	23,008	558,771	581,779
Additions	8,902	2,189	11,091
Additions from assets acquisitions *(Note 37)*	1,439	—	1,439
Expiration of lease term	—	(11,680)	(11,680)
Foreign exchange differences	(47)	—	(47)
At 31 December 2024 and 1 January 2025	33,302	549,280	582,582
Additions	16,895	152,620	169,515
Early termination/expiration of lease term	(912)	—	(912)
Foreign exchange differences	144	—	144
At 31 December 2025	49,429	701,900	751,329
Accumulated depreciation:			
At 1 January 2023	14,076	98,137	112,213
Charge for the year	8,331	22,215	30,546
Early termination of lease term	(19,572)	—	(19,572)
At 31 December 2023 and 1 January 2024	2,835	120,352	123,187
Charge for the year	9,833	21,618	31,451
Expiration of lease term	—	(11,680)	(11,680)
Foreign exchange differences	(34)	—	(34)
At 31 December 2024 and 1 January 2025	12,634	130,290	142,924
Charge for the year	10,955	18,299	29,254
Early termination of lease term	(727)	—	(727)
Foreign exchange differences	81	—	81
At 31 December 2025	22,943	148,589	171,532
Impairment:			
At 1 January 2023, 31 December 2023, 31 December 2024 and 31 December 2025	—	15,385	15,385
Net book value:			
At 31 December 2023	20,173	423,034	443,207
At 31 December 2024	20,668	403,605	424,273
At 31 December 2025	26,486	537,926	564,412

Notes:

(i) Properties leased for own use represents the right to use properties as its offices through tenancy agreements. The leases run for an initial period of 2 to 5 years.

(ii) Interest in leasehold land held for own use represented land use right premiums paid by the Group for land situated in the PRC. Lump sum payments were made upfront for these interests in leasehold land, and there are no ongoing payments to be made under the terms of the land lease. The period for these land use rights is no more than 50 years.

(iii) As of 31 December 2023, 2024 and 2025, the Group has not obtained the certificates of ownership for certain interest in leasehold land held for own use with carrying amount of RMB35,488,000, RMB34,732,000 and RMB73,413,000, respectively. The directors of the Company consider that there is no legal impediment for the Group to access and use such land and it should not lead to any significant adverse impact on the operations of the Group.

(iv) The Group does not have the option to renew or terminate the lease and there are no significant restrictions or covenants imposed to the lease. None of the leases includes variable lease payments.

(b) The analysis of expense items in relation to leases recognised in profit or loss are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets	30,546	31,451	29,254
Interest on lease liabilities *(Note 7(a))*	1,119	1,269	1,282
Expense relating to short-term leases	1,083	1,871	2,490

Details of the maturity analysis of lease liabilities are set out in Note 29.

16 Goodwill

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At cost and carrying amount			
— Sino Gold Tenya (HK) Limited ("**Tenya HK**")	93,902	93,902	93,902
— Jilin BanMiaozi	130,558	130,558	130,558
— Qinghai Dachaidan	227,906	227,906	227,906
	452,366	452,366	452,366

The recoverable amounts of these CGUs have been determined on the basis of value in use calculations by estimating the future cash flows expected from these CGUs. The key assumptions for the value in use calculations are those regarding the discount rates, gold price, estimated gross profit margin and the service life used in the cash flow forecasts. Cash flow forecasts are based on past practices and expectations of future changes in the market. The directors of the Company estimate pre-tax discount rates that reflect current market assessment of the time value of money and the risks specific relating to the CGUs. Cash flow forecasts of each CGU are derived from financial budgets approved by the directors of the Company. The growth rates are based on the relevant CGUs past performance and management's expectation for the market development and production plans. The service lives of respective CGU are determined by life of mine plans for each mine.

Tenya HK CGU mainly consists of non-current operating assets of Heihe Luoke, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

Jilin BanMiaozi CGU mainly consists of non-current operating assets of Jilin BanMiaoZi, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

Qinghai Dachaidan CGU mainly consists of non-current operating assets of Qinghai Dachaidan, and principally engages in gold exploration, mining, smelting, and sales of mineral products.

The cash inflows generated by each above CGU are basically independent of the cash inflows generated by other assets or asset groups.

The key assumptions used in the value in use calculation for related CGUs include:

Tenya HK CGU:

	As at 31 December		
	2023	**2024**	**2025**
Service life	3 years	1 year and 5 months	2 years and 4 months
Gold price	421RMB/g -455RMB/g	591RMB/g -613RMB/g	788RMB/g -938RMB/g
Gross profit margin	68.44%– 72.90%	75.48%– 76.38%	80.24%– 83.67%
Pre-tax discount rate	11.96%	11.86%	11.42%

Jilin BanMiaozi CGU:

	As at 31 December		
	2023	**2024**	**2025**
Service life	7 years	4 years and 5 months	5 years and 1 months
Gold price	421RMB/g -455RMB/g	491RMB/g -613RMB/g	609RMB/g -938RMB/g
Gross profit margin	57.45%– 65.06%	59.11%– 72.78%	9.42%– 79.81%
Pre-tax discount rate	11.96%	11.86%	11.42%

Qinghai Dachaidan CGU:

	As at 31 December		
	2023	**2024**	**2025**
Service life	11 years	10 years and 2 months	9 years
Gold price	421RMB/g -455RMB/g	491RMB/g -613RMB/g	609RMB/g -938RMB/g
Gross profit margin	14.17%– 75.79%	31.10%– 72.25%	34.68%– 80.18%
Pre-tax discount rate	11.96%	11.86%	11.42%

The headroom measured by the excess of the recoverable amount over the carrying amount of related CGUs are set out below:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tenya HK CGU	1,041,185	1,217,487	1,421,149
Jilin BanMiaozi CGU	1,367,377	2,043,691	3,622,933
Qinghai Dachaidan CGU	1,522,240	2,005,947	4,818,092

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth the remaining headroom as at 31 December 2023, 2024 and 2025, respectively, under the assumptions where the discount rate increases by one percent or projected future gold price decrease by 5%, with all other variables held constant.

Tenya HK CGU:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
One percent increase in the discount rate	1,009,145	1,195,972	1,389,149
5% decrease in projected future gold price	913,711	1,101,520	1,304,149

Jilin BanMiaozi CGU:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
One percent increase in the discount rate	1,288,027	1,977,137	3,520,933
5% decrease in projected future gold price	1,155,341	1,816,177	3,302,933

Qinghai Dachaidan CGU:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
One percent increase in the discount rate	1,363,951	1,846,947	4,616,092
5% decrease in projected future gold price	1,167,141	1,625,947	4,319,092

As a result of impairment test, the directors of the Company believes that any reasonably possible change in any of the above key assumptions would not cause the carrying amount, including goodwill, of each CGU to exceed its recoverable amount.

17 Other equity instruments

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity securities designated at FVOCI (non-recycling)			
— Investments in unlisted equity securities	20,820	20,820	20,820

The Group designated its investment in unlisted equity securities at FVOCI (non-recycling), as the investment is held for strategic purposes. Dividends amounted to RMB6,000 and RMB6,000 were received on this investment during the years ended 31 December 2024 and 2025, respectively.

18 Other non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for property, plant and equipment	24,981	49,735	44,671
Deductible input VAT	—	—	34,906
Prepayments for mining rights	1,330	1,330	1,330
Other receivables	—	258	10
	26,311	51,323	80,917

19 Inventories

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Inventories			
Raw materials	181,627	193,209	196,074
Work in progress	823,028	556,575	501,131
Finished goods	479,951	495,748	462,350
	1,484,606	1,245,532	1,159,555
Less: write-down of inventories	—	(5,432)	—
	1,484,606	1,240,100	1,159,555

20 Trade receivables

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	44,252	22,223	5,866
Less: Allowance for credit losses	(2,212)	(1,111)	(293)
	42,040	21,112	5,573

Ageing analysis

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	42,040	21,112	5,573

21 Financial assets at FVTPL

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	1,051,487	1,256,710	—

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	—	1,196,124	—

The wealth management products were issued by banks with variable investment income and can be redeemed on demand or in a short term.

22 Derivative financial assets

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-ferrous metal futures and/or option contracts	11,010	1,919	5,476

During the Track Record Period, the Group entered into certain non-ferrous metal futures and option contracts to mitigate its risk associated with the prices of its non-ferrous metal sold and entered into certain foreign exchange forward contracts to mitigate its risk associated with the fluctuation of foreign exchange of its business transacted with foreign currencies. A gain of RMB51,470,000, a loss of RMB79,112,000 and a loss of RMB48,109,000 arising on disposal and changes in fair value of derivative financial assets/liabilities was recognised in profit or loss (Note 6) during the years ended 31 December 2023, 2024 and 2025.

23 Prepayments, deposits and other receivables

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for inventories and others	28,828	10,040	26,082
Deductible input VAT	32,413	22,461	22,625
Deposits	273,490	84,413	445,817
Prepaid tax	21,120	8,348	1,004
Prepayments for costs incurred in connection with the proposed initial [REDACTED] of H shares	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables	98,771	73,207	129,444
	454,622	198,469	656,539
Less: loss allowance	(66,774)	(64,837)	(68,702)
	387,848	133,632	[REDACTED]

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deductible input VAT	1,293	3,819	6,555
Prepayments for inventories and others	412	47	194
Prepayments for costs incurred in connection with the proposed initial [REDACTED] of H shares	—	—	31,567
Deposits	2,003	3,183	3,181
Other receivables	181	392	527
Less: loss allowance	(115)	(174)	(273)
	3,774	7,267	41,751

24 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash on hand	399	287	351
Cash at bank	3,030,194	2,870,019	5,425,938
	3,030,593	2,870,306	5,426,289
Less: restricted cash *(Note (i))*	1,194,465	456,882	722,113
Cash and cash equivalents	1,836,128	2,413,424	4,704,176

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash on hand	142	112	69
Cash at bank	35,470	1,894,383	3,863,097
	35,612	1,894,495	3,863,166
Less: restricted cash *(Note (i))*	—	—	100,000
Cash and cash equivalents	35,612	1,894,495	3,763,166

Note:

(i) As at the end of each reporting period, the Group's restricted cash represented the guaranteed deposits pledged to bank for issuance of bills payables, bidding for the exploration rights and deposited with banks as a mine environment restoration guarantee fund.

(b) Reconciliation of profit before taxation to cash generated from operations:

		Year ended 31 December		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Profit before taxation		2,083,019	3,181,686	4,285,660
Adjustments for:				
Depreciation of property, plant and equipment	7(c)	376,372	298,390	359,946
Depreciation of right-of-use assets	7(c)	30,546	31,451	29,254
Amortisation of intangible assets	7(c)	552,320	308,139	341,639
Finance costs	7(a)	44,806	50,737	57,075
Interest income	5	(47,119)	(36,112)	(30,838)
(Reversal of impairment losses)/impairment losses on financial assets, net		(529)	(2,994)	2,954
Losses from changes in fair value of financial assets at FVTPL	6	1,226	1,551	586
Losses/(gains) from changes in fair value of derivative financial assets/liabilities	6	5,993	(6,073)	137,609
Gains on disposal of financial assets at FVTPL	6	(34,256)	(33,486)	(14,739)
(Gains)/losses on disposal of derivative financial assets/liabilities	6	(57,463)	85,185	(89,500)
Net (gains)/losses on disposal of property, plant and equipment	6	(166)	(119)	6,911
Changes in working capital:				
Decrease/(increase) in restricted deposits		4,823	92,562	(2,064)
(Increase)/decrease in inventories		(125,594)	244,506	85,977
(Increase)/decrease in trade receivables, prepayments, deposits and other receivables		(123,234)	1,052,617	(422,172)
Increase/(decrease) in trade and bills payables, accrued expenses and other payables		64,159	(695,934)	926,152
(Decrease)/increase in contract liabilities		(998)	(16,578)	62,296
Cash generated from operations		2,773,905	4,555,528	5,736,746

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loans and other borrowings	Lease liabilities	Long-term payables	Dividends payables	Bills payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
At 1 January 2023	1,108,104	14,207	150,241	—	378,971	1,651,523
Changes from financing cash flows:						
Proceeds from bank and other borrowings	403,357	—	—	—	410,742	814,099
Repayment of bank and other borrowings	(1,072,170)	—	—	—	(378,971)	(1,451,141)
Increase in lease liabilities from entering into new leases during the year	—	45,504	—	—	—	45,504
Early termination of the lease	—	(12,327)	—	—	—	(12,327)
Payment of long-term payables	—	—	(52,381)	—	—	(52,381)
Interest paid	(39,558)	—	—	—	—	(39,558)
Increase in present value of payables in relation to new mining rights	—	—	136,640	—	—	136,640
Capital element of lease rentals paid	—	(14,172)	—	—	—	(14,172)
Interest element of lease rentals paid	—	(1,119)	—	—	—	(1,119)
Interest on bank and other borrowings	38,817	—	—	—	—	38,817
Interest on lease liabilities	—	1,119	—	—	—	1,119
Interest on long-term payables	—	—	3,740	—	—	3,740
Dividends declared in respect of the year	—	—	—	878,026	—	878,026
Dividends paid to shareholders of the Company	—	—	—	(777,482)	—	(777,482)
Dividends paid to non-controlling shareholders	—	—	—	(100,544)	—	(100,544)
At 31 December 2023 and 1 January 2024	438,550	33,212	238,240	—	410,742	1,120,744
At 31 December 2023 and 1 January 2024	438,550	33,212	238,240	—	410,742	1,120,744
Changes from financing cash flows:						
Proceeds from bank and other borrowings	1,488,058	—	—	—	145,894	1,633,952
Repayment of bank and other borrowings	(593,683)	—	—	—	(410,742)	(1,004,425)
Increase in lease liabilities from entering into new leases during the year	—	11,091	—	—	—	11,091
Payment of long-term payables	—	—	(59,320)	—	—	(59,320)
Interest paid	(24,985)	—	—	—	—	(24,985)
Increase in present value of payables in relation to new mining rights	—	—	147,225	—	—	147,225
Capital element of lease rentals paid	—	(12,464)	—	—	—	(12,464)
Interest element of lease rentals paid	—	(1,269)	—	—	—	(1,269)
Interest on bank and other borrowings	40,723	—	—	—	—	40,723
Interest on lease liabilities	—	1,269	—	—	—	1,269
Interest on long-term payables	—	—	7,245	—	—	7,245
Dividends declared in respect of the year	—	—	—	1,012,899	—	1,012,899
Dividends paid to shareholders of the Company	—	—	—	(777,482)	—	(777,482)
Dividends paid to non-controlling shareholders	—	—	—	(185,417)	—	(185,417)

	Bank loans and other borrowings	Lease liabilities	Long-term payables	Dividends payables	Bills payables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	
At 31 December 2024 and 1 January 2025	1,348,663	31,839	333,390	50,000	145,894	1,909,786
Changes from financing cash flows:						
Financing cash flows						
Proceeds from bank and other borrowings	1,148,033	—	—	—	182,640	1,330,673
Repayment of bank and other borrowings	(1,098,493)	—	—	—	(145,894)	(1,244,387)
Increase in lease liabilities from entering into new leases during the year	—	26,101	—	—	—	26,101
Early termination of the lease	—	(106)	—	—	—	(106)
Payment of long-term payables	—	—	(153,782)	—	—	(153,782)
Interest paid	(49,459)	—	—	—	—	(49,459)
Increase in present value of payables in relation to new mining rights	—	—	6,222	—	—	6,222
Capital element of lease rentals paid	—	(30,807)	—	—	—	(30,807)
Interest element of lease rentals paid	—	(1,282)	—	—	—	(1,282)
Interest on bank and other borrowings	48,904	—	—	—	—	48,904
Interest on lease liabilities	—	1,282	—	—	—	1,282
Interest on long-term payables	—	—	10,011	—	—	10,011
Dividends declared in respect of the year	—	—	—	1,280,540	—	1,280,540
Dividends paid to shareholders of the Company	—	—	—	(1,013,504)	—	(1,013,504)
Dividends paid to non-controlling shareholders	—	—	—	(317,036)	—	(317,036)
At 31 December 2025	1,397,648	27,027	195,841	—	182,640	1,803,156

(d) Total cash outflow for leases

Amounts included in the statements of cash flows for leases comprise the following:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	1,083	1,871	2,490
Within financing cash flows	15,291	13,733	32,089
	16,374	15,604	34,579

25 Bank and other borrowings

(a) The bank and other borrowings comprise:

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank loans:			
— Guaranteed and unsecured *(Note (i))*	304,307	414,368	610,379
— Secured and unguaranteed	—	755	—
— Unguaranteed and unsecured	—	800,660	731,448
	304,307	1,215,783	1,341,827
Other borrowings:			
— Secured and unguaranteed *(Note 25(c))*	134,243	132,880	55,821
	438,550	1,348,663	1,397,648

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank loans:			
— Unguaranteed and unsecured	—	800,660	726,446

All of the above bank and other borrowings are carried at amortised cost.

Note:

(i) At 31 December 2023, 2024 and 2025, all of the guaranteed bank loans of subsidiaries were guaranteed by the Company.

(b) The analysis of the repayment schedule of bank and other borrowings is as follows:

As of the end of each of the reporting period, bank and other borrowings of the Group were repayable as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	374,469	342,299	209,658
After 1 year but within 2 years	64,081	144,364	203,401
After 2 years but within 3 years	—	174,000	284,824
After 3 years but within 5 years	—	408,000	510,471
After 5 years	—	280,000	189,294
	438,550	1,348,663	1,397,648

As of the end of each of the reporting period, bank loans of the Company were repayable as follows:

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	—	124,660	124,585
After 1 year but within 2 years	—	124,000	123,861
After 2 years but within 3 years	—	124,000	174,000
After 3 years but within 5 years	—	248,000	248,000
After 5 years	—	180,000	56,000
	—	800,660	726,446

(c) Certain of the Group's other borrowings are secured by the following assets of the Group:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Inventory	142,943	146,898	57,871

(d) Certain of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 36(b). As at 31 December 2023, 2024 and 2025, none of the covenants relating to the bank loans had been breached.

26 Trade and bills payables

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bills payable	1,274,647	514,500	874,000
Trade payables	242,732	281,783	392,342
	1,517,379	796,283	1,266,342

The following is an ageing analysis of trade and bills payables presented based on the invoice dates:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,492,106	784,165	1,247,600
1 to 2 years	4,700	3,616	10,686
2 to 3 years	15,276	2,245	344
Over 3 years	5,297	6,257	7,712
	1,517,379	796,283	1,266,342

All trade payables are expected to be settled within one year or are repayable on demand.

27 Accrued expenses and other payables

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposits	162,751	95,348	111,091
Payroll payables	82,054	90,937	134,125
Other tax payables	15,338	48,344	28,824
Payables for properties, plant and equipment and intangible assets	16,179	20,036	31,541
Dividends payable	—	50,000	—
Payables for costs incurred in connection with the proposed initial [REDACTED] of H shares	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,379	10,964	31,900
	281,701	315,629	[REDACTED]

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables for costs incurred in connection with the proposed initial [REDACTED] of H shares	—	—	10,119
Payroll payables	19,902	21,491	25,213
Other tax payables	138	2,268	242
Others	196	112	675
	20,236	23,871	36,249

28 Contract liabilities

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advance from customers	19,965	3,387	65,683

For the years ended 31 December 2023, 2024 and 2025, all of the contract liabilities at the beginning of the year was recognised as revenue during the respective year.

As at 31 December 2023, 2024 and 2025, all of contract liabilities is expected to be recognised as revenue within one year.

29 Lease liabilities

At the end of each reporting period, the lease liabilities were repayable as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	9,166	20,195	13,423
After 1 year but within 2 years	17,126	11,644	12,316
After 2 years but within 5 years	6,920	—	1,288
	24,046	11,644	13,604
	33,212	31,839	27,027

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	4,251	8,684	9,418
After 1 year but within 2 years	6,099	11,170	876
After 2 years but within 5 years	6,885	—	—
	12,984	11,170	876
	17,235	19,854	10,294

30 Derivative financial liabilities

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Foreign exchange forward contracts	7,822	—	—
Commodity options contract	12,319	9,016	36,469
	20,141	9,016	36,469

During the Track Record Period, the Group entered into certain non-ferrous metal futures and option contracts to mitigate its risk associated with the prices of its non-ferrous metal sold and entered into certain foreign exchange forward contracts to mitigate its risk associated with the fluctuation of foreign exchange of its business transacted with foreign currencies. A gain of RMB51,470,000, a loss of RMB79,112,000 and a loss of RMB48,109,000 arising on disposal and changes in fair value of derivative financial assets/liabilities was recognised in profit or loss (Note 6).

31 Income tax in the consolidated statements of financial position

(a) Current taxation in the statements of financial position represents:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	109,894	92,978	222,364
Provision for the year *(Note 8(a))*	577,096	813,655	1,079,300
Income tax paid	(594,012)	(684,269)	(1,056,660)
At 31 December	92,978	222,364	245,004
Represented by:			
Prepaid tax	21,120	767	—
Current taxation	114,098	223,131	245,004

(b) Deferred tax assets and liabilities recognised:

Movement of each component of deferred tax assets and liabilities

The Group

The components of deferred tax assets and liabilities recognised in the consolidated statements of financial position and the movements during the year are as follows:

	Impairment of assets	Unrealised intra-group profit	Tax losses	Lease liabilities	Depreciation and amortisation allowances difference	Long-term payables	Fair value arising from financial assets or liabilities at FVTPL	Provision for restoration, rehabilitation and environmental costs	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets:										
At 1 January 2023	21,518	7,369	50,488	3,248	72,837	36,204	—	8,599	3,492	203,755
(Charged)/credited to profit or loss	(3,260)	(323)	28,966	4,994	16,298	14,557	2,202	5	(2,638)	60,801
At 31 December 2023 and 1 January 2024	18,258	7,046	79,454	8,242	89,135	50,761	2,202	8,604	854	264,556
Credited/(charged) to profit or loss	79	(323)	37,414	(315)	16,873	(19,817)	(722)	11,685	(261)	44,613
At 31 December 2024 and 1 January 2025	18,337	6,723	116,868	7,927	106,008	30,944	1,480	20,289	593	309,169
Credited/(charged) to profit or loss	(437)	690	(371)	(1,015)	10,675	(5,232)	30,528	1,601	—	36,439
At 31 December 2025	17,900	7,413	116,497	6,912	116,683	25,712	32,008	21,890	593	345,608

	Fair value adjustments through business combination	Capitalized exploration expenditure	Fair value arising from financial assets or liabilities at FVTPL	Right-of-use assets	Depreciation and amortisation allowances difference	Installment of mining rights	Mining properties	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax liabilities:									
At 1 January 2023	(247,216)	(7,968)	(3,143)	(3,097)	(13,746)	(37,992)	(4,260)	—	(317,422)
Credited/(charged) to profit or loss	25,825	(2,163)	505	(4,057)	(6,053)	(16,368)	1,152	—	(1,159)
At 31 December 2023 and 1 January 2024	(221,391)	(10,131)	(2,638)	(7,154)	(19,799)	(54,360)	(3,108)	—	(318,581)
Credited/(charged) to profit or loss	30,987	—	(2,265)	407	1,320	7,151	(12,054)	—	25,546
At 31 December 2024 and 1 January 2025	(190,404)	(10,131)	(4,903)	(6,747)	(18,479)	(47,209)	(15,162)	—	(293,035)
Credited/(charged) to profit or loss	24,566	—	3,423	33	4,621	7,200	(606)	—	39,237
At 31 December 2025	(165,838)	(10,131)	(1,480)	(6,714)	(13,858)	(40,009)	(15,768)	—	(253,798)

The Company

The components of deferred tax assets/(liabilities) recognised in the statements of financial position and the movements during the year are as follows:

	Impairment of assets	Tax losses	Lease liabilities	Right-of-use assets	Fair value arising from financial assets or liabilities at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	212	14,742	123	(238)	—	14,839
(Charged)/credited to profit or loss	(183)	19,646	4,186	(3,820)	—	19,829
At 31 December 2023 and 1 January 2024	29	34,388	4,309	(4,058)	—	34,668
Credited/(charged) to profit or loss	15	20,200	655	(412)	(17)	20,441
At 31 December 2024 and 1 January 2025	44	54,588	4,964	(4,470)	(17)	55,109
Credited/(charged) to profit or loss	24	18,813	(2,390)	2,146	17	18,610
At 31 December 2025	68	73,401	2,574	(2,324)	—	73,719

(c) Reconciliation to the consolidated statements of financial position

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gross amount of deferred tax assets	264,556	309,169	345,608
Gross amount of deferred tax liabilities	(318,581)	(293,035)	(253,798)
	(54,025)	16,134	91,810
Reconciliation to the consolidated statements of financial position			
Net deferred tax assets	170,002	209,147	232,059
Net deferred tax liabilities	(224,027)	(193,013)	(140,249)

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets	38,726	59,595	76,043
Net deferred tax liabilities	(4,058)	(4,486)	(2,324)

(d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB3,712,000, RMB62,304,000 and RMB142,400,000, as at 31 December 2023, 2024 and 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The year of expiry of unused tax losses not recognised is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Year of expiry:			
2025	48	21	—
2026	777	777	777
2027	1,154	1,154	1,154
2028	1,733	1,733	1,733
2029	—	58,619	58,619
2030	—	—	80,117
	3,712	62,304	142,400

(e) Deferred tax liabilities not recognised

At 31 December 2023, 2024 and 2025, deferred tax liabilities of temporary differences of relating to the undistributed profits of overseas subsidiaries have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these overseas subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

32 Long-term payables

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Present value of payables in relation to mining rights	238,240	324,140	195,841
Others	—	9,250	—
Less: current portion	69,503	143,913	45,652
	168,737	189,477	150,189

33 Provision for restoration, rehabilitation and environmental costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at beginning of year	42,825	42,647	122,589
Provision for the year	1,395	82,657	2,966
Payment during the year	(2,703)	(4,215)	(4,174)
Unwinding interest	1,130	1,500	2,119
Balance at 31 December	42,647	122,589	123,500

The Group's provision for restoration, rehabilitation and environmental costs is related to certain subsidiaries of the Group which are engaged in mining operations. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in PRC upon the completion of their operations, as discounted at rates of the Loan Prime Rate of The People's Bank of China corresponding to the evaluation period during the Track Record Period. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life. The evaluation period generally ranges from 7 to 24 years.

Pursuant to the related government regulations, the Group's bank balances amounting to RMB57,726,000, RMB61,215,000 and RMB63,292,000 were deposited as rehabilitation and environment restoration guarantee fund as at 31 December 2023, 2024 and 2025, respectively.

The Directors are of the opinion that adequate provision has been made at the end of each reporting period.

34 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out below:

	Share capital	Treasury shares	Capital reserve	Statutory reserve	Other reserves	Retained profits	Total equity
	RMB'000 (Note 34(b))	*RMB'000 (Note 34(h))*	*RMB'000 (Note 34(d))*	*RMB'000 (Note 34(e))*	*RMB'000 (Note 34(f))*	*RMB'000*	*RMB'000*
At 1 January 2023	2,776,722	—	4,431,734	538,556	1	1,099,225	8,846,238
Changes in equity for 2023							
Total comprehensive income for the year	—	—	—	—	—	788,746	788,746
Appropriation to reserves	—	—	—	78,875	—	(78,875)	—
Dividends declared by the Company *(Note 34(c))*	—	—	—	—	—	(777,482)	(777,482)
At 31 December 2023 and 1 January 2024	2,776,722	—	4,431,734	617,431	1	1,031,614	8,857,502
Changes in equity for 2024:							
Total comprehensive income for the year	—	—	—	—	—	1,174,099	1,174,099
Appropriation to reserves	—	—	—	117,410	—	(117,410)	—
Dividends declared by the Company *(Note 34(c))*	—	—	—	—	—	(777,482)	(777,482)
At 31 December 2024 and 1 January 2025	2,776,722	—	4,431,734	734,841	1	1,310,821	9,254,119
Changes in equity for 2025:							
Total comprehensive income for the year	—	—	—	—	—	1,521,924	1,521,924
Appropriation to reserves	—	—	—	152,192	—	(152,192)	—
Repurchase of shares	—	(34,098)	—	—	—	—	(34,098)
Dividends declared by the Company *(Note 34(c))*	—	—	—	—	—	(1,013,504)	(1,013,504)
At 31 December 2025	2,776,722	(34,098)	4,431,734	887,033	1	1,667,049	9,728,441

(b) Share capital

	Number of shares	Amount
		RMB'000
Ordinary shares, issued and fully paid at 1 January 2023, 31 December 2023, 31 December 2024 and 31 December 2025	2,776,722,265	2,776,722

(c) Dividends

In March 2023, cash dividends in respect of the year ended 31 December 2022 of RMB2.8 per ten shares, in an aggregate RMB777,482,000 was approved by the shareholders of the Company.

In April 2024, cash dividends in respect of the year ended 31 December 2023 of RMB2.8 per ten shares, in an aggregate RMB777,482,000 was approved by the shareholders of the Company.

In April 2025, cash dividends in respect of the year ended 31 December 2024 of RMB3.65 per ten shares, in an aggregate RMB1,013,504,000 was approved by the shareholders of the Company.

(d) Capital reserve

The capital reserve comprises: (i) the difference between the carrying value of non-controlling interests and the consideration received from the non-controlling shareholder; (ii) the differences between the net [REDACTED] of issuance of ordinary shares and the share capital of the Company.

(e) Statutory reserve

In accordance with the relevant the PRC laws and regulations, the Company and the Company's subsidiaries incorporated in the PRC are required to transfer 10% of their net profits each year to the statutory reserve until the reserve reaches 50% of the registered capital. The statuary reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in liquidation.

(f) Other reserve

The other reserve primarily comprises all foreign exchange differences arising from the translation of the financial statements of the companies comprising the Group into the Group's presentation currency and net movement in fair value of equity investments at FVOCI. The reserve is dealt with in accordance with the accounting policies set out in Notes 2(e) and 2(u).

(g) Special reserves

Pursuant to the relevant PRC laws and regulations, the Group is required to transfer production and maintenance funds at fixed rates based on relevant bases to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained earnings.

(h) Treasury shares

During the year ended 31 December 2025, the Company purchased 1,834,929 shares of the Company at consideration of RMB34,098,000 which will all be cancelled by reducing the share capital of the Company.

(i) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements during the Track Record Period.

35 Partly-owned subsidiaries with material non-controlling interests

	As at 31 December		
	2023	2024	2025
Percentage of equity interest held by non-controlling interests:			
Yulong Mining	23.33%	23.33%	23.33%
Jilin BanMiaoZi	5.00%	5.00%	5.00%
Qinhai Dachaidan	10.00%	10.00%	10.00%
YTSH	3.40%	3.40%	3.40%
Huasheng Gold Mine	40.00%	40.00%	40.00%

	Year ended 31 December		
	2023	2024	2025
Profit/(loss) for the year attributable to non-controlling interests:			
Yulong Mining	53,636	78,535	83,379
Jilin BanMiaoZi	18,932	32,203	45,423
Qinhai Dachaidan	80,512	158,580	186,746
YTSH	1,926	860	674
Huasheng Gold Mine	(10,776)	(12,713)	(20,133)

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividends paid to non-controlling interests:			
Yulong Mining	69,991	41,994	88,656
Jilin BanMiaoZi	—	20,000	30,000
Qinhai Dachaidan	30,553	123,423	198,380
YTSH	—	—	—
Huasheng Gold Mine	—	—	—

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balances of non-controlling interests at each reporting period:			
Yulong Mining	835,914	873,355	869,689
Jilin BanMiaoZi	80,115	92,403	108,151
Qinhai Dachaidan	204,785	190,293	228,546
YTSH	14,316	14,618	15,447
Huasheng Gold Mine	668,492	655,778	635,645

36 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity and commodity price risks arises in the normal course of the Group's business. The Group is not exposed to any significant equity price risk or interest rate and currency risks.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, cash and cash equivalents and restricted deposits. The Group's exposure to credit risk arising from cash and cash equivalents and restricted deposits is limited because the counterparties are banks and financial institutions with a high credit standing, for which the Group considers to have low credit risk. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow up action is taken to recover overdue debts.

Credit risk arising from trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Generally, trade receivables are due within 30 days from the date of billing. Debtors with balances that are past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2023, 2024 and 2025, 50%, 52% and 47% of the total trade receivables, respectively, was due from the Group's largest debtor from sales of mining products, and 100%, 98% and 99% of the total trade receivables, respectively, was due from the five largest debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, all of trade receivables aging is within one year which is calculated using expected loss rate at 5.00%.

Other receivables

For all other financial assets including other receivables the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition where the Group recognises lifetime ECL.

Movements in the loss allowance all of which are relating to other receivables at amortised cost is as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1 January	67,419	66,774	64,837
Impairment losses (reversed)/recognised	(645)	(1,893)	3,771
Exchange adjustments	—	(44)	94
31 December	66,774	64,837	68,702

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of loans to cover expected cash demands.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Within 1 year or on demand	1 to 2 years	2 to 5 years	After 5 years	Total undiscounted cash flows	Carrying amounts
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
Non-derivative financial liabilities						
Bank and other borrowings	380,175	65,257	—	—	445,432	438,550
Trade and bills payables	1,517,379	—	—	—	1,517,379	1,517,379
Accrued expenses and other payables	184,309	—	—	—	184,309	184,309
Long-term payables	69,503	82,234	81,616	34,694	268,047	238,240
Lease liabilities	9,166	18,067	7,168	—	34,401	33,212
	2,160,532	165,558	88,784	34,694	2,449,568	2,411,690
31 December 2024						
Non-derivative financial liabilities						
Bank and other borrowings	374,519	171,513	635,984	288,697	1,470,713	1,348,663
Trade and bills payables	796,283	—	—	—	796,283	796,283
Accrued expenses and other payables	176,348	—	—	—	176,348	176,348
Long-term payables	143,913	50,080	140,547	19,094	353,634	333,390
Lease liabilities	20,195	12,634	—	—	32,829	31,839
	1,511,258	234,227	776,531	307,791	2,829,807	2,686,523
31 December 2025						
Non-derivative financial liabilities						
Bank and other borrowings	217,023	210,629	812,498	200,951	1,441,101	1,397,648
Trade and bills payables	1,266,342	—	—	—	1,266,342	1,266,342
Accrued expenses and other payables	184,651	—	—	—	184,651	184,651
Long-term payables	53,205	35,728	126,670	—	215,603	195,841
Lease liabilities	13,423	14,213	1,383	—	29,019	27,027
	1,734,644	260,570	940,551	200,951	3,136,716	3,071,509

(c) Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of metal which are the major commodities purchased, produced and sold by the Group. To minimise this risk, the Group enters into metal futures and options contracts and provisional price arrangement to manage the Group's exposure in relation to forecasted sales of metal products, forecasted purchases of metal concentrates, inventories and firm commitments to sell the Group's metal products. The Group is not exposed to significant commodity price risk.

(d) Fair value measurement

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

— Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

— Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the level to which the fair value is observable:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Trade receivables at FVTPL	—	42,040	—	42,040
Trade payables at FVTPL	—	(19,465)	—	(19,465)
Derivative financial assets	256,320	—	—	256,320
Derivative financial liabilities	(20,141)	—	—	(20,141)
Financial assets at FVTPL	—	1,051,487	—	1,051,487
Other equity investment	—	—	20,820	20,820
	236,179	1,074,062	20,820	1,331,061
31 December 2024				
Trade receivables at FVTPL	—	16,880	—	16,880
Trade payables at FVTPL	—	(6,381)	—	(6,381)
Derivative financial assets	1,919	—	—	1,919
Derivative financial liabilities	(9,016)	—	—	(9,016)
Financial assets at FVTPL	—	1,256,710	—	1,256,710
Other equity investment	—	—	20,820	20,820
	(7,097)	1,267,209	20,820	1,280,932
31 December 2025				
Trade receivables at FVTPL	—	5,154	—	5,154
Trade payables at FVTPL	—	(20,001)	—	(20,001)
Derivative financial assets	5,476	—	—	5,476
Derivative financial liabilities	(36,469)	—	—	(36,469)
Other equity investment	—	—	20,820	20,820
	(30,993)	(14,847)	20,820	(25,020)

Note:

(i) The fair value of derivative financial assets and derivative financial liabilities are determined by the initial transaction prices and quoted prices in an active market.

During the year ended 31 December 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of trade receivables at FVTPL and trade payables at FVTPL are determined by the quoted prices in an active market and the estimated grades of gold and other non-ferrous metal products.

(iii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of other equity investments is determined by the asset-based approach with reference to each investee's carrying amount of its net assets.

(iv) Fair value of financial assets and liabilities carried at other than fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the Historical Financial Information approximate their fair values.

37 Acquisitions

Acquisition of Osino and its subsidiaries

On 25 February 2024, the Group entered into an equity transfer agreement to subscribe for a 100% equity interest in Osino by way of cash at a subscription price of RMB1,890,059,000. The transaction was completed on 29 August 2024, and the Group holds a 100% equity interest in Osino upon the completion of the transaction.

The directors are of the opinion that the identifiable assets of Osino and its subsidiaries are mainly the mining rights which were yet to be developed, and do not constitute a business, thus, the acquisition is treated as an asset acquisition for accounting purpose.

The recognised amounts of assets and liabilities acquired at the date of acquisition of Osino and its subsidiaries:

	29 August 2024
	RMB'000
Property, plant and equipment	57,777
Intangible assets	2,024,748
Right-of-use assets	1,439
Other non-current assets	14,266
Cash and cash equivalents	57,287
Prepayments, deposits and other receivables	13,186
Bank and other borrowings	(9,174)
Trade and bills payables	(31,634)
Accrued expenses and other payables	(240,099)
Net assets acquired	1,887,796
Total consideration paid in cash	1,887,796
Less: cash and cash equivalents acquired	(57,287)
	1,830,509

Acquisition of Yunnan Western Mining Co., Ltd. ("Western Mining")

The Group acquired 52.0709% equity interest in Western Mining by way of cash at a subscription price of RMB24,975,500 in May 2025 and 47.9291% equity interest in Western Mining by way of cash at a subscription price of RMB23,641,800 in December 2025, the Group holds 100% equity interest of Western Mining in total, and Western Mining became a subsidiary of the Group.

The directors are of the opinion that Western Mining does not constitute a business, and the acquisition is treated as an asset acquisition for accounting purpose.

38 Commitments

Commitments outstanding at respective reporting period end dates not provided for in the Historical Financial Information were as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment	310,654	273,058	1,198,012

39 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors' fees	408	480	480
Salaries and other emoluments	9,599	7,252	4,680
Discretionary bonuses	12,866	11,422	10,192
Retirement scheme contributions	509	516	472
	23,382	19,670	15,824

Total remuneration is included in "staff costs" (See Note 7(b)).

(b) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

Names of related parties	Relationship
Mr. Shen Guojun	The former ultimate controlling party of the Group
China Yintai Investment Co., Ltd. ("**Yintai Investment**")	The former controlling shareholder of the Group and controlled by Mr. Shen Guojun
Beijing Yintai Real Estate Co., Ltd.	Subsidiaries of Yintai Investment
Beijing Yintai Real Estate Co., Ltd. Property Management Branch	Subsidiaries of Yintai Investment
Beijing Yintai First Pacific Davis Property Management Co., Ltd. Beijing First Branch	Subsidiaries of Yintai Investment
Shandong Gold Group Co., Ltd. ("**Shandong Gold Group**")	The holding company of Shandong Gold Mining
Shandong Gold Mining Co., Ltd. ("**Shandong Gold Mining**")	The controlling shareholder of the Group from 14 August 2023
Shanjin Enterprise Management (Shandong) Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shanjin Ruipeng (Tianjin) Trading Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shanjin Financial Holding (Shanghai) Precious Metals Investment Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Gold Mining Technology Co., Ltd. Filling Engineering Laboratory Branch	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Gold Mining Technology Co., Ltd. Deep Well Mining Laboratory Branch	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Gold Mining Technology Co., Ltd. Metallurgical Laboratory Branch	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shanjin Heavy Industry Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Golden Senior Technical School	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Gold Engineering Construction Supervision Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Huangjin Group Yantai Design Research Engineering Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Chifeng Shanjin Ruipeng Trading Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Geological and Mineral Engineering Group Testing Technology Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Provincial Geo-mineral Engineering Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group
Shandong Gold Futures Co., Ltd.	Subsidiaries, joint ventures or associates of Shandong Gold Group

(c) Transactions with related parties during the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of goods to:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	83,835	180,309	316,980
Purchases of goods from:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	—	116	—
Purchases of services from:			
— Subsidiaries of Yintai Investment	1,184	—	—
— Subsidiaries, joint ventures or associates of Shandong Gold Group	1,602	7,387	9,745
— Shandong Gold Group	—	—	189
Leases expense:			
— Subsidiaries of Yintai Investment	6,723	—	—
Purchases of property, plant and equipment and intangible assets from:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	—	531	158

(d) Balances with related parties

The Group's balances with related parties as at the end of each reporting period are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature:			
Trade receivables and Prepayments, deposits and other receivables:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	—	92	447
Trade and bills payables:			
— Subsidiaries of Yintai Investment	2,147	—	—
— Subsidiaries, joint ventures or associates of Shandong Gold Group	166	584	349
Other payables:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	1,105	6,000	7,090
Contract liabilities:			
— Subsidiaries, joint ventures or associates of Shandong Gold Group	—	—	8,247

40 Immediate and ultimate controlling party

At 31 December 2025, the directors consider the immediate holding company of the Company to be Shandong Gold Mining and the ultimate controlling party of the Group to be Shandong Gold Group.

41 Subsequent events

Proposed final dividend

On 4 March 2026, the board of directors of the Company recommended a final dividend in respect of the year ended 31 December 2025 of RMB4.8 per ten shares, in an aggregate RMB1,331,946,000 is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting.

Repurchase of own shares

During the period from 1 January to 24 March 2026, the Company repurchased 1,239,300 shares of the Company at consideration of RMB34,905,000 which will all be cancelled by reducing the share capital of the Company.

42 Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the year beginning on 1 January 2025 and which have not been adopted in preparing the Historical Financial Information, these developments include:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, Financial instruments and IFRS 7, *Financial instruments: disclosures — Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to IFRS Accounting Standards — *Volume 11*	1 January 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19*, Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18, IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

COMPETENT PERSONS' REPORT OF THE BANMIAOZI PROPERTY, DACHAIDAN PROPERTY, HEIHE PROPERTY, YULONG PROPERTY AND HUASHENG PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA AND THE OSINO PROPERTY LOCATED IN NAMIBIA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China
100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Dachaidan Property, Banmiaozi Property, Heihe Property, Huasheng Property and Yulong Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view as well as addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staffs have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

1 INTRODUCTION

1.1 General Background

BAW Mineral Partners Limited ("**BAW**") is an independent, global consulting firm providing solutions and advisory to the mining industry across a wide range of mineral commodities in different regions, including exploration management services, resource estimation, reserve estimation, engineering studies and reporting for public disclosure. BAW's international team consists of over 60 mining experts and associates with a broad range of expertise. BAW is currently operating in three offices, Hong Kong, Beijing and Toronto.

In June 2025, BAW was commissioned by the Client to prepare the Competent Persons' Report ("**CPR**") for the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**"). Subsequent to our visit to the Mining Properties aforementioned, BAW issued the CPR in February 2026.

The purpose of this CPR is to provide an independent technical assessment of the Mining Properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, production schedule, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012. This CPR consists of six reports, each dedicated to one of the Mining Properties.

1.2 Scope of Work

The scope of work of BAW's engagement include the following technical aspects:

- Site visit to the Mining Properties
- Review of the available technical information
- Review of geology and resource models database
- Preparation of resource estimation
- Preparation of reserve estimation
- Review of mining operation and processing operation
- Review of capital and operating costs

- Review of health, social and environmental (HSE) impact
- Risk assessment

The Mining Properties covered by this CPR included the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the PRC and Osino Property which is located in Namibia.

1.3 Team Members

BAW assembled a multidisciplinary team to undertake the CPR. The qualification of the team members is summarized as below.

Dr. Shugang Zhao (PhD, MAusIMM) is the Chief Resource Geologist of BAW and the principal Competent Person ("**CP**") for the overall CPR. He is the CP responsible for the overall project management, Geology and Mineral Resources estimation of all CPRs. He has more than ten years of extensive experience in mineral exploration, resource database management, 3D geological and resource modelling, Mineral Resources and Ore Reserves estimation across energy, base metals, non-ferrous metals, and precious metals. His professional experience spans diverse geological settings in China, Canada, Ghana, Colombia, Zambia, South Africa, Ecuador and other regions of Africa. He earned his bachelor's degree in Mining Safety Engineering from Zhongnan University of Economics and Law in 2011, followed by a master's degree in Mining Engineering from Central South University in 2014. In 2025, he obtained his Doctor of Philosophy (PhD) in Mining Engineering (Mineral Resources and Environment) from Central South University. He became a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) in 2018. He fully meets the requirements for "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules for the purpose of mineral resource/ore reserve estimation and reporting.

Mr. Karfai Leung (MPhil, MAusIMM) is the Director of BAW and the CP responsible for HSE and Economic Analysis of all CPRs. He has more than ten years of extensive experience in the mining industry globally including project generation, prospecting, field exploration, mineral resource definition, HSE management, mineral assets valuation, project evaluation, M&A deals and IPO process for energy, base metals, non-ferrous metals and precious metals. He has hands-on and extensive experience in cash-flow modelling, valuation, due diligence, capital raising, M&A deals and IPOs project management. He earned his bachelor's degree in Earth Sciences from the University of Hong Kong in 2001, followed by a master's degree in the same field from the same institution in 2004. He became a member of the Australasian Institute of Mining and Metallurgy (AusIMM) in 2011. He meets all the requirements for "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules for the purpose of mineral resource/ore reserve estimation and reporting.

Dr. Weiliang Wang (PhD, P.Geo, MAusIMM) is a Senior Geologist and CEO of BAW and the CP responsible for Geology, Mineral Resources and Ore Reserves estimation in relation to the Osino Property and review of CPRs in relation to the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property. He has more than ten years of extensive experience in management of exploration and mining projects, geological database management, mineral project evaluation, CPR for IPO purpose and technical due diligence for a wide range of mineral projects. He has solid and proven track records in numerous deposits for gold, copper, nickel, lead, zinc, iron ore, molybdenum graphite and coal in Australia, China, Canada, Indonesia, Mongolia, Philippine, Bolivia, Mexico, Nigeria, Congo, Madagascar, Pakistan and Central Asia. He earned his bachelor's degree in Geology from the China University of Geosciences in 2001, and a master's degree in Geology from Peking University in 2004, followed by Ph.D. in Geology from the University of Hong Kong in 2008. He became a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) in 2011 and a registered geologist with the Professional Geoscientists of Ontario (PGO) in 2012. He meets all the requirements for "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules for the purpose of mineral resource/ore reserve estimation and reporting.

Mr. Hongbo Liu (M.Sc., MAusIMM) is a Senior Mining Engineer of BAW and the CP responsible for Mining and Ore Reserves estimation of all CPRs. He has more than ten years of underground and open pit mining experience in mine operations, constructions, project management, engineering, mine development, ground control, ventilation, backfill, haulage and technical services. He is familiar with multiple mining software including MineSched, Surpac, Vulcan, Whittle, MapGIS and AutoCAD. He obtained his master's degree in Mining Engineering from China University of Mining and Technology (Beijing) in 2003. Before BAW, he served as a Technical Support and Project Manager at GEMCOM International Software Co. (now Geovia/Dassault Systèmes) (2006.11–2011.9), where he focused on the domestic promotion of digital mining solutions. He holds professional qualifications as a Registered Safety Engineer and has been a member of the Australasian Institute of Mining and Metallurgy (AusIMM) since 2015, as well as a Professional Individual Member of the China Mineral Resources Reserves Association (CIPA) since 2020. He meets all the requirements for "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules for the purpose of mineral resource/ore reserve estimation and reporting.

Mr. Jim Jiang (M.Sc., MAusIMM) is a Senior Processing Engineer of BAW and the CP responsible for Mineral Processing of all CPRs. He has more than ten years of extensive experience and proven track records in laboratory research, metallurgical testing, processing plant operation, mill evaluation, technical due diligence, independent technique review, scoping studies and pre-feasibility/feasibility studies for a wide range of mining projects in China, Malaysia, Mongolia, Russia, Canada and Africa. He earned his bachelor's degree in Mineral Processing Engineering from Central South University in 2003, followed by a master's degree in the same field from the same institution in 2006. He became a member of the Australasian Institute of Mining and Metallurgy (AusIMM) in 2013. He meets all the requirements for "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules for the purpose of mineral processing reporting.

Dr. Baiqiu Wang (PhD, MAusIMM) serves as Senior Geologist and Exploration Manager at BAW. He was involved with the QAQC analysis of all CPRs in collaboration with the CP. He has over ten years of extensive experience in the global mining sector. His work has focused on exploration program planning, operational management, and Mineral Resource definition. He has led and authored independent technical reports in compliance with the JORC Code and NI 43–101 standards, covering gold, silver, copper, iron, nickel, coal and lead-zinc projects, etc. His project involvement includes early-stage exploration through to advanced resource definition and due diligence assessments across multiple regions, including China, Canada, Australia, Southeast Asia, South America, and Africa. He is familiar with international reporting standards and multi-disciplinary collaboration in cross-cultural project environments.

Dr. Sanjun Liu, (Ph.D.) is a Senior Processing Engineer of BAW and is responsible for data analysis of Mineral Processing of all CPRs in collaboration with the CP. He has more than ten years of extensive experience and proven track records in laboratory research, metallurgical testing, processing plant operation, mill evaluation, technical due diligence, independent technique review, scoping studies and pre-feasibility/feasibility studies for a wide range of mining projects in China, Mongolia, Pakistan and Africa. He has co-authored over 20 academic papers and secured more than ten domestic and international patents. In recent years, he has received the first-class provincial and ministerial award including the National Natural Science Foundation project and one sub-project of the 973 Program), National 15th Five-Year Plan Science and Technology Key Project, and six other provincial and ministerial projects.

Mr. Vincent Choi (M.Sc., CPG-AIPG) is a Senior Resource Geologist of BAW and is responsible for data analysis and resource modelling of all CPRs in collaboration with the CP. He has more than ten years of extensive experience in the mining industry, including exploration, geology modelling and resource/reserve estimation. He has worked with various mineral commodities worldwide, including gold, silver, base metals, cobalt, tungsten, potash, lithium, and iron. He earned his bachelor's degree in Earth Science from the University of Hong Kong in 2009, followed by a master's degree in Applied Geosciences (Engineering Geology) from the same institution in 2013. He became a Certificated Professional Geologist of American Institute of Professional Geologists (AIPG) in 2023.

Ms. Joanna Qiao is a Senior HSE Specialist of BAW and is responsible for data analysis of HSE of all CPRs in collaboration with the CP. She earned her master's degree in environmental science from the University of Toronto. She has more than nine years of experience in the mining industry globally as an environmental specialist, with expertise in the area of hydrology, hydrogeology, climatology, soil science, geology, environmental risk assessment, remediation and its implementations and site investigation. She has contributed to numerous CPRs and technical due diligence reports for a variety of commodities in China and globally, including coal, copper, gold, iron, zinc, and dimension stones. She is also familiar with permitting, health and safety, and social impacts.

Ms. Liping Su is a Senior Environmental Specialist of BAW and is responsible for data analysis of HSE of all CPRs in collaboration with the CP. She has more than ten years of experience in the field of environmental sciences. She worked as an environmental specialist in the Chinese Academy of Environmental Sciences, Beijing University of Science and Technology and environmental consulting firms in North America. Her expertise includes environmental project planning and management, environmental data collection and analysis, environmental impact assessment and atmospheric environmental simulation for multiple industries.

Mr. Ming-Tai Chan is a financial analyst of BAW and is responsible for data analysis of Economic Analysis of all CPRs in collaboration with the CP. He earned his bachelor's degree in accounting and finance from the City University of Hong Kong. He has more than seven years of experience in the field of financial analysis. He specializes in conducting macro qualitative analysis of investment opportunities, developing robust financial models, and presenting strategic insights to key stakeholders. He has contributed to numerous CPRs and valuation reports for various international mining companies for a wide range of commodities in China and globally, including coking coal, thermal coal, copper, gold, lead and zinc.

1.4 Site Inspection

As part of the CPR preparation, BAW conducted site visits during the period from June to July 2025 to each of the Mining Properties to collect firsthand data and perform critical assessments for accurate resource and reserve estimates. The visits included geological studies, reviews of drilling and sampling procedures, inspections of mining and processing operations, and an evaluation of past production, and mine planning. Interviews were conducted with technical personnel to further understand operational practices. Independent sampling was also carried out, with samples sent to external laboratories for assay analysis for further validation. Dr. Shugang Zhao, Mr. Karfai Leung, Dr. Weiliang Wang, Mr. Hongbo Liu, Dr. Sanjun Liu, Mr. Vincent Choi and Ms. Liping Su completed a site visit to the Mining Properties.

1.5 Terms of Reference, Units, Abbreviations and Currency

Unless otherwise stated:

- All units of measurement in the CPR are in metric system
- All costs, revenues and values are expressed in terms of Renminbi (RMB)
- All commodity prices are expressed in terms of Renminbi (RMB)
- The spatial configuration of resource and reserve modeling is represented using the local coordinate system. Illustrative maps are constructed using either local coordinates or the geodetic latitude/longitude system.

This CPR may include technical information that requires further calculations for subtotals, totals, and weighted averages. Such calculations involve rounding, which may introduce a minor margin of error; however, BAW considers this margin to be immaterial.

Table 1–1 Terms of Reference, Units, Abbreviations and Currency

AAS	Atomic Absorption Spectroscopy
AISC	All-in Sustaining Cost
BAW	BAW Mineral Partners
CAPEX	Capital Expenditure
COG	Cut-off grade
CP	Competent Person
DDH	Diamond drill holes
DFS	Definite Feasibility Study
G&A	General and Administration cost
g/t	Gram per tonne
HG	High Grade
HQ3	Diamond drilling bit size
IDW3	Inverse Distance Weighted Cubed
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
km	Kilometre
KTPA or ktpa	Thousand tonnes per annum
LG	Low grade
LOM	Life of Mine
m	Meter
M3	Cubic meters
MT or mt	Million Tonnes
MTPA or mtpa	Million tonnes per annum
MW	Megawatt
NPV	Net present value
NQ	Diamond drilling bit size
NQ3	Diamond drilling bit size
OPEX	Operating Expenditure
PEA	Preliminary Economic Assessment

PFS	Pre-Feasibility Study
PQ	Diamond drilling bit size
PQ3	Diamond drilling bit size
QA/QC	Quality Assurance/Quality Control
RL	Reduced Level
ROM	Raw Ore Material/Run of Mine
RMB	Renminbi
RPEEE	Reasonable Prospects for Eventual Economic Extraction
TPA or tpa	Tonnes per annum
tpd	Tonnes per day/Tonne per day
TSF	Tailings Storage Facility
USD or US$	United States Dollar
VALMIN	Australasian Code for Public Reporting of technical assessments and valuations of mineral assets

1.6 Reporting Standard

The reporting standard of the CPR is the VALMIN Code which is Guidelines for Technical Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports as adopted by the Australasian Institute of Mining and Metallurgy in 1995 and updated in 2005 and 2015.

The reporting of Resource and Reserve is referenced to the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**") prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia revised in 2012. The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for mineral resource and ore reserve statements for the natural resource companies listed on the HKEX.

The VALMIN Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves.

1.7 Independence Statement

BAW certifies that neither BAW, nor its directors, shareholders, staffs have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

1.8 Indemnities

As recommended by the VALMIN Code, the Client has provided BAW with an indemnity under which BAW is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- Which results from BAW's reliance on material information provided by the Client;
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this CPR.

1.9 Source of Information

Information used to support this CPR was derived from previous technical data and reports prepared previously for the Mining Properties, from the reports and documents listed in the Section of Reference of this CPR, from the technical and financial information provided by the Client. Additional information was gathered during on-site visits, including comprehensive inspections and detailed discussions with project personnel, as well as from relevant publicly available sources. BAW has no reason to question the accuracy or reliability of the data supplied by the Client. Detailed references for key data and information used in this report are provided in the References section.

1.10 Effective Date

The effective date for the Mineral Resources and Ore Reserves was December 31, 2025. BAW is not aware of any material changes to the information of the mining properties between the effective date and the signature date of this CPR except that the tonnage of the Mineral Resources and Ore Reserves may have been depleted by regular mining activities if any.

2 EXECUTIVE SUMMARY

2.1 Overview of the Mining Properties

Shanjin International Gold Co., Ltd. ("**Shanjin International**" or the "**Client**") is a gold-focused mining and development enterprise with a diversified portfolio of six core Mining Properties located in the PRC and Namibia. The portfolio includes the Banmiaozi Property in Jilin Province, the Dachaidan Property in Qinghai Province, the Heihe (Dong'an) Property in Heilongjiang Province, the Huasheng Property in Yunnan Province, the Yulong Property in Inner Mongolia, and the Osino Property in Namibia.

These Mining Properties cover a wide spectrum of commodities including gold, silver, lead, zinc, and copper. The Client holds equity interests ranging from 52% to 100% through direct and indirect subsidiaries. Collectively, the Mining Properties comprise producing underground and open-pit mines, advanced development projects, and early-stage exploration projects.

Strategically, five of the Mining Properties are located within PRC's well-established metallogenic belts — Qilian-Qaidam, Lesser Khingan, Baoshan-Gaoligong, and Tianshan-Tuquan — while the Osino Property is situated in Namibia's highly prospective Damara Orogen. This geographic spread and commodity mix provide both risk diversification and growth opportunity.

Table 1 Summary of the Core Mining Properties

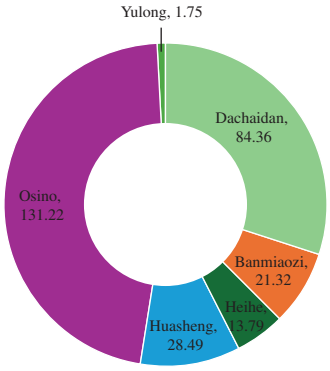
Project	Location	Stage	Mining Method	Mining Licenses	Exploration Licenses	Commodities
Dachaidan . .	Haixi, Qinghai, China	Operating	Underground + Open Pit	2	5	Gold
Banmiaozi . .	Baishan, Jilin	Operating	Underground	1	2	Gold
Heihe	Xunke, Heilongjiang, China	Operating	Underground	1	1	Gold and Silver
Osino	Erongo Region, Namibia	DFS (Twin Hills), Resource Stage (Ondundu)	Open Pit	1	16	Gold
Huasheng . .	Mangshi, Yunnan, China	Exploration	Open Pit	1	2	Gold
Yulong	West Ujimqin, Inner Mongolia, China	Operating	Underground	3	6	Silver, Lead, Zinc and Copper
Total	—	—	—	9	32	

2.2 Combined Mineral Resources Statements

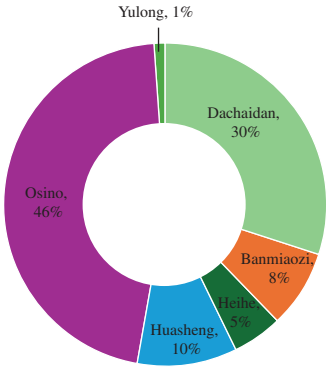
The combined Mineral Resources Statements are summarized as below.

Table 2 Combined Gold Mineral Resources Statement Prepared by BAW as of December 31, 2025

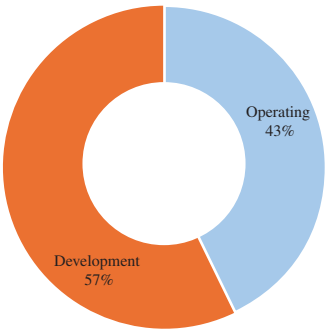
Mining Properties	Category	Tonnage (Kt)	Grade (g/t Au)	Contained Gold (t)	Contained Gold (Koz)
Banmiaozi	Measured	4,990	3.46	17.27	555
	Indicated	922	2.82	2.60	84
	M + I	5,912	3.36	19.87	639
	Inferred	625	2.32	1.45	47
	Subtotal	6,537	3.26	21.32	686
Huasheng	Measured	5,123	2.09	10.73	345
	Indicated	11,019	1.54	16.99	546
	M + I	16,142	1.72	27.72	891
	Inferred	567	1.36	0.77	25
	Subtotal	16,709	1.71	28.49	916
Heihe	Measured	2,114	4.86	10.28	331
	Indicated	469	4.67	2.19	70
	M + I	2,583	4.83	12.47	401
	Inferred	447	2.95	1.32	42
	Subtotal	3,030	4.55	13.79	443
Dachaidan	Measured	5,110	3.57	18.23	586
	Indicated	10,673	4.51	48.09	1,546
	M + I	15,783	4.20	66.32	2,132
	Inferred	3,697	4.88	18.04	580
	Subtotal	19,480	4.33	84.36	2,712
Yulong	Measured	—	—	—	—
	Indicated	—	—	—	—
	M + I	—	—	—	—
	Inferred	901	1.95	1.75	56
	Subtotal	901	1.95	1.75	56
Osino	Measured	706	1.47	1.04	33
	Indicated	83,643	1.08	90.41	2,907
	M + I	84,349	1.08	91.45	2,940
	Inferred	38,221	1.04	39.77	1,279
	Subtotal	122,570	1.07	131.22	4,219
Combined	Measured	18,044	3.19	57.56	1,850
	Indicated	106,726	1.50	160.28	5,153
	M + I	124,769	1.75	217.83	7,004
	Inferred	44,458	1.42	63.10	2,029
	Subtotal	169,227	1.66	280.94	9,032



Gold Mineral Resources in tonnes by Mining Properties



Gold Mineral Resources allocation by Mining Properties



Gold Mineral Resources by stage of development

Figure 1: Gold Mineral Resources contribution by Mining Properties

Table 3 Combined Ag-Pb-Zn Mineral Resources Statement Prepared by BAW as of December 31, 2025

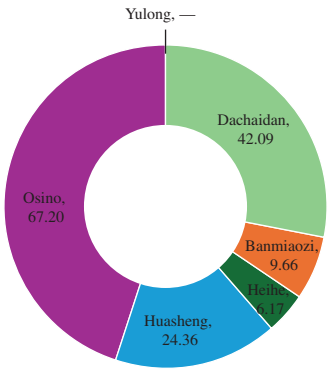
Mining Properties	Category	Tonnage	Lead Grade	Contained Lead	Zinc Grade	Contained Zinc	Silver Grade	Contained Silver	Copper Grade	Contained Copper
		(mt)	(%)	(t)	(%)	(t)	(g/t)	(t)	(%)	(t)
Yulong	Measured	11.10	1.15	127,672	1.90	210,337	152.59	1,693	0.07	8,136
	Indicated	32.95	0.79	260,039	1.66	545,299	96.93	3,194	0.17	55,137
	M + I	44.04	0.88	387,711	1.72	755,636	110.95	4,887	0.14	63,273
	Inferred	29.63	0.84	248,699	1.64	485,630	100.37	2,974	0.25	74,521
	Subtotal	73.67	0.86	636,410	1.68	1,241,266	106.70	7,861	0.19	137,794
Heihe	Measured	2.11	[•]	[•]	[•]	[•]	64.67	137	[•]	[•]
	Indicated	0.47	[•]	[•]	[•]	[•]	29.36	14	[•]	[•]
	M + I	2.58	[•]	[•]	[•]	[•]	58.26	150	[•]	[•]
	Inferred	0.45	[•]	[•]	[•]	[•]	22.55	10	[•]	[•]
	Subtotal	3.03	[•]	[•]	[•]	[•]	52.99	161	[•]	[•]
Combined	Measured	13.21	1.15	127,672	1.90	210,337	138.52	1,830	0.07	8,136
	Indicated	33.42	0.79	260,039	1.66	545,299	95.98	3,207	0.17	55,137
	M + I	46.63	0.88	387,711	1.72	755,636	108.03	5,037	0.14	63,273
	Inferred	30.08	0.84	248,699	1.64	485,630	99.22	2,984	0.25	74,521
	Subtotal	76.70	0.86	636,410	1.68	1,241,266	104.58	8,021	0.19	137,794

2.3 Combined Ore Reserves Statements

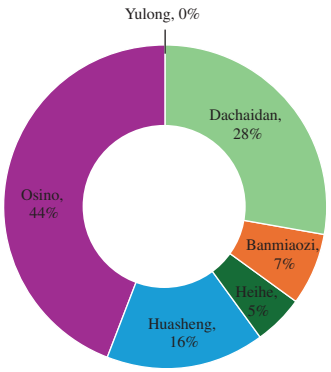
The combined Ore Reserves Statements are summarized as below.

Table 4 Combined Gold Ore Reserves Statement Prepared by BAW as of December 31, 2025

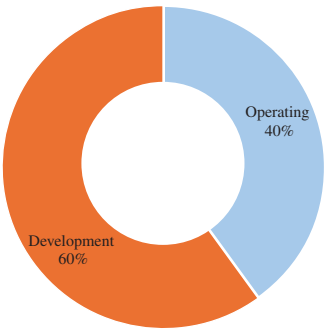
Mining Properties	Category	Tonnes (kt)	Au (g/t)	Gold (t)
Dachaidan	Proved	3,692.99	3.53	13.04
	Probable	5,771.22	5.03	29.05
	Total	9,464.22	4.45	42.09
Banmiaozi	Proved	2,721.29	3.15	8.59
	Probable	362.12	2.96	1.07
	Total	3,083.40	3.13	9.66
Heihe	Proved	338.00	2.15	0.73
	Probable	1,402.59	3.88	5.44
	Total	1,740.59	3.54	6.17
Huasheng	Proved			
	Probable	13,274.24	1.84	24.36
	Total	13,274.24	1.84	24.36
Osino	Proved	703.60	1.29	0.90
	Probable	65,016.10	1.02	66.30
	Total	65,719.70	1.02	67.20
Total	Proved	7,455.88	3.12	23.26
	Probable	85,826.27	1.47	126.22
	Total	93,282.15	1.60	149.48



Gold Ore Reserves in tonnes by Mining Properties



Gold Ore Reserves allocation by Mining Properties



Gold Ore Reserves by stage of development

Figure 2: Gold Ore Reserves contribution by Mining Properties

Table 5 Combined Ag-Pb-Zn Ore Reserves Statement Prepared by BAW as of December 31, 2025

Mining Properties	Category	Tonnage	Ag	Pb	Zn	Cu	Ag Metal	Pb Metal	Zn Metal	Cu Metal
		(kt)	(g/t)	(%)	(%)	(%)	(t)	(t)	(t)	(t)
Yulong	Proved	8,074	125.50	1.02	1.63	0.03	996	82,506	131,490	2,151
	Probable	18,885	90.32	0.71	1.51	0.16	1,706	134,419	286,076	30,363
	Total	26,959	100.21	0.80	1.55	0.12	2,701	216,925	417,566	32,514
Heihe	Proved	338	93.54	—	—	—	32	—	—	—
	Probable	1,402.59	41.79	—	—	—	59	—	—	—
	Total	1,740.59	51.85	—	—	—	90	—	—	—
Combined	Proved	8,412	124.22	1.02	1.63	0.03	1,045	82,506	131,490	2,151
	Probable	20,288	86.96	0.71	1.51	0.16	1,764	134,419	286,076	30,363
	Total	28,700	97.27	0.80	1.55	0.12	2,792	216,925	417,566	32,514

2.4 Overall Exploration Potential

All six core Mining Properties demonstrate substantial and sustained resource growth potential with multiple exploration pathways. In the PRC, the Banmiaozi and Heihe orebodies remain open at depth and along strike, with drilling confirming thick, continuous high-grade zones well beyond current resource boundaries. The Qinglonggou-Jinlonggou-Xijinggou corridor at Dachaidan shows strong continuity, with ongoing discoveries of large mineralized zones at depth and along the periphery, offering further expansion opportunities. At Huasheng, the Dagangba and Mengwen areas share structural and alteration features with the main deposit and exhibit significant geochemical anomalies, indicating potential for new economic orebodies. The Yulong mineralization is controlled by major fault systems, with multiple blind lodes and deep mineralized zones yet to be fully delineated, highlighting considerable upside. Internationally, Osino's Twin Hills and Ondundu mineralization remain open in all directions, with high-grade shoots continuously defined along fold hinges, while satellite targets at Eureka and Sandveld reveal strong geochemical anomalies and excellent discovery potential. Overall, the Mining Properties presents clear opportunities across deep extensions, blind lodes, and regional anomalies, forming a solid foundation for long-term resource growth and extended Life-of-Mine ("**LOM**").

2.5 Overall Economics

The Mining Properties demonstrates a combined after-tax NPV of approximately RMB32 billion and an AISC ranging from US$744/oz to US$1,123/oz for the gold projects. The key metrics of the Mining Properties are summarized as below.

Table 6 Key Metrics of the Mining Properties

Mining Properties	Total Resources	Total Reserves	LOM (years)	Processing Recovery (%)	LOM Average AISC (US$/oz)	After-tax NPV (RMB in million)
Dachaidan . .	84.36 t Au	42.09 t Au	~11	> 90	744	5,933
Banmiaozi . .	21.32 t Au	9.66 t Au	4	89	941	3,085
Heihe	13.79 t Au	6.17 t Au	5	97.1	822	5,040
	161 t Ag	90.25 t Ag				
Huasheng. . .	28.49 t Au	24.36 t Au	12	76.03	905	2,815
Osino	131.22 t Au	67.2 t Au	15	~92	1,123	5,179
Yulong	Silver ~7,861 t	Silver ~2,701 t	21	Pb 89–93	n/a	10,267
	Lead ~636kt	Lead ~217kt		Zn 87–89		
	Zinc ~1,241kt	Zinc ~418kt		Ag 92–94		
	Copper ~137.8kt	Copper ~32.5kt		Cu ~75–78		
Total.				—		32,319

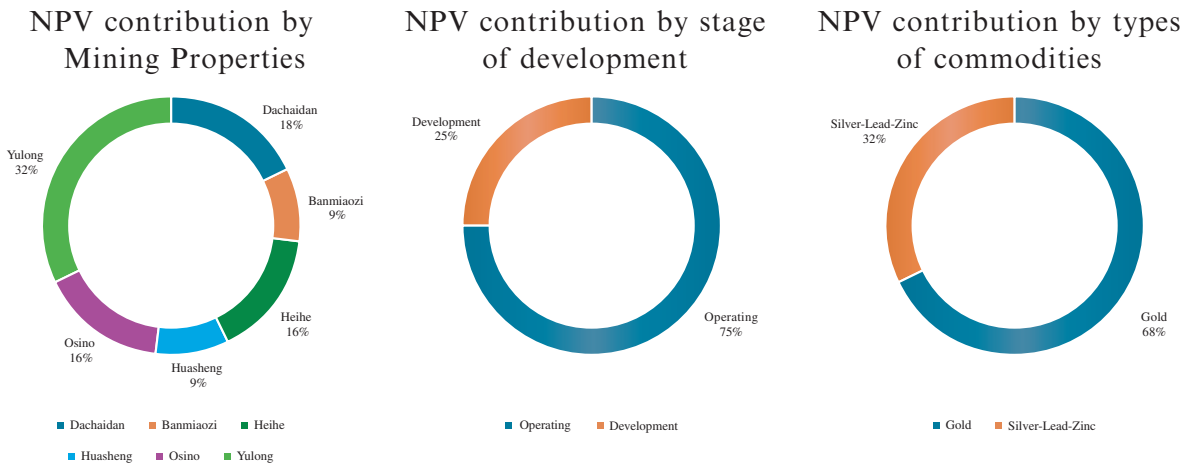


Figure 3: NPV contribution by Mining Properties

COMPETENT PERSONS' REPORT FOR THE DACHAIDAN PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China, 100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

Executive Summary

The Dachaidan Gold Property is located approximately 75 km northwest of Dachaidan Town, Haixi Prefecture, Qinghai Province, China, about 200 km from both Dunhuang and Golmud, and roughly 660 km from Xining, the provincial capital. The project is held by Qinghai Dachaidan Mining Co., Ltd., in which Shanjin International indirectly holds a 90% interest through its subsidiary.

The property comprises two mining licenses (Qinglonggou and Tanjianshan) and six exploration licenses (Jinlonggou Periphery, Qinglonggou Deep, Qinglongshan, Qingshan, Xijinggou, and Xijinggou Periphery), covering the Qinglonggou-Jinlonggou-Xijinggou-Qingshan mineralized corridor. It represents a classic orogenic gold system, with mineralization hosted in carbonaceous phyllite, dolomitic marble, and dioritic-granitic porphyrite, controlled by NW-trending structures and showing strong continuity along strike and at depth.

Project Advantages: The Dachaidan Property is situated in the core of the Qilian-Qaidam metallogenic belt with favorable geological conditions. Multiple economic ore bodies have been delineated, and further extensions remain open at depth and laterally. The mine operates both open-pit (Tanjianshan, Xijinggou) and underground (Qinglonggou) operations, supported by a flotation-roasting-cyanidation flowsheet that consistently achieves over 90% recovery. The project benefits from complete infrastructure, including reliable power, water, transportation, and robust tailings storage with seepage control and water recycling, ensuring compliance with environmental standards.

As of December 31, 2025, BAW re-estimated the Mineral Resources and Ore Reserves under the JORC Code (2012) summarized as follows:

Table 1 Mineral Resource Summary (JORC 2012, as of 31 December 2025)

Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t Au)
Measured	5,110	3.57	18.23
Indicated	10,673	4.51	48.09
M + I	15,783	4.20	66.32
Inferred	3,697	4.88	18.04
Total	19,480	4.33	84.36

Table 2 Ore Reserve Summary (JORC 2012, as of December 31, 2025)

Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t)
Proved	3,693	3.53	13.04
Probable	5,771	5.03	29.05
Total	9,464	4.45	42.09

Exploration Potential

At Qinglonggou, ore bodies extend well below current mining levels and remain open both at depth and along strike. Drilling in 2025 confirmed thick, high-grade intercepts (e.g., 22 m @ 3.28 g/t Au, 21.7 m @ 7.53 g/t Au, 20.6 m @ 13.19 g/t Au) and revealed multiple blind lodes in both hanging wall and footwall positions, supporting lateral expansion. Jinlonggou mineralization continues at depth with potential strike connectivity. At Xijinggou, shallow resources have been defined but deeper and peripheral extensions remain largely untested. In Qingshan, drilling has confirmed the southern extension of the Qinglonggou II ore belt, while Au-Sb anomalies offer further discovery potential. Regionally, numerous untested anomalies within the Dachaidan-Tanjianshan belt highlight excellent long-term exploration upside.

Economics

Based on recent mainstream gold price forecasts, the Dachaidan Property demonstrates an after-tax NPV of approximately RMB5.93 billion at a 6% discount rate. The life-of-mine (LOM) average AISC is estimated at ~US$744/oz, confirming strong economic viability. As with most gold operations, commodity price volatility remains the primary risk, while other risks (mining, metallurgy, environmental, safety) are generally low to moderate.

Conclusion

The Dachaidan Property is a large-scale, well-established gold project with robust geology, proven processing flowsheet, and reliable infrastructure. The JORC (2012)-compliant Mineral Resource and Ore Reserve estimates confirm its stable production base and long-term growth potential, supporting its solid investment value and development prospects.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Dachaidan Property ("**Dachaidan Project**" or the Property) lies approximately 75 km northwest of Dachaidan town, within the administrative jurisdiction of Dachaidan, Haixi Mongolian and Tibetan Autonomous Prefecture, Qinghai Province (Figure 1–1). The property is situated about 200 km south of Dunhuang City and an equal distance north of Golmud City; it is roughly 660 km northwest of Xining, the provincial capital of Qinghai Province.

1.2 Property Ownership

The Client, through its 90%-owned subsidiary Qinhai Dachaidan Mining Co., Ltd. ("**Dachaidan Mining**"), holds the Dachaidan Property, including all mineral resources, ore reserves, and mining operations discussed in this report.

1.3 Mineral Rights and Licensing

Pursuant to the Mineral Resources Law of the PRC, all subsurface mineral resources are State-owned. Any exploration or mining activity therefore requires a government-issued exploration or mining license that defines both the geographic boundaries and the period of validity for the work. Licenses are generally renewable, provided that the application is filed with the competent provincial or State authority before expiry and all statutory obligations have been fulfilled. For an exploration license, the holder must have paid all exploration fees and satisfied the minimum expenditure requirements for the licensed area. Renewal of a mining license further requires payment of all license fees, resource taxes, and resource compensation levies.

The Dachaidan Property currently comprises of two mining licenses and five exploration licenses. BAW understands that all licenses pertaining to the Dachaidan Property have been reported by the Client to be in good standing as of the Effective Date.

The Dachaidan Property encompasses two distinct mining districts: the Tanjianshan area in the south and the Qinglonggou area in the north. In the Tanjianshan area, the key operation is the Tianjianshan Open Pit. The Qinglonggou area consists of several underground operations and sections: Qinglonggou North, Qinglonggou South, 323 North, 323 South, and the newly added II and III mining sections.

Key particulars — license numbers, expiry dates, and surface areas — are listed in Table 1–1, and the location and boundaries of each license area are shown in Figure 1–2, with vertex coordinates listed in Tables 1–2 through 1–7.

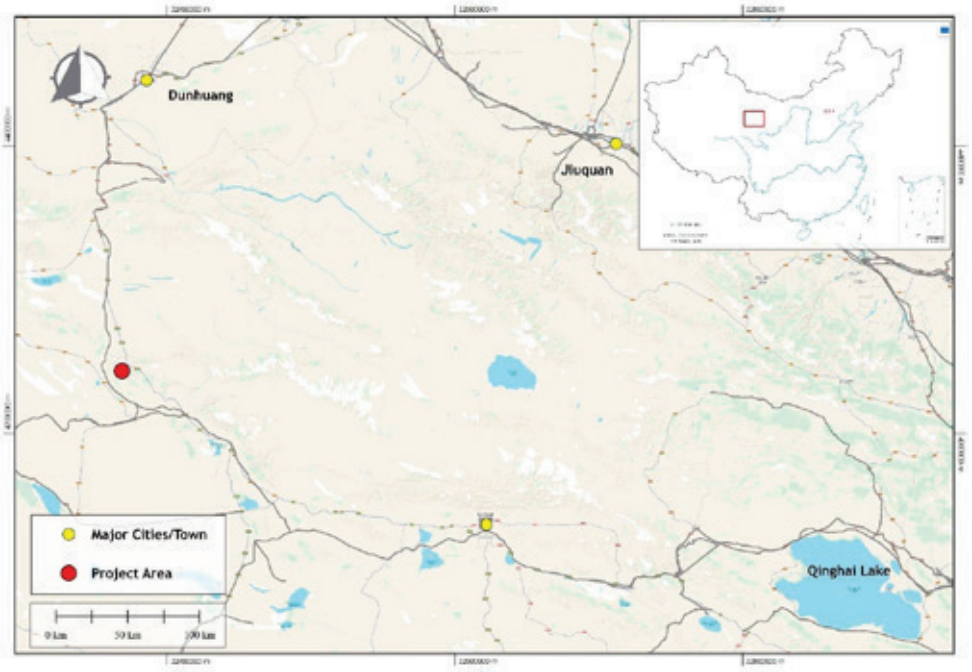


Figure 1–1 Location of the Dachaidan Property

Table 1–1 Details of the Mining and Exploration Licenses, Dachaidan Project

Property	License Number	Expiry Date	Area (km^2)	Capacity (ktpa)
	Mining Licenses			
Tanjianshan Gold Mining Area ("**Tanjianshan**")	XC100000201110412012003 2	18/01/2036	2.3479	800
Qinglonggou Gold Mining Area ("**Qinglonggou**")	C10000020100441200607 97	05/09/2028	6.7851	600
	Exploration Licenses			
Jinlonggou Gold Periphery Exploration Area ("**Jinlonggou Periphery**")	XT6300002022024010056718	19/06/2026	62.984	n/a
Qinglonggou Gold Below 3300 m Exploration Area ("**Qinglonggou Below**")	T630000202203405005674 5	16/03/2027	3.89	n/a
Qinglongshan Gold Exploration Area ("**Qinglongshan**")	XT6300002018014010054584	15/10/2030	10.2229	n/a
Qingshan Gold Exploration Area ("**Qingshan**")	T630000200804401000038 4	23/06/2026	17.74	n/a
Xijinggou Gold Periphery Exploration Area ("**Xijinggou Periphery**")	XT6300002021084010056482	15/10/2030	6.4246	n/a

The two exploration permits (Permit Nos. T6300002022024010056718 and T630000200804401000038 4) held in respect of the Dachaidan Property are due to expire in June 2026. We understand that the Client has duly submitted applications for renewal of the permits, expansion of the exploration area, and consolidation of the licences prior to their expiry, in full compliance with the applicable laws and regulatory requirements.

According to records on the Qinghai Provincial Government's online service platform, all applications have been formally designated as "Accepted" and have entered the official review process. Pursuant to the *Administrative Measures for the Registration of Mineral Exploration Blocks*, an exploration permit remains legally valid throughout the renewal review period once the renewal application has been accepted, with no interruption of tenure. In addition, we understand from the Client's PRC legal advisor that the Dachaidan concession does not fall within any ecological red-line zones or protected natural areas, nor are there any tenure disputes or violations. Accordingly, there are no substantive impediments to the approval of the licence renewal. For the mining license, the Client expects to obtain a new mining license before the expiration date and expects that there are no substantive impediments to the approval of the licence renewal.

Table 1–2 Vertex Coordinates of the Tanjianshan Gold Mining License, Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

ZONE	Vertex No.	Eastings/m	Northings/m	Remarks
1	1	4232954.38	32378591.17	RL : 3,556 m–3,000 m
	2	4232967.74	32379784.16	
	3	4232103.98	32379795.19	
	4	4232090.61	32378602.20	
2	1	4232090.61	32378602.20	RL : 3,556 m–2,930 m
	2	4232103.98	32379795.19	
	3	4231998.40	32380102.47	
	4	4231198.51	32380090.53	
	5	4231220.91	32378590.75	
	6	4232020.81	32378602.69	

Table 1–3 Vertex Coordinates of the Qinglonggou Gold Mining License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	4245161.09	31629594.66
2	4245161.11	31630844.68
3	4243427.06	31630844.72
4	4243427.07	31631185.08
5	4241889.93	31631218.15
6	4241896.66	31631417.79
7	4240589.92	31631951.05
8	4240098.16	31631099.09
9	4239060.11	31631709.75
10	4238508.49	31630959.11
11	4241876.24	31630367.43
12	4242861.06	31630366.27
13	4242861.04	31629594.70

Table 1–4 Vertex Coordinates of the Jinlonggou Gold Periphery Exploration License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Longitude (°E)	Latitude (°N)
1	94.3008420	38.1801001
2	94.3032000	38.1801000
3	94.3200000	38.1701000
4	94.3317000	38.1634000
5	94.3345000	38.1625000
6	94.3345000	38.1632000
7	94.3340000	38.1637000
8	94.3337000	38.1644000
9	94.3335000	38.1654000
10	94.3333000	38.1701000
11	94.3439000	38.1701000
12	94.3700000	38.1543000
13	94.3740000	38.1410000
14	94.3739000	38.1350000
15	94.3800000	38.1324000
16	94.3800000	38.1246000
17	94.3751584	38.1245881
18	94.3751584	38.1245881
19	94.3738892	38.1249154
20	94.3737912	38.1317153
21	94.3648891	38.1316143
22	94.3649940	38.1245883
23	94.3630000	38.1246000
24	94.3630000	38.1301000
25	94.3449000	38.1301000
26	94.3348000	38.1317000
27	94.3310000	38.1330000
28	94.3300000	38.1331000
29	94.3230000	38.1346000
30	94.3200000	38.1401000
31	94.3130000	38.1431000
32	94.3007000	38.1543000
33	94.2949000	38.1603000
34	94.2947294	38.1611396
35	94.3018531	38.1628884
36	94.2954109	38.1702860
37	94.3029482	38.1718345

Table 1–5 Vertex Coordinates of the Qinglonggou Gold Below 3300 m Exploration License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	94°28'55.568"	38°19'47.791"
2	94°29'47.017"	38°19'47.138"
3	94°29'45.863"	38°18'50.919"
4	94°29'59.868"	38°18'50.740"
5	94°30'00.202"	38°18'00.888"
6	94°29'25.193"	38°18'00.890"
7	94°29'25.799"	38°18'32.819"
8	94°28'54.051"	38°18'33.221"

Table 1–6 Vertex Coordinates of the Qinglongshan Gold Exploration License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Longitude °E	Latitude ° N
1	94.2631546	38.2456000
2	94.2700000	38.2456000
3	94.2645000	38.2422000
4	94.2702000	38.2359000
5	94.2708000	38.2312000
6	94.2726000	38.2316000
7	94.2730000	38.2239000
8	94.2711000	38.2235000
9	94.2716000	38.2200000
10	94.2749000	38.2133000
11	94.2937000	38.2018000
12	94.2930000	38.2006000
13	94.2959000	38.1942000
14	94.2959000	38.1850000
15	94.2949000	38.1851000
16	94.2946000	38.1947000
17	94.2855000	38.1947000
18	94.2854000	38.1833000
19	94.2925000	38.1833000
20	94.2924000	38.1801000
21	94.2910000	38.1801000
22	94.2905000	38.1821000
23	94.2853000	38.1827000
24	94.2852981	38.1827034
25	94.2851218	38.1905167
26	94.2832204	38.1949545
27	94.2814736	38.2009280

Vertex No.	Longitude °E	Latitude ° N
28	94.2734871	38.2054934
29	94.2730058	38.2104097
30	94.2708000	38.2131000
31	94.2700000	38.2131000
32	94.2700000	38.2202000
33	94.2658000	38.2359000
34	94.2607847	38.2433867

Table 1–7 Vertex Coordinates of the Qingshan Gold Exploration License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	94°29'100.000"	38°19'55.000"
2	94°31'27.000"	38°18'55.000"
3	94°32'07.000"	38°18'55.000"
4	94°33'10.000"	38°17'38.000"
5	94°35'31.000"	38°17'30.000"
6	94°38'00.000"	38°17'31.000"
7	94°38'00.000"	38°17'01.000"
8	94°34'39.000"	38°17'01.000"
9	94°33'33.000"	38°17'01.000"
10	94°32'00.000"	38°17'01.000"
11	94°32'00.000"	38°18'01.000"
12	94°30'32.000"	38°18'01.000"
13	94°30'00.000"	38°18'01.000"

Table 1–8 Vertex Coordinates of the Xijinggou Gold Periphery Exploration License of the Dachaidan Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Longitude °E	Latitude ° N
1	94.3831349	38.1320236
2	94.3828282	38.1218577
3	94.3817760	38.1204530
4	94.3819519	38.1158573
5	94.3801553	38.1140015
6	94.3801000	38.1140000
7	94.3801000	38.1159000
8	94.3629000	38.1200000
9	94.3629000	38.1214000
10	94.3629254	38.1215345
11	94.3517159	38.1301000
12	94.3630000	38.1301000
13	94.3630000	38.1246000
14	94.3649940	38.1245883
15	94.3649942	38.1219943
16	94.3751580	38.1219942
17	94.3751584	38.1245881
18	94.3800000	38.1246000
19	94.3800000	38.1321000

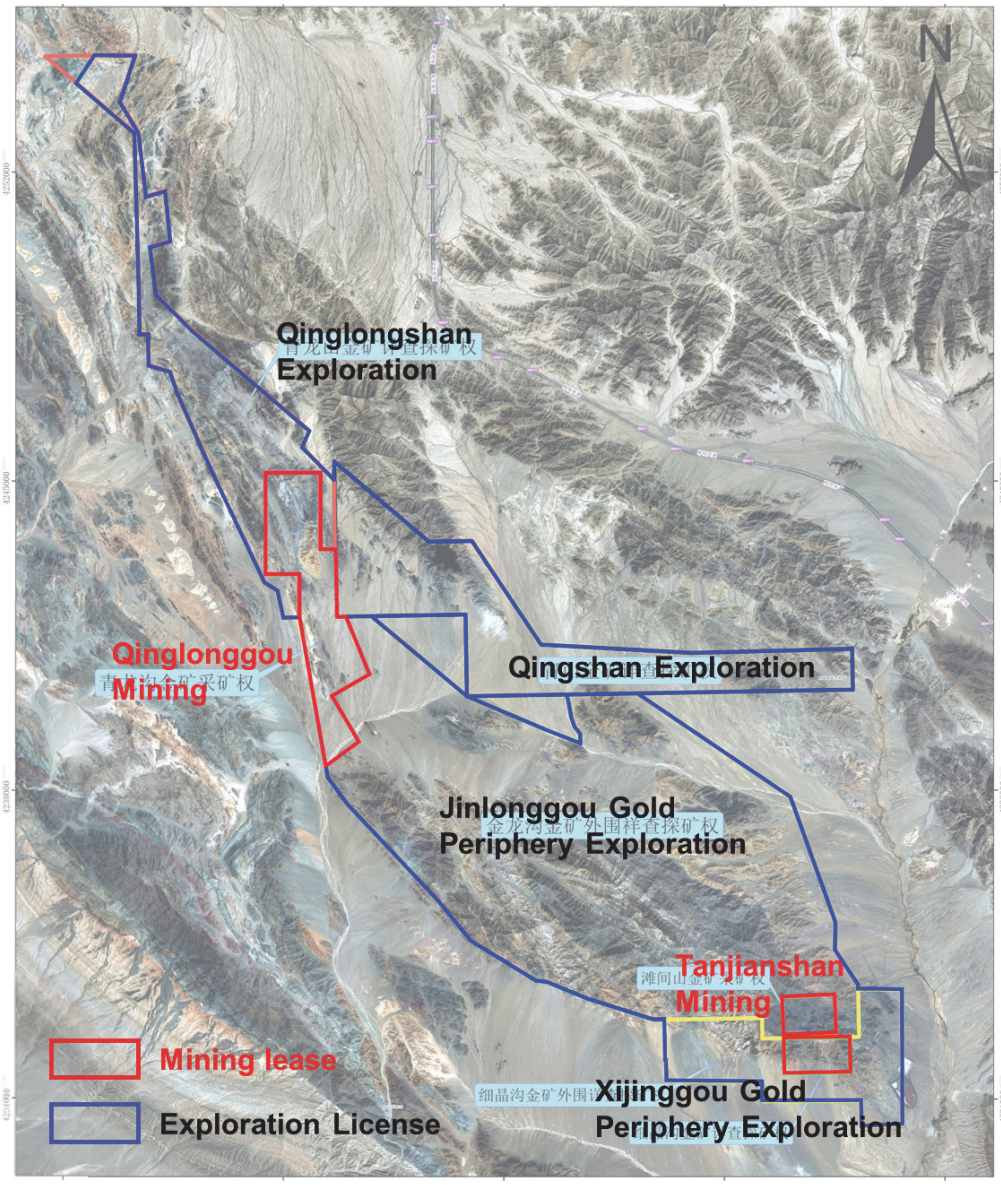


Figure 1–2 Mining and Exploration License of the Dachaidan Property

Prior to 2024, the project also included an exploration license for the Jinlonggou Gold Exploration Area ("**Jinlonggou**"), but in 2024 this license was converted to a mining license and merged into the current Qinglonggou Mining License. In 2021, the Xijinggou and Jinlonggou exploration licenses (prior to their merger) were each excised from their original extents to facilitate future conversion to mining licenses; the portions that remained now comprise the Xijinggou Periphery and Jinlonggou Periphery Exploration areas. To avoid confusion, the original, pre-2021 delineations of these licenses are herein referred to as "Xijinggou Former" and "Jinlonggou Former."

BAW understands that the renewal applications were filed in accordance with applicable PRC laws and regulations, including the Administrative Measures for the Registration of Mineral Resources Exploration Blocks, and have been formally accepted by the competent natural resources authorities. According to the Client's PRC legal advisor, the holding companies of those licenses have fulfilled all obligations during the permit term — including payment of exploration right usage fees and completion of minimum exploration investment — and have commenced exploration activities. There have been no material changes to the conditions under which the original permits were granted, nor any significant violations of relevant laws. As such, according to the Client's PRC legal advisor, renewal criteria set out in the relevant provincial guidelines has been met and there are no material legal impediments to the renewal of the such permits.

BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

The Dachaidan Property is accessible via a 30 km network of gravel roads and is located along National Highway 215 (Dunhuang-Golmud Highway) in the northern part of the license area. From Dachaidan town, one can travel approximately 90 km north on Highway 215, followed by 10 km west on the access road, totaling about 100 km to the mine-site.

Rail access is available through Xitieshan station on the Qinghai-Tibet Railway, situated roughly 190 km to the southeast, and Liuyuan station on the Lanzhou-Xinjiang Railway, approximately 300 km to the northwest.

Domestic air service is provided at Dunhuang and Golmud airports, each over 300 km from the project site. Dunhuang Airport offers daily flights to Beijing, Xi'an, Lanzhou, Urumqi, and Xining, while Golmud Airport provides weekly service to Xining, which has daily connections to major Chinese cities, including Beijing, Shanghai, Guangzhou, Wuhan, Chengdu, Urumqi and Xi'an.

2.2 Climate

The Dachaidan Property experiences a continental plateau climate characterized by aridity, long, cold winters, short summers, frequent strong winds, abundant sunshine, and large diurnal temperature swings. Meteorological records from the Dachaidan station indicate an average annual precipitation of 82.6 millimeters ("**mm**") and annual evaporation of 2,219 mm. The rainy season is confined mainly to July and August. Monthly average temperatures peak between 20.6°C and 23.0°C in midsummer and fall to between –17.1°C and –25.0°C during the winter months of December through February, yielding a mean annual temperature of roughly 0.8–2.3°C. Sandstorms are common in spring, with maximum wind speeds reaching Beaufort force 8–9, and autumn also sees frequent strong winds. The ground typically freezes from November through February, and occasional heavy summer rains can produce brief flash floods in the region's dry gullies and river valleys. Field operations are most practicable from May through October.

2.3 Physiography

The Dachaidan Property is situated in the southeastern foothills of the Saishiteng Mountains, on the northern edge of the Qaidam Basin. The surrounding terrain consists of extensive alluvial desert plains typical of plateau-mountain regions. Elevations within the license area range from 3,150 to 3,560 m, resulting in a maximum local relief of approximately 600 m and an average relief of 200 m. Bedrock is widely exposed, except where Quaternary sediments cover intermontane basins and dry gullies. The topography is rugged and steep, featuring well-developed gullies and bare rock outcrops.

Vegetation is extremely sparse, primarily consisting of camelthorn shrubs. Natural oases can be found within 300–400 m of the Aolao River, where red willow, reeds, grasses, and camelthorn thrive. Further afield, the Mahai Farm — more than 20 km southwest — forms a significant artificial oasis. Fauna includes argali sheep, hares, various bird species, and rodents. Surface drainage is poorly developed, with all valleys remaining dry except for brief summer flows that quickly infiltrate or evaporate.

2.4 Local Resources and Infrastructure

Approximately 3 km east of the Property, the Aolao River serves as a perennial water source with an average discharge of 28,737 m^3 per day. Infiltration at the mountain base results in a dry channel throughout much of the license area; however, flow resumes as the river enters the Mahai Basin. The river's weakly alkaline and poor-quality water is unsuitable for drinking but is pumped from a bank-side station into a pressurized storage tank at the processing plant for operational use. Drinking water is supplied from Dachaidan and nearby towns.

The Property is surrounded by abundant energy resources. The Changdi Coal Mine is located 5.5 km southwest, while larger coal deposits, such as Gaoquan and Yuka, are situated approximately 40 kilometers away. East of Dachaidan, additional mines at Datouyang, Lvcao Mountain, and Dameigou provide further coal resources. Local refineries in Lenghu, Golmud, and Huatugou supply industrial petroleum products.

Electricity is supplied via the Yuka 35 kV substation through the regional grid. On-site, a 35/10 kV step-down facility distributes power to the plant and camp.

The population is sparse, primarily concentrated in Dachaidan Town and the Xitieshan mining area. The local economy is dominated by mining, chemicals, and transportation, with virtually no vegetation outside of Mahai Farm and a few scattered pastoral sites along the Aolao River. Agriculture is limited to Mahai Farm and a few grazing points, with all supplies and services sourced from Dachaidan, Delingha, and Golmud.

3 HISTORY

3.1 Ownership History

In 1992, Dachaidan Gold Dragon Mining Development Co., Ltd. ("**Dachaidan Dragon**"), a joint venture established between Qinghai Province No. 1 Geological and Mineral Exploration Brigade ("**No. 1 Brigade**") and the local government, obtained the mining rights for the Tanjianshan area. In 1996, the initial exploration license for the Qinglonggou area was granted to the No. 1 Brigade.

In 2000, Dachaidan Dragon formed a joint venture with Sino Mining International Ltd. ("**Sino Mining**"), creating Dachaidan Mining. This joint venture subsequently took over the exploration rights for both the Tanjianshan and Qinglonggou areas.

In 2002, Afcan Mining Corporation Ltd. acquired Sino Mining's interest in Dachaidan Mining and later disposed it to Eldorado Gold Corporation ("**Eldorado**") in 2005. During this period, Dachaidan Mining was granted the initial exploration license for the Qinglongshan area.

In 2006, Dachaidan Mining obtained mining licenses for both the Tanjianshan and Qinglonggou areas. Two years later, in 2008, Dachaidan Mining acquired exploration licenses for the Qingshan, Jinlonggou Former, and Xijinggou areas.

In 2016, Yintai Gold Co., Ltd. ("**Yintai**") acquired a 90% stake in Dachaidan Mining, including the mineral rights of the Dachaidan Property, from Eldorado. In 2021, the exploration licenses for the Jinlonggou Former and Xijinggou Former areas were split into two new exploration areas: Jinlonggou and Jinlonggou Periphery, and Xijinggou and Xijinggou Periphery, respectively.

In 2022, the exploration licenses for the Qinglonggou Below area and the Qinglongshan area were granted to Dachaidan Mining. By 2024, the Jinlonggou exploration license was converted into a mining license and incorporated into the Qinglonggou Mining License.

In July 2023, Shandong Gold Mining Co., Ltd. acquired a controlling interest in Yintai, becoming its ultimate parent company. Subsequently, in July 2024, Yintai changed its name to Shanjin International Gold Co., Ltd. ("**Shanjin International**"), which is now the indirect majority owner of Dachaidan Mining and the Dachaidan Project.

3.2 Exploration History

Historically, the boundaries of the various mineral rights within the Dachaidan Property have undergone numerous changes, including reductions and subdivisions, resulting in the present-day boundary of multiple licenses. Consequently, the same name might represent entirely different mineral rights in both past and present contexts, potentially leading to confusion when recounting the exploration history. In the following summary of the exploration history, BAW will adhere to the current mining rights areas and their respective names for consistency.

In 1989, the No. 5 Geological Brigade of Qinghai Province discovered gold mineralization in the Tanjianshan area and conducted drilling verification. From 1988 to 1992, the No. 5 Geological Brigade conducted systematic geological mapping in the area and discovered a series of gold mineralization areas. From 1993 to 1999, the No. 1 Brigade conducted prospecting work in Tanjianshan, Qinglonggou, Jinlonggou and Xijinggou areas, including geological mapping, geochemical survey, geophysical survey, trenching, tunnelling and drilling. Prospecting reports summarizing the preliminary results were submitted for the Tanjianshan and Jinlonggou areas.

From 2000 to 2005, Dachaidan Mining conducted systematic exploration programs to define the resource/reserve of the Tanjianshan area and the Qinglonggou area, including extensive mapping, trenching, diamond drilling and sampling. In 2004 and 2007, Dachaidan Mining compiled the "Resource/Reserve Reassessment Report for the Jinlonggou Deposit at an Elevation of 3,378–3,408 m in Tanjianshan Gold Minefield, Dachaidan, Qinghai Province" and "Exploration Report of the Jinlonggou Gold Deposit, Dachaidan, Qinghai Province" ("**Tanjianshan Report 2007**").

From 2008–2025, Dachaidan Mining has continued the comprehensive exploration programs within all the exploration and mining license areas, using mapping, trenching, reverse circulation ("**RC**") drilling, surface and underground diamond drilling, tunnelling, and channel sampling to expand resources/reserves and support mining operations. A series of exploration or verification reports have been completed for the Dachaidan Project. The most recent reports for each license are summarized as the following: "Resource/Reserve Verification Report of the Qinglonggou Gold Deposit, Dachaidan, Qinghai Province" in 2020 ("**Qinglonggou Report 2020**"), "Resource/Reserve Verification Report of the Tanjianshan Gold Deposit, Dachaidan, Qinghai Province" in 2023 ("**Tanjianshan Report 2023**"), "General

Exploration Report of the Qinglonggou Deposit Below 3300 m, Dachaidan, Qinghai Province" in 2024 ("**Qinglonggou Below Report 2024**"), "General Exploration Report of the Qinglongshan Gold Deposit Qinglonggou Section Exploration line 16600N-13800N, Dachaidan, Qinghai Province" in 2014 ("**Qinglongshan Report 2014**"), "General Prospecting Report of the Qingshan Gold Deposit, Dachaidan, Qinghai Province" in 2020 ("**Qingshan Report 2020**"), "General Exploration Report of the Jinlonggou Gold Deposit, Dachaidan, Qinghai Province" in 2019 ("**Jinlonggou Report 2019**"), and "General Exploration Report of the Xijinggou Gold Deposit, Dachaidan, Qinghai Province" in 2020 ("**Xijinggou Report 2020**"). Since 2024, the exploration activities have been focusing on systematic drilling in Qinglonggou Deep and Jinlonggou Periphery exploration license areas.

3.3 Historic Resource/Reserve Estimation

Mineral Resource and Ore Reserve estimates of the Dachaidan Property have been prepared multiple times since 1996 in accordance with the PRC reporting framework. Each estimate was compiled in accordance with the applicable Chinese technical codes and subsequently approved by the Ministry of Land and Resources. While those national standards are rigorous, their classification criteria and reporting protocols do not always align with the JORC Code 2012. Consequently, the figures contained in the Chinese reports should not be regarded as JORC-compliant without independent verification and, where necessary, re-classification.

At the request of Shandong Gold Mining Co., Ltd., BAW issued an Independent Technical Report presenting a JORC-compliant Mineral Resource and Ore Reserve estimate for the Dachaidan Property in 2023. BAW updated that estimate at the end of 2024 to incorporate results from the 2023–2024 production-exploration program and the ongoing drilling programs.

3.4 Development and Production History

In 1992, Dachaidan Dragon initiated small-scale gold production within the Tanjianshan area using heap leaching, achieving a gold recovery rate of approximately 48%. In 1995, underground mining of the sulfide ore commenced, employing flotation-roasting-cyanidation for gold extraction with an average recovery rate of 82%. The production data for the Tanjianshan area from 1992 to 2002 are summarized in Table 3–1.

Table 3–1 1992–2002 Production Summary of the Tanjianshan area

Year	Production (t)	Contained Gold (Kg)
1992	15,045	109.38
1993	23,920	205.71
1994	42,279	301.45
1995	55,751	343.43
1996	57,319	376.01
1997	39,393	259.60
1998	42,182	344.63
1999	54,884	351.26
2000	57,672	388.13
2001	56,378	406.49
2002	54,492	350.93
Total	499,321	3,437.02

Note: Data extracted from Tanjianshan Exploration Report 2007

Production was suspended from 2003 to 2006 and resumed in 2007 after the construction of a new processing plant. From 2007 to 2010, average annual gold production was approximately four tons. The gold production of the Tanjianshan area during Eldorado's ownership from 2011 to 2016 is summarized in Table 3–2.

Table 3–2 2011–2016 Production Summary of the Tanjianshan area

Year	Ore Milled (t)	Contained Gold (t)
2011	1,005,236	3.576
2012	1,056,847	3.440
2013	1,064,058	3.155
2014	1,045,440	3.347
2015	1,060,176	3.035
2016	869,964	1.532

Note: Data extracted from Eldorado Online Data Center

Production in the Tanjianshan area was suspended from 2017 to 2019 to facilitate the development program for underground mining. In 2019, open-pit mining operations commenced in the Qinglonggou area, followed by the initiation of underground mining in 2020. From 2019 to 2022, the Dachaidan Property processed approximately 420, 000, 807,000, 500,000 and 761,000 t of ore, resulting in gold production of 2.26, 2.36, 1.74, and 4.30 t respectively, according to the Client's annual reports.

Table 3–3 Production Summary of the Dachaidan Property

Parameter	Year	2022	2023	2024	2025
Ore Mined	kt	1,391	651	259	450
ROM ore	kt	665	842	929	977
Gold grade	g/t	3.79	3.66	4.92	2.95
Gold	t	2.07	3.05	3.51	3.13

4 GEOLOGICAL SETTING

4.1 Regional Geology

The Dachaidan Property is situated along the northern margin of the Qaidam Block and within the North Qaidam orogenic belt. The North Qaidam orogenic belt lies at the northern edge of the Tibetan Plateau and is bounded by the Qaidam Basin to the south, the Tarim Basin to the west, and the Sino-Korean craton to the east (Figure 4–1).

The Qaidam Block to the south comprises a Mesozoic-Cenozoic intracontinental basin underlain by a Precambrian crystalline basement. Along the block's southern margin, high-grade metamorphic rocks — including marble, granulite, and felsic gneisses — crop out and are intruded by late Paleozoic granitoid plutons. The North Qaidam orogenic belt itself contains eclogite- and garnet-peridotite-bearing terranes and extends for approximately 400 km along the northern Qaidam Mountains. The overall rock assemblages, ultra-high pressure (UHP) metamorphic evolution, and zircon ages indicate that this belt represents a continental subduction zone active from the Early Paleozoic and hosts one of the earliest Caledonian-age subduction systems in the northern Tibetan Plateau.

The Qilian Block to the north comprises an imbricate thrust belt of Precambrian basement overlain by Paleozoic sedimentary sequences. Its basement lithologies include granitic gneiss, marble, amphibolite, and subordinate granulite. Garnet-bearing (S-type) granite intrusions in the Qilian Block have Neoproterozoic protolith ages, broadly coeval with the granitic gneisses of the North Qaidam belt; Paleoproterozoic granitic gneisses are also recognized.

Eastward, the Qilian oceanic-type orogen, running parallel to the North Qaidam belt, extends from the Altyn Tagh fault southeastward for about 1,000 km to the Qinling-Dabie orogen, forming a major tectonic boundary between North and South China. Together, the North Qaidam and North Qilian belts record a tectonic evolution from oceanic subduction to continental collision and underthrusting, culminating in eventual exhumation.

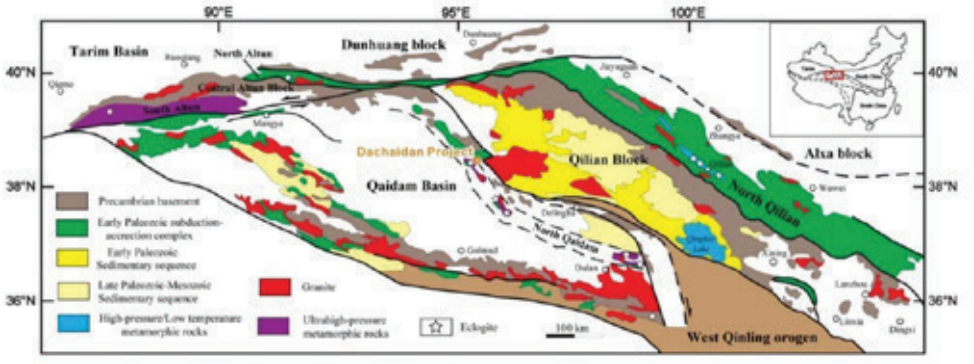


Figure 4–1 Regional Geological Map

Note: modified from Zhang et al., 2017

4.2 Property Geology

The stratigraphy of the Dachaidan Property comprises the Middle Proterozoic Wandonggou Group and the Ordovician-Silurian Tanjianshan Group. The Wandonggou Group is a regional greenschist-facies metamorphic sequence exceeding 2,000 m in thickness, with a protolith of carbonate, clastic, and volcanic rocks, and serves as the principal wall-rock for gold mineralization in Qinglonggou. Surrounding the Tanjianshan area to the east, west, and northwest are several kilometres of Quaternary alluvial plains, while to the southwest a low mountain range of the fault-disrupted Tanjianshan Group is exposed.

Multi-stage shearing and folding have produced a complex structural fabric across the licence area. Well-developed NW-trending faults in the Tanjianshan area form part of a ~20 km-long regional fault zone, 1–2 km wide, with steep dips. Regionally, both the Tanjianshan and Wandonggou Groups are primarily controlled by these NW-trending faults, with subsidiary N-S and E-W faults. N-S trending folds within carbonaceous mylonite schist are also prominent and control the geometry of most orebodies in the Tanjianshan area.

Magmatic activity in the area includes Caledonian-age gabbro intrusions within the Wandonggou Group and late Yanshanian diorite porphyrite intrusions in both the Wandonggou and Tanjianshan Groups. Intrusive rocks, emplaced predominantly during the Late Paleozoic (with some Early Paleozoic events), are chiefly intermediate- to felsic in composition, with subordinate mafic-ultramafic phases.

4.3 Alteration and Mineralization

The occurrence of gold mineralization within the Dachaidan Property is primarily controlled by regional NW-trending fault structures and is chiefly hosted in marble, dioritic-granitic porphyry, and carbonaceous phyllite of the Wandonggou Groups. The ore bodies generally strike NW and dip steeply. Mineralization occurs in massive, veining, and disseminated styles; smaller orebodies are predominantly disseminated. Principal ore minerals are pyrite, arsenopyrite, and hematite, with subordinate sphalerite, galena, and chalcopyrite. Gangue assemblages consist mainly of quartz, sericite, plagioclase, and calcite. Gold is present as native gold and silver-bearing native gold. Ores are classified into oxide and sulphide groups according to their oxidation state.

Alteration assemblages intimately associated with the gold mineralization include pyritization, silicification, sericitization, hematitization, carbonatization (calcite, siderite), and limonitization. Silicification is particularly well-developed in carbonaceous phyllite and serves as a robust vector toward mineralization. Hematitization predominates in the inner periphery of the alteration-mineralization envelope, whereas siderite occurs in the outermost zone, typically as light-yellow veinlets cutting carbonaceous phyllite fractures.

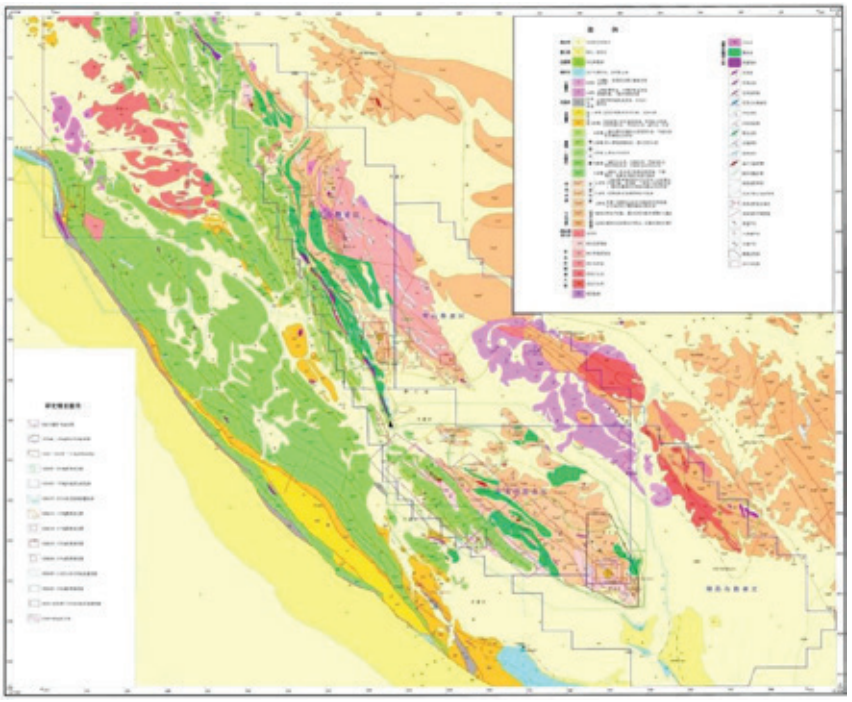


Figure 4–2 Geological Map of the Dachaidan Gold Deposit

4.4 Deposit Type

The gold mineralization within the Dachaidan Property formed during the Middle Paleozoic, broadly coeval with ultra-high-pressure (UHP) metamorphism in the subduction-accretion zones generated by the amalgamation of the Qaidam and Qilian Blocks. These deposits display the hallmarks of orogenic-type gold systems: they are structurally controlled by repeated ductile-brittle shear, formed from low-salinity, CO_2-rich hydrothermal fluids, and were driven by heat supplied from local Hercynian mafic-felsic intrusions. Fluid inclusion studies constrain ore-forming temperatures of 170–210 °C at a pressure of around 17.3 MPa (equivalent to ~1.7 km burial depth). Mineralization took place in an extensional regime following collisional orogeny. The Dachaidan Project exemplifies western China's orogenic gold belts, being controlled by a major shear zone and located adjacent to deep faults and the Early Paleozoic-Early Mesozoic polycyclic collisional boundary. Gold ores here reflect the overprinting of two distinct hydrothermal-mineralizing events.

Orogenic gold deposits typically form at mid- to shallow-crustal levels (circa 5–15 km depth) near the brittle-ductile transition and are associated with compressional tectonic settings — such as pre-arc regions of convergent continental margins — where auriferous fluids ascend along major structures. Their designation as "orogenic" reflects formation within accretionary-collisional belts, though they may also occur in deformed craton-margin sequences. Gold in these systems generally derives from (1) metamorphic devolatilization of deeply buried rocks and (2) fluids exsolved from crystallizing felsic to intermediate magmas. For the Dachaidan deposit, geological and geochemical evidence indicates that metamorphic fluid release was the principal gold source.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

All exploration activities at the Dachaidan Property have been conducted in accordance with the relevant PRC national exploration standards, which outline the required work scopes, protocols, and procedures for each evaluation or verification phase. The geological databases used for Mineral Resource estimation were compiled by the Client in compliance with these regulations.

Exploration at the Dachaidan Property began in the early 1990s. In 2000, Dachaidan Mining initiated systematic sampling in various mining areas through trenching, tunneling, surface and underground drilling, to support resource/reserve estimation and mining production. The exploration work significantly expanded after the Client (formerly known as "**Yintai**") took over in 2017. Exploration programs completed as of the Effective Date are summarized in Table 5–1.

Table 5–1 Summary of Exploration Programs for the Dachaidan Property

Type	Collar	Depth (m)
Trench	1,369	45,741.55
Diamond Drill Hole	3,772	687,663.83
RC Drill Hole	2,926	273,583.91
Underground Channel	3,776	84,700.69
Total	11,843	1,091,689.98

5.2 Trenching, Tunnelling and Drilling

Surface and underground survey work was conducted by Dachaidan Mining and external surveyors using various types of RTK/GPS and total stations. The surveying was performed using equipment including, but not limited to, Zhonghaida RTK, Huace i70 RTK, Maptek I-SITE SR3 3D laser scanner, and Leica TCRA 1005 plus total station. The precision of the equipment met the required standards. Early coordinates were based on the Beijing Coordinate System (1954), while later surveys were conducted using the Chinese Geodetic Coordinate System 2000 ("**CGCS2000**").

5.2.1 Trenching and Tunnelling

Trenching was primarily used to expose alteration and mineralization zones within 3 m from the surface. The trench's top width generally ranged from 2 to 3 m, with a bottom width of 1 to 2 m and a depth of 1.5 to 2 m. The slope angle of the walls ranged from 60° to 80°. All trenching projects reached a depth of at least 0.3 to 0.5 m into fresh bedrock for geological logging and channel sampling.

Production exploration and mining adits were driven either parallel or perpendicular to the ore bodies. The standard dimensions of the decline were typically 4.5 × 4.5 meters (width × height), while the dimensions of the adit along the ore body or across the body were generally 4.0 × 4.2 meters (width × height).

Channel sampling was employed for sampling in adits and trenches. Samples were determined based on the ore type, wall rock, and mineralization distribution. The sampling interval was nominally 1 meter, with most intervals not exceeding 1.5 meters. The channel dimensions were 10 × 5 cm, with the individual sample weight exceeding 4 kilograms ("**kg**"). Samples were taken along the ore bodies every 5 to 10 m. A diamond saw was used to cut samples along the pre-drawn sketch lines on the wall, while a steel chisel and jackhammer were employed for sample collection. Underground channel sampling was primarily conducted in the adits of Tanjianshan and Qinglonggou.

5.2.2Drilling

Diamond drilling has been conducted since 1993, with reverse-circulation ("**RC**") drilling introduced in 2007. Underground drilling commenced in the Tanjianshan and Qinglonggou areas from 2000. At different stages of exploration and across various license areas, the grid density varied significantly to reflect orebody characteristics and resource classification targets. The basic pattern ranged from 40 × 40 m to 80 × 80 m, with local adjustments tightening to 20 × 20 m or expanding to 120 × 120 m, and even 80 × 160 m in some areas.

Reverse circulation (RC) drilling was predominantly employed in areas with thick unconsolidated sediment cover due to its rapid penetration, lower environmental impact, and cost efficiency. Most RC holes were vertical and ranged from 0 to 150 m depth. Downhole surveys were carried out with an inclinometer at the end of each hole. Depth corrections were made every 100 m and at the end of hole. Rock chip recovery commonly exceeded 90%. Upon completion, RC holes were sealed with cement and marked by a permanent 20 cm-high cement plinth.

Diamond drilling primarily used HQ- and NQ-sized core. Downhole surveys were performed with an inclinometer or downhole camera every 30–50 m, supplemented by measurements at hole collar and termination. The most commonly used inclinometer was the BZM-R single-point photographic inclinometer. Hole-depth corrections were taken every 30–50 m in inclined holes and every 50–100 m in vertical holes, as well as at hole end. According to the drillhole database provided to BAW, approximately 90% of historical sample intervals achieved core recoveries of at least 90%, which is considered satisfactory given structural and alteration conditions. Upon completion, diamond drill holes were sealed with cement and marked with a permanent cement plinth.

Upon retrieval, cores were placed in plastic core boxes and transported under secure conditions to the logging facility. At the logging site, lengths were marked on the boxes, and laminated paper markers were inserted to record downhole depths. By arranging the boxes sequentially, core loss was assessed and the correct depths re-marked. Drill cores were then photographed and logged for lithology, alteration, mineralogy, and geotechnical characteristics.

Following geological logging, samples were selected under geologist supervision with technician assistance. Longitudinal cutting lines were oriented as perpendicular as possible to core structural features. Sample intervals, typically 1 m in length and weighing approximately 4 kg, were chosen to respect lithological, mineralized, and structural boundaries, avoiding cross-stratigraphic sampling. A diamond-saw splitter was used to halve the core along its axis: one half was bagged, sealed, and tagged for sample preparation, while the other half remained in the original box for reference. Core boxes are stored properly in a core shack, stacked separately by drill hole.

5.3 Sample Preparation, Analysis and Security

5.3.1Density Determination

Since 2005, the Dachaidan Project has undertaken bulk density (specific gravity) determinations, with a substantial portion of the data generated during the Eldorado operating period. BAW reviewed and validated the bulk density testwork conducted by the mine since 2017. A statistical summary is provided below:

Table 5–2 Summary of Bulk Density Measurements by Area

Region	No. of Samples (n)	Mean (t/m^3)	Min (t/m^3)	Max (t/m^3)
Surface (SUR)	924	2.81	0.30	7.30
Underground (UG)	1,380	2.82	1.90	3.76
Zone II-III	158	2.81	1.60	4.40
Xijingou	3,459	2.77	1.10	5.70
Other/Unspecified	529	2.81	1.74	4.30

Taking into account the sampling methods and data distribution, BAW adopted averaged bulk density values within mineralised domains across different areas for use in the Mineral Resource estimation. The final values applied are presented in the Resource Estimation section of this Report.

5.3.2Sample Preparation

Sample preparation was undertaken by Dachaidan Mining at its on-site facility following a standardized protocol. Samples were first dried at 105°C for 12 hours, then weighed on a precision balance. Coarse crushing to a 3 mm particle size was achieved using a jaw crusher, after which the material was riffle-split into primary and coarse duplicate samples. The primary portion was pulverized in a disc mill to 90% passing 200 mesh, homogenized, and riffle-split again to yield a primary powder sample and two powder duplicates; the remaining material was discarded. Each primary and duplicate sample was weighed to 180 g, sealed in sample bags, and the primary sent for assay while duplicates were retained for future verification. To maintain sample integrity and prevent cross-contamination, the jaw crusher and disc mill were cleaned with barren quartz between samples, and equipment surfaces were purged with high-pressure air.

5.3.3Sample Analysis

During the initial phase of exploration (2003–2004) all drill-hole and trench samples were dispatched to SGS laboratory in Perth and the Genalysis laboratory in Perth for gold determination. Analytical responsibility then shifted to SGS Tianjin in 2005–2006, before expanding in 2007 to include Intertek Beijing and ALS Guangzhou as routine assay facilities. In 2008 Dachaidan Mining commissioned an on-site laboratory ("**Dachaidan Laboratory**") that has since undertaken the bulk of primary assaying. To satisfy Chinese reporting requirements for laboratory

accreditation, mineralised intervals analysed in-house are systematically re-submitted to external facilities — SGS Tianjin, ALS Guangzhou, and Intertek Beijing — for re-assay. Across all facilities the analytical technique has remained the same: fire assay followed by atomic-absorption spectrometry (AAS) on a 50 gram ("**g**") pulp, with a detection limit of 0.01 parts per million ("**ppm**").

Before 2007, the Standard and Reference Laboratory in Perth ("**STAR Laboratory**") acted as the umpire laboratory. Since 2008, external checks have been conducted by the Ministry of Land and Resources Xining Mineral Resources Supervision and Testing Center ("**Xining Testing Center**") and the Qinghai Province Geological and Mineral Testing and Application Center ("**Qinghai Testing Center**").

All laboratories, except the Dachaidan Laboratory, Xining Testing Center and Qinghai Testing Center, hold internationally recognized accreditations. In previous technical reports provided by the Client, the Xining Testing Center and Qinghai Testing Center were reported to possess applicable provincial certifications issued by the relevant Chinese authorities. However, BAW were not involved with the on-site inspections of the sample-preparation or analytical laboratories aforementioned prior to our engagement.

5.3.4Sample Security

During its site visit, BAW reviewed the sample-security procedures and concluded that mine-site personnel exercised appropriate controls to retain samples, maintain accurate chain-of-custody records, and ensure secure transport to the laboratory. BAW is of the opinion that the measures in place are adequate to safeguard the validity and integrity of all samples.

5.4 Quality Assurance and Quality Control ("QA/QC")

Current routine assaying for the Dachaidan Property is undertaken in the on-site laboratory, where quality-control samples are inserted in accordance with the Daichaidan Mining's QA/QC protocol. Commercial certified reference materials (CRMs) are added at a nominal rate of 10%, coarse and pulp duplicates at 2% each, while blanks — prepared from barren quartz veins near the deposit — are inserted only on an as-needed basis at the geologist's discretion. Coarse duplicates are taken from the crushed reject; pulp duplicates are split from the pulverised fraction.

To satisfy Chinese reporting requirements for accredited laboratories, mineralised intervals analysed in-house are re-submitted to external facilities for re-assay. A 10% subset is returned to the original laboratory as an internal check, and a further 5% is forwarded to a second umpire laboratory for external verification.

Historical QA/QC practices and results were assessed by BAW in the 2023 JORC Independent Technical Report. For the present review, Shanjin International supplied post-2023 QC data comprising CRMs, blanks, coarse and pulp duplicates, re-assays (conducted by SGS Tianjin), internal checks (conducted by SGS Tianjin), and external checks (carried out by the Qinghai Testing Center).

5.4.1CRM

The accuracy of assays is commonly validated by comparing CRM assay results with certified values and plotting them on control charts. Dachaidan Mining inserts commercially sourced CRMs, supplied principally by ROCKLABS, Geostats Pty Ltd, and Western Mineral Standards, at a nominal rate of 10% to monitor assay accuracy across low-, medium-, and high-grade gold ranges. All CRM pulps are analysed in the on-site laboratory.

A total of 4,405 CRM assay results accompanied by valid certificates were available for BAW's review. Older CRMs lacking retained certificates were excluded from evaluation. Table 5–3 lists the certified values, standard deviations, and usage counts for each CRM. Control charts (Figures 5–1 to 5–8) compare laboratory determinations with certified values, applying warning limits at ±2 standard deviation ("**SD**") and control limits at ±3 SD.

Table 5–3 CRM Statistics Summary 2023–2025

CRM	Number	Accepted value (Au ppm)	Standard Deviation (SD)	Supplier
SE125	2,837	0.618	0.011	ROCKLABS
SN103	167	8.52	0.146	ROCKLABS
OxF181	661	0.814	0.019	ROCKLABS
SJ138	687	2.733	0.057	ROCKLABS
AUQJ-3	44	2.0707	0.0618	WESTERN MINERAL STANDARDS
G905–7	9	3.92	0.15	GEOSTATS PTY LTD
Total	4,405	/	/	/

Control-chart evaluation (warning limits ±2 SD; control limits ±3 SD) shows the following failure rates (results outside ±3 SD):

- SE125 — 8.3% (2023), 11.8% (2024), 11.2% (2025)
- SN103 — 18.6%
- OxF18 — 8.6%
- SJ138 — 24.6%
- G905–7 — 0%
- AUQJ-3 — 0%

Except for the low-usage standards G905–7 and AUQJ-3, all CRMs display elevated failure rates and a consistent negative bias relative to their certified values, resulting in the elevated failure rates noted above (Figures 5–1 to 5–8). The cause of this systematic under-reporting requires further investigation in the future assay work. Because certificates were unavailable for certain early-generation CRMs, BAW could validate only the six standards listed. It remains unclear whether similar bias affects the excluded CRMs.

If the observed negative bias of the CRM results is confirmed, it might suggest routine assays in 2023–2025 may underestimate gold grades, potentially leading to conservative Mineral Resource estimates. Quantifying any impact will require a dedicated verification programme. BAW recommends a targeted verification program, including re-assay for CRMs and samples at an umpire laboratory, to quantify and correct any systematic error.

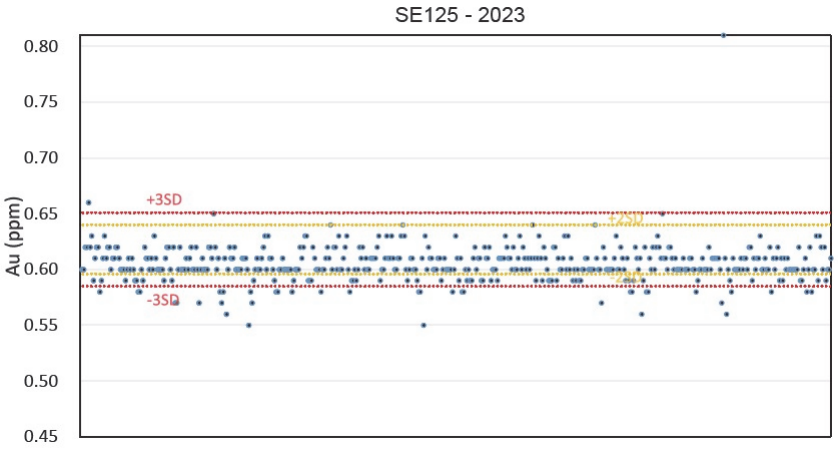


Figure 5–1 Control Charts of CRM SE125 Results in 2023

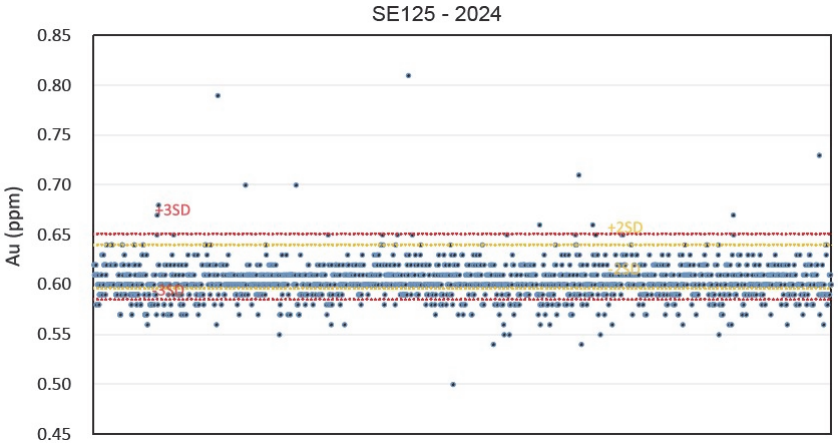


Figure 5–2 Control Charts of CRM SE125 Results in 2024

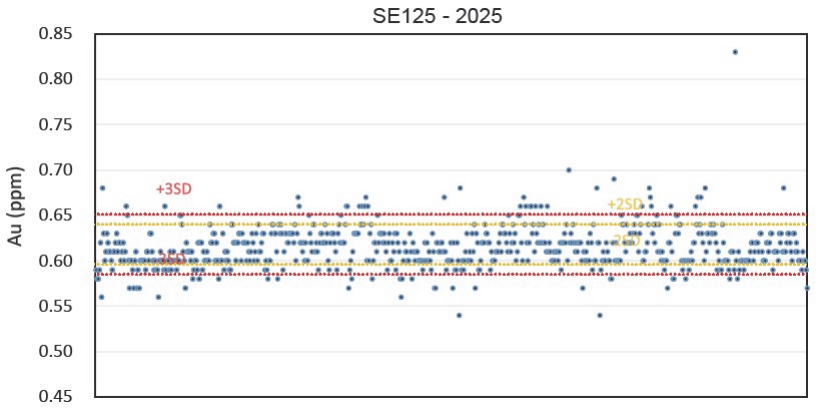


Figure 5–3 Control Charts of CRM SE125 Results in 2025

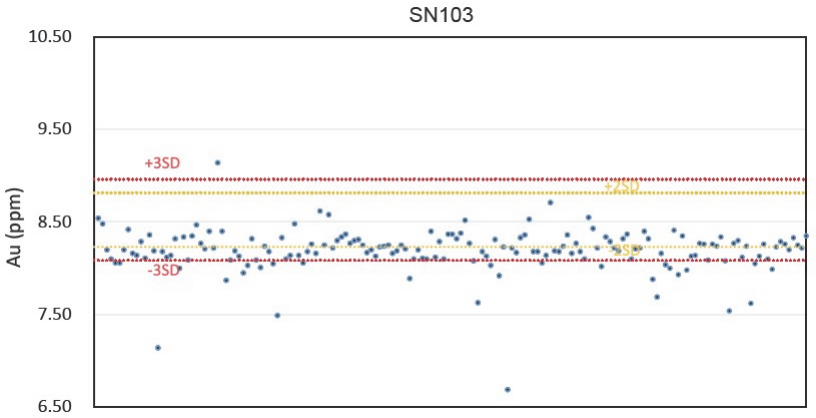


Figure 5–4 Control Charts of CRM SN103 Results in 2025

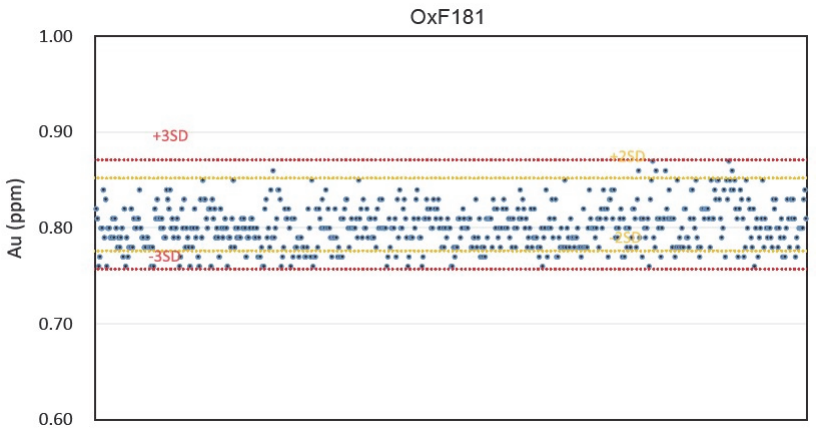


Figure 5–5 Control Charts of CRM OxF181 Results in 2025

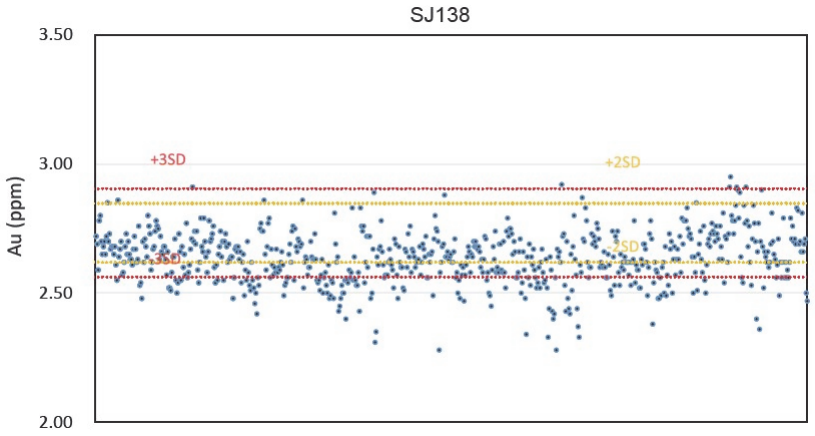


Figure 5–6 Control Charts of CRM SJ138 Results in 2025

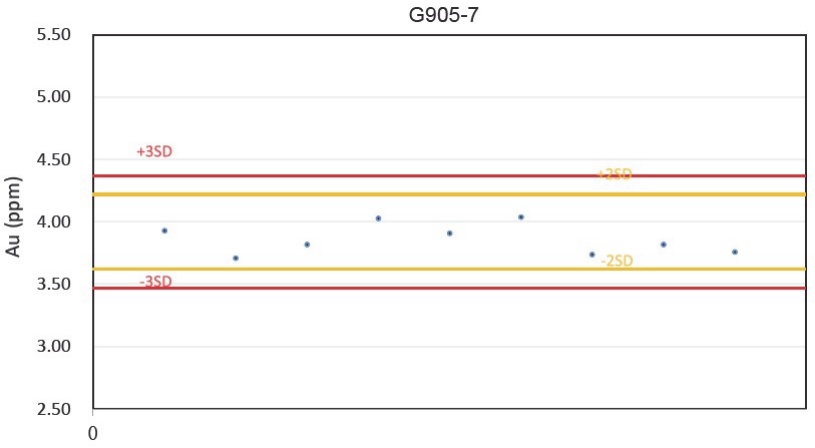


Figure 5–7 Control Charts of CRM SJ138 Results in 2025

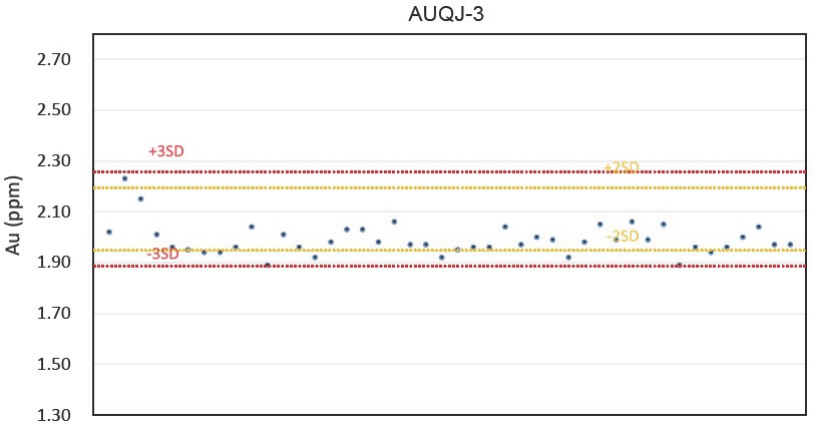


Figure 5–8 Control Charts of CRM SJ138 Results in 2025

5.4.2Blank

Blank samples, prepared from barren quartz vein material near the deposit, were inserted only intermittently into the assay stream. A total of 211 blank results has been provided. The acceptance threshold is set at five times the analytical detection limit of the on-site laboratory (0.01 ppm Au), i.e., 0.05 ppm Au.

Results show that just one blank returned a value above 0.05 ppm, yielding a failure rate of < 1.5%. Although this indicates occasional, minor contamination during sample preparation or analysis, the incidence is well within generally accepted tolerances. The control chart illustrating blank performance is presented in Figure 5–9.

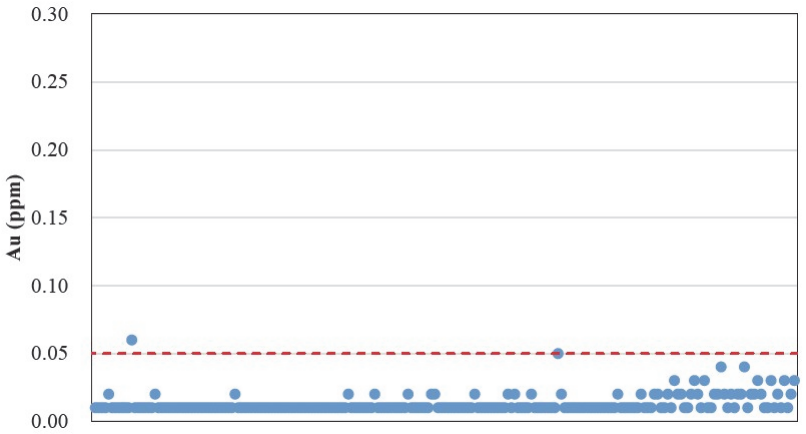


Figure 5–9 Control Charts of Blank Results

5.4.3Coarse Duplicate

Coarse duplicates are utilised by the Dachaidan Mining to monitor the consistency and precision of the sample-preparation process. Half Absolute Relative Difference ("**HARD**"), scatter, and quantile-quantile ("**Q-Q**") plots are employed to assess precision. HARD is calculated for each duplicate pair as$|x_1 - x_2|/(x_1 + x_2) \times 100\%$, ranked from smallest to largest; Q-Q plots compare the distributions of original and duplicate assays.

Dachaidan Mining provided 2,900 coarse-duplicate results inserted during 2023–2025 at the Dachaidan Laboratory. After removing a small number of samples with labelling or data-record errors and excluding assays below 0.05 gram per tons ("**g/t**") Au, 466 duplicate pairs remained for analysis (Figures 5–10 to 5–12).

82.2% of these pairs plot within the ±20% HARD envelope, a rate considered reasonable for coarse duplicates. The Q-Q plot shows that duplicate assays increasingly deviate from the original assays at higher grades, possibly suggesting a nugget effect, while the scatter plot demonstrates reasonable alignment in the low- to mid-grade ranges.

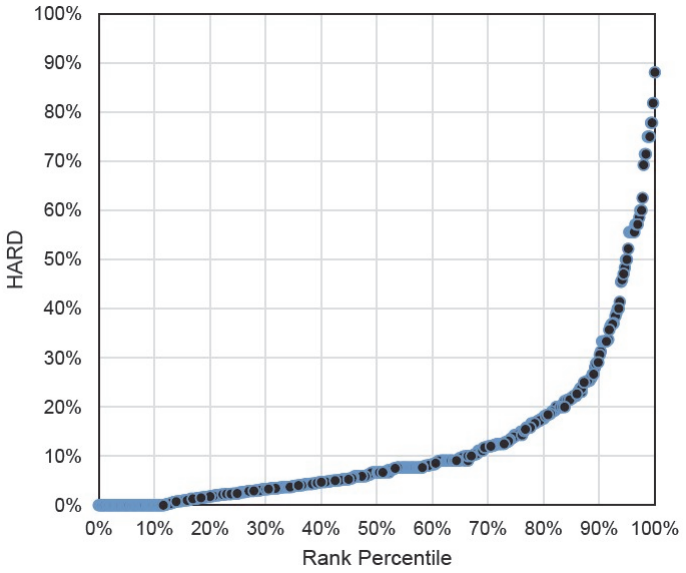


Figure 5–10 HARD Plot for Coarse Duplicate Results

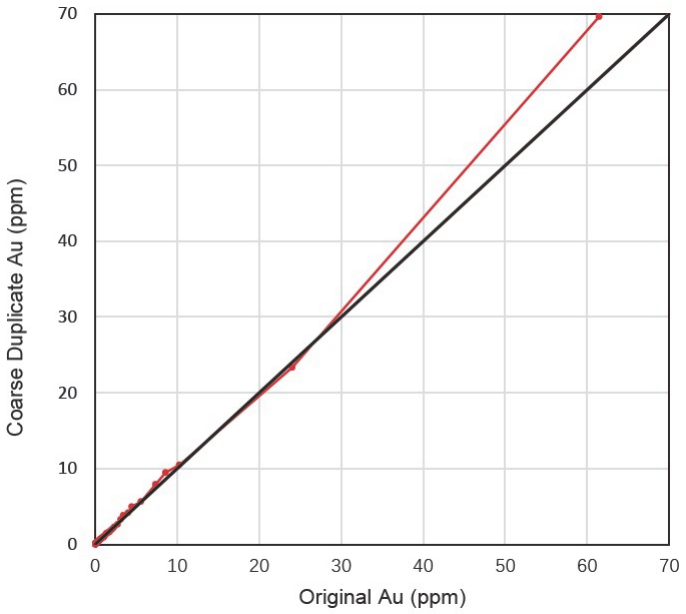


Figure 5–11 Q-Q Plot for Coarse Duplicate Results

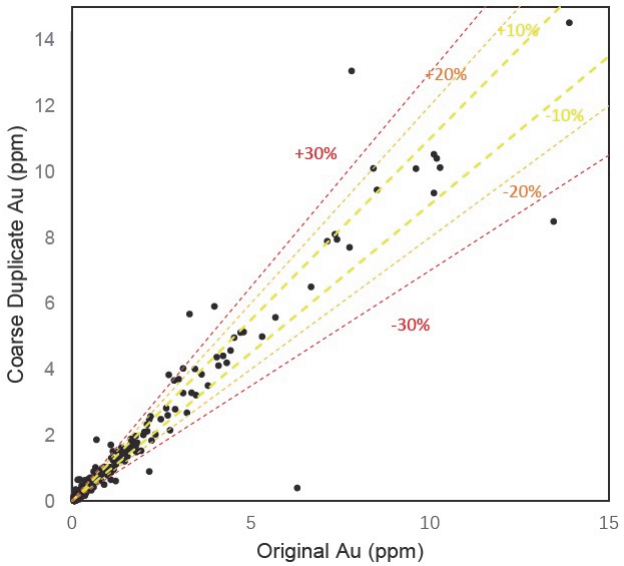


Figure 5–12 Scatter Plot for Coarse Duplicate Results (Au < 15 g/t)

5.4.4Pulp Duplicate

Pulp duplicates are used to assess the precision of the on-site analytical procedures. Dachaidan Mining provided 2,509 pulp-duplicate results generated during 2023–2025. After excluding a small number of samples affected by labelling or data-record errors and removing assays below 0.05 g/t Au, 377 duplicate pairs remained for evaluation (Figures 5–13 to 5–15).

It is expected that pulp duplicates exhibit lower variability than coarse duplicates. In this dataset, 82.5% of pairs plot within the ±20% Half Absolute Relative Difference ("**HARD**") envelope — slightly below the coarse-duplicate performance — suggesting that assay precision is influenced more by laboratory analysis than by sample preparation. The Q-Q and scatter plots show good agreement at low to mid grades; however, at mid-to-high grades some duplicates diverge significantly from their originals. BAW recommends targeted follow-up verification on these intervals to identify the underlying cause. In addition to routine pulp-duplicate insertions, Dachaidan Mining submits a portion of samples for SGS Tianjin re-assay, providing supplementary data to support the precision evaluations (see the following section).

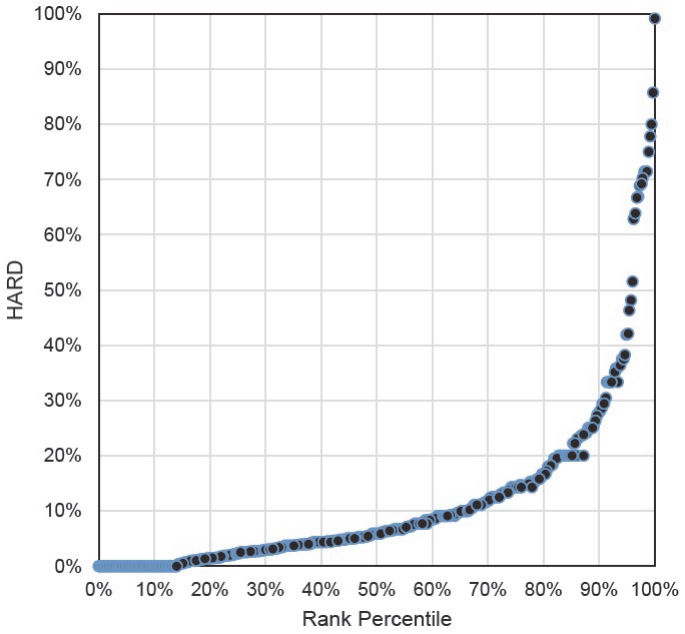


Figure 5–13 HARD Plot for Pulp Duplicate Results

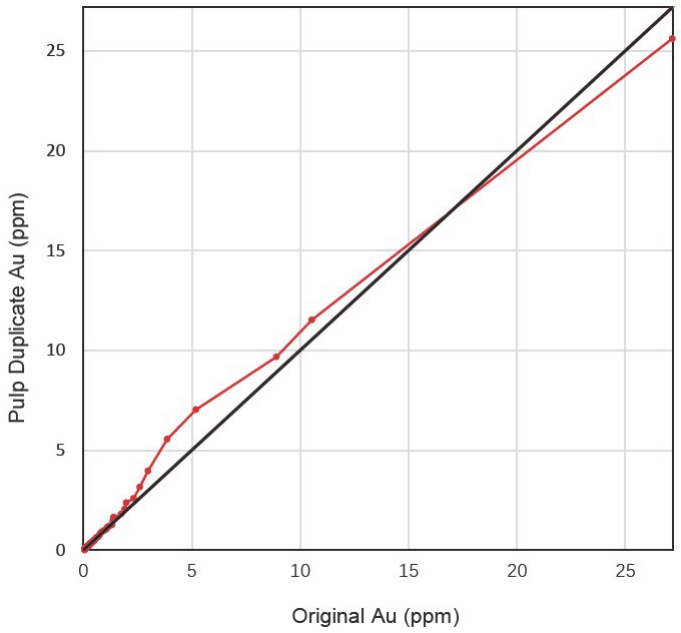


Figure 5–14 Q-Q Plot for Pulp Duplicate Results

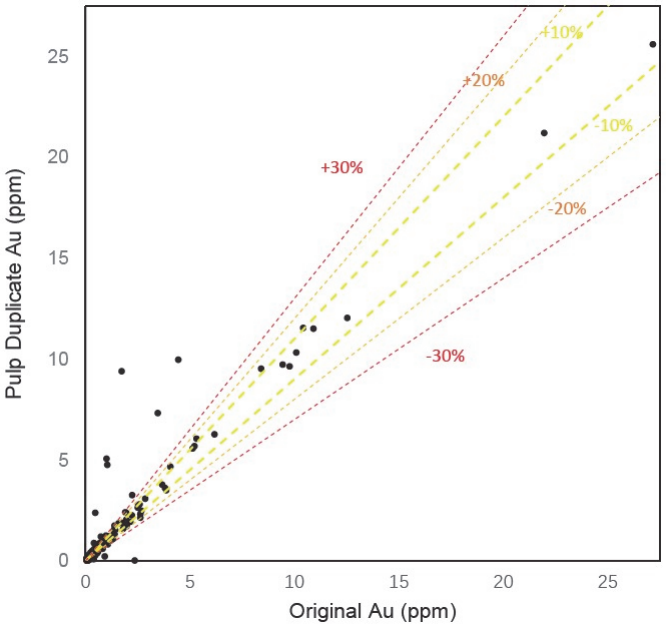


Figure 5–15 Scatter Plot for Pulp Duplicate Results

5.4.5Re-assay Program

Dachaidan Mining commissioned SGS Tianjin to re-analyse a portion of sample pulps generated between 2023 and 2025. A total of 11,892 pulps were submitted. After removing a small number of samples with identifier errors and extremely low-grade assays below 0.05 g/t Au (i.e. five times the detection limit), BAW evaluated 6,202 duplicate pairs.

Using Half Absolute Relative Difference (HARD) as the precision metric, 87.9% of the pairs fall inside the ±20% HARD envelope and 75.3% lie within ±10%, indicating that laboratory precision is generally acceptable. Quantile-quantile and scatter plots (Figures 5–16 to 5–20) also demonstrate broad concordance between original and re-assay values. Full graphical interpretations are presented in Figures 5–16 to 5–20.

A systematic pattern is nonetheless evident: in the mid- to high-grade range — particularly below 10 g/t Au — the SGS results trend higher than those produced by the on-site laboratory. This bias is consistent with the negative offset previously identified in the CRM control-charts, suggesting that routine fire-assay determinations at the on-site laboratory may under-report gold grades.

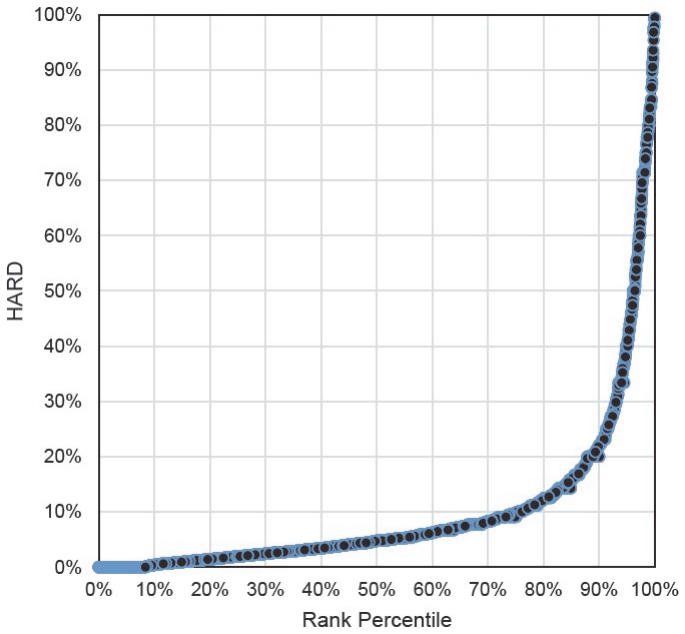


Figure 5–16 HARD Plot for SGS Re-assay Results

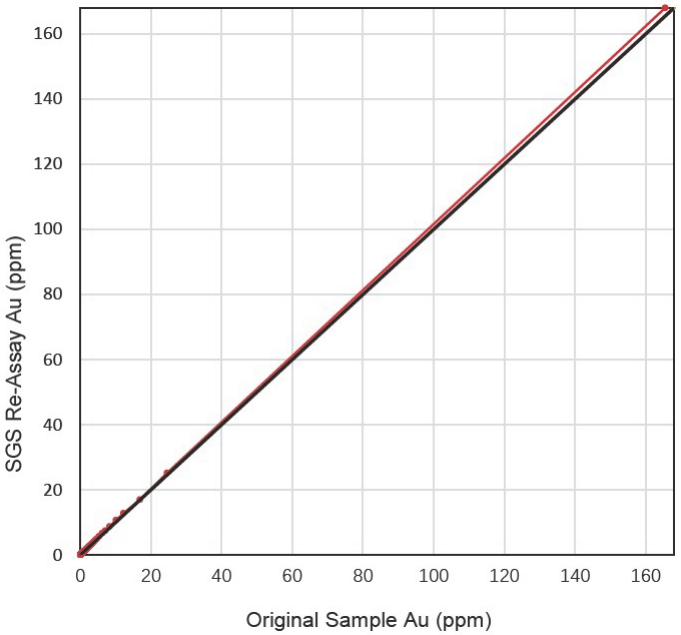


Figure 5–17 Q-Q Plot for SGS Re-assay Results (Complete)

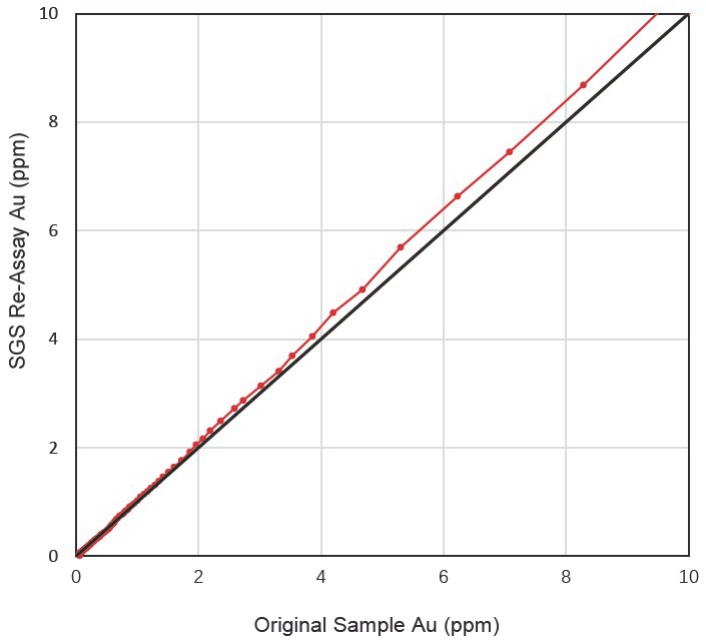


Figure 5–18 Q-Q Plot for SGS Re-assay Results (Au < 10 g/t)

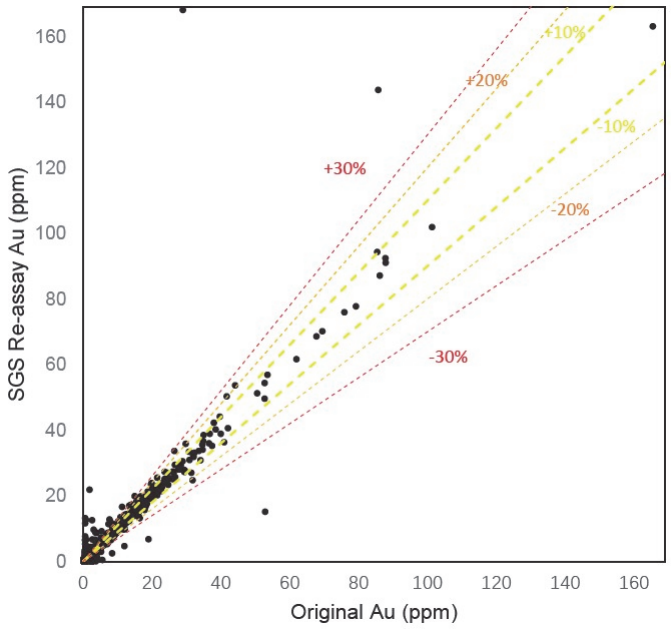


Figure 5–19 Scatter Plot for SGS Re-assay Results (Complete)

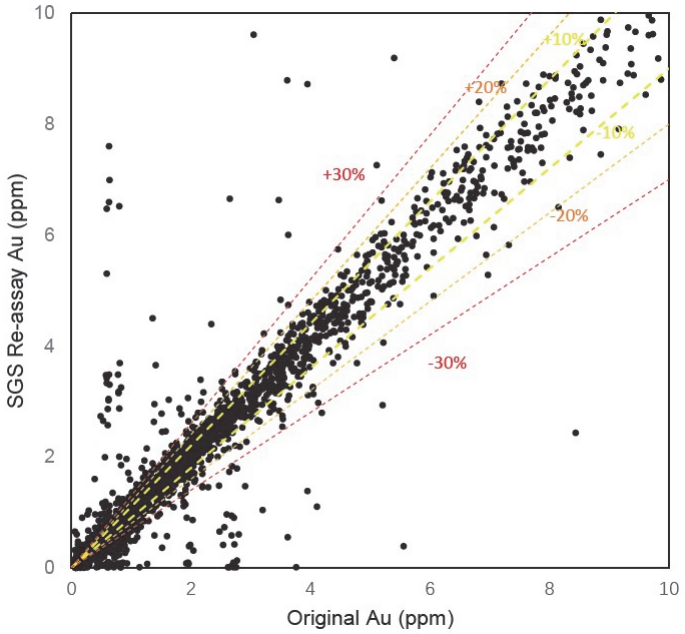


Figure 5–20 Scatter Plot for SGS Re-assay Results (Au < 10 g/t)

5.4.6Internal Check

Internal duplicate pulps were generated by selecting 10% of the SGS Tianjin re-assay pulps from 2023–2024, relabelling them, and returning them to SGS for a second determination (no internal check work has yet been completed for 2025). BAW received results for 469 such samples. After removing extreme low grades (< 0.05 g/t Au), 348 pairs were available for assessment. Of these pairs, 93.4% plot inside the ± 20% Half Absolute Relative Difference (HARD) envelope and 81.6% fall within ± 10%. Quantile-quantile and scatter plots confirm that replicate values closely track the original SGS determinations, indicating that the laboratory's short-term precision is satisfactory (Figures 5–21 to 5–23).

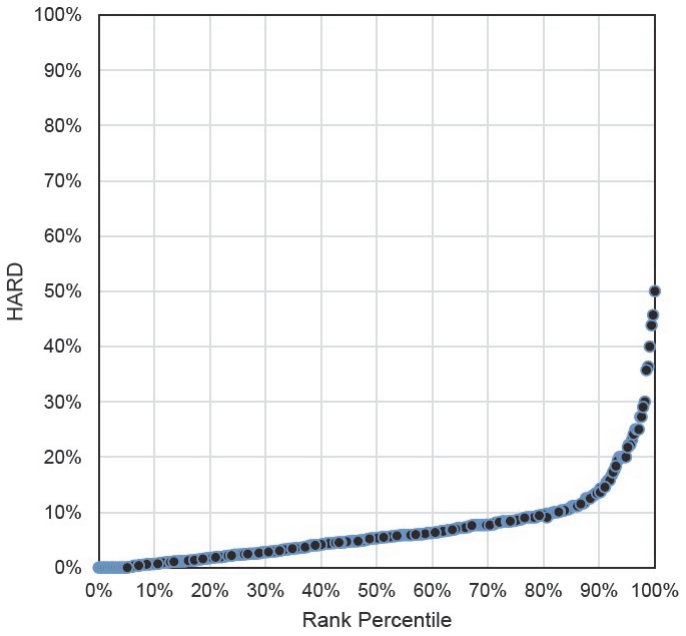


Figure 5–21 HARD Plot for SGS Internal Check Results

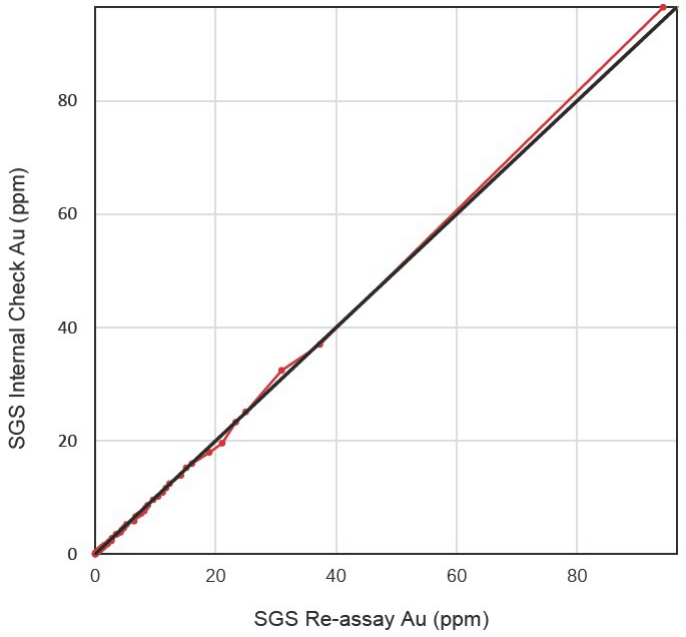


Figure 5–22 Q-Q Plot for Internal Check Results

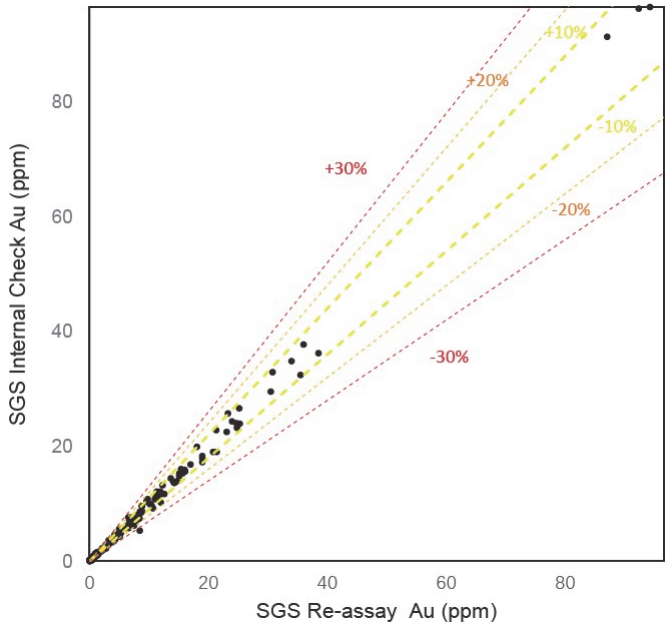


Figure 5–23 Scatter Plot for Internal Check Results

5.4.7External Check

External check assays were conducted at Qinghai Testing Center (QTC) on 5% of the SGS re-assay pulps from 2023–2024 (no external checks have been completed for 2025). BAW received results for 294 external-check samples; after excluding assays below 0.05 g/t Au, 234 duplicate pairs were evaluated.

Of these, 98.7% plot within the ±20% HARD envelope and 88.9% within ±10%, demonstrating acceptable analytical precision. Scatter plots confirm that the external-check values closely mirror the SGS re-assay results, indicating that precision at QTC is satisfactory. However, Q-Q plots reveal a consistent downward shift in gold grades of the QTC results relative to the SGS determinations, suggesting that the QTC together with the on-site laboratory may systematically under-estimate gold grades. Full graphical interpretations are presented in Figures 5–21 through 5–23.

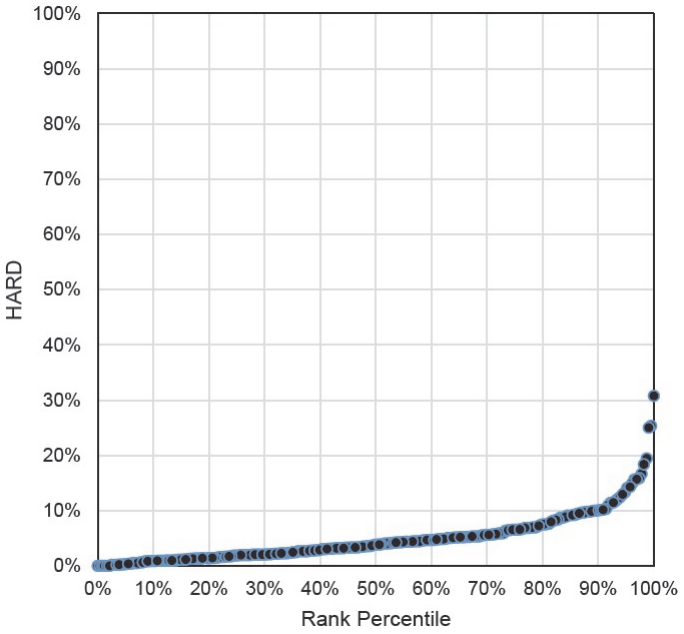


Figure 5–24 HARD Plot for External Check Results

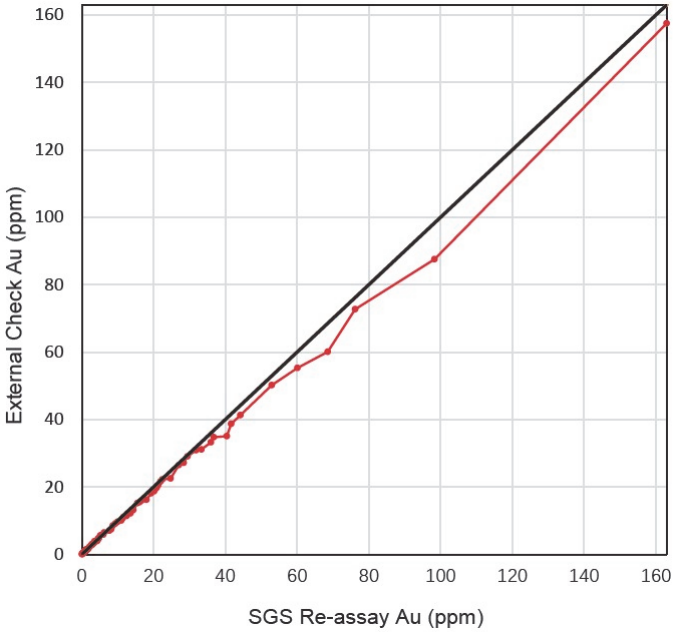


Figure 5–25 Q-Q Plot for External Check Results

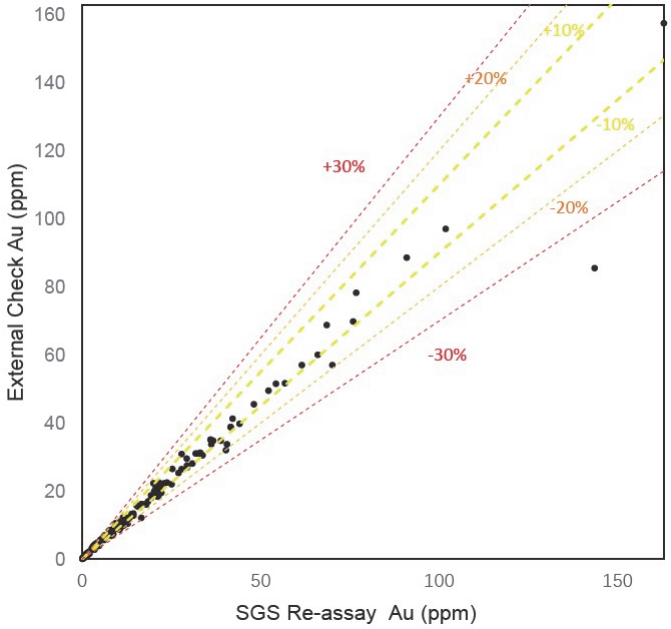


Figure 5–26 Scatter Plot for External Check Results

5.5 Database Verification

A multidisciplinary BAW team, including specialists in geology, mining, metallurgy, environmental studies, and techno-economic evaluation, conducted a site visit to the Dachaidan Property from June 25 to 28, 2025. The purpose of the visit was to review exploration data, assess site conditions, and evaluate the mining and processing facilities.

5.5.1 Technical Discussions

Detailed technical discussions were held with the site geology and mining teams, focusing on the geological interpretation, mineralisation controls, and ongoing mining practices. These discussions provided further context and supported BAW's independent observations.

5.5.2 Verification of Exploration Data

The exploration database provided by the Client was reviewed. Selected historical drillhole collars were checked in the field using handheld GPS. The collar positions were found to be consistent with the database records, and sealing practices were generally compliant with industry standards.



Figure 5–27 Borehole location verification and filed visit for Dachaidan project

5.5.3Core Storage and Independent Sampling

Dachaidan does not maintain a centralised core shed. Most drill cores are stacked near the core logging area under protective rain covers. Given the region's arid climate, the preservation of drill core is generally good, although a small portion of early drilling cores showed mixing due to handling during relocation. During the visit, BAW observed active drilling, inspected core at the rig and in storage, and compared it with the corresponding geological logs. No discrepancies were identified, and the descriptions of mineralisation were consistent with direct observation. Since the Eldorado period, the Dachaidan Project has utilised handheld digital devices for core logging. Logged information is compiled into a database which, after review, is incorporated into the Mineral Resource estimation. BAW reviewed both the ongoing logging records and historical exploration logs (including third-party paper records) and did not identify any material errors. As part of the verification program, 69 core samples were collected and submitted to ALS Guangzhou for independent assay analysis.



Figure 5–28 On-site Core Logging Inspection at the Dachaidan Project



Figure 5–29 Core shed visit and logging verification

Table 5–4 Re-sampling by BAW for Dachaidan Project

Sampleid	TYPE	Au_ original_ GPT	Au_ BAW_ GPT	DIFF%	Sampleid	TYPE	Au_ original_ GPT	Au_ BAW_ GPT	DIFF%
YZ-001	Core	20.89	19.00	–9%	YZ-038	Core	3.19	4.22	32%
YZ-002	Core	8.42	15.95	89%	YZ-039	Core	1.52	1.51	–1%
YZ-003	Core	4.02	2.76	–31%	YZ-040	Core	2.77	2.12	–23%
YZ-004	Core	1.44	0.47	–67%	YZ-041	Core	2.84	3.94	39%
YZ-005	Core	1.21	6.95	474%	YZ-042	Core	5.94	4.25	–28%
YZ-006	Core	5.32	1.56	–71%	YZ-043	Core	6.60	6.67	1%
YZ-007	Core	6.15	12.85	109%	YZ-044	Core	4.40	5.88	34%
YZ-009	Core	3.95	5.20	32%	YZ-045	Core	9.49	13.10	38%
YZ-010	Core	1.26	1.22	–3%	YZ-046	Core	7.51	9.27	23%
YZ-011	Core	3.47	3.65	5%	YZ-047	Core	4.10	5.46	33%
YZ-012	Core	1.70	3.03	78%	YZ-048	Core	1.02	1.22	20%
YZ-016	Core	6.49	6.10	–6%	YZ-049	Core	1.14	0.92	–19%
YZ-017	Core	9.36	6.39	–32%	YZ-050	Core	1.41	1.15	–18%
YZ-018	Core	15.12	12.70	–16%	YZ-051	Core	1.74	2.96	70%
YZ-019	Core	11.53	13.85	20%	YZ-052	Core	34.68	29.00	–16%
YZ-020	Core	7.73	9.85	27%	YZ-053	Core	12.11	12.00	–1%
YZ-021	Core	2.75	2.41	–12%	YZ-054	Core	24.55	24.90	1%
YZ-022	Core	3.47	3.72	7%	YZ-055	Core	17.04	21.60	27%
YZ-023	Core	6.54	7.84	20%	YZ-056	Core	10.41	8.51	–18%
YZ-024	Core	87.78	92.90	6%	YZ-057	Core	14.49	14.75	2%
YZ-025	Core	6.01	4.95	–18%	YZ-058	Core	15.02	9.31	–38%
YZ-026	Core	3.94	6.01	53%	YZ-059	Core	8.15	7.47	–8%
YZ-027	Core	5.70	7.41	30%	525A . .	Face	7.27	6.05	–17%
YZ-028	Core	1.23	1.79	46%	526A . .	Face	7.45	7.50	1%
YZ-029	Core	14.01	13.75	–2%	515A . .	Face	4.43	5.15	16%
YZ-030	Core	5.17	3.84	–26%	516A . .	Face	5.10	5.19	2%
YZ-031	Core	6.23	4.64	–26%	519A . .	Face	19.06	18.05	–5%
YZ-032	Core	7.64	6.99	–8%	001 . . .	Face	18.28	17.00	–7%
YZ-033	Core	10.09	10.40	3%	002 . . .	Face	11.40	18.20	60%
YZ-034	Core	8.33	3.72	–55%	003 . . .	Face	45.29	6.07	–87%
YZ-035	Core	16.66	14.85	–11%	004 . . .	Face	19.01	23.10	22%
YZ-036	Core	1.52	1.09	–28%	528A . .	Face	2.84	5.44	92%
YZ-037	Core	4.78	4.71	–1%					

BAW collected a limited number of verification samples (69 in total), which were analysed independently at ALS Guangzhou. The comparison between original assay results and BAW's check assays shows generally good agreement, with the majority of differences falling within ±20%. A small number of samples display larger discrepancies; however, given the high nugget effect of gold mineralisation and the relatively small verification dataset, such variances are considered acceptable and not indicative of systematic bias. Overall, the check assay program supports the reliability of the assay database used in the Mineral Resource estimation.

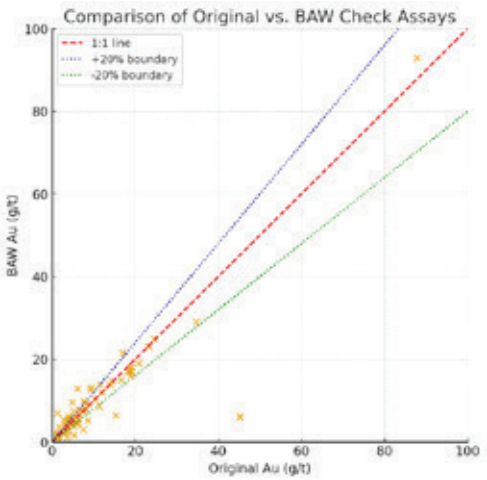


Figure 5–30 Comparison of Original vs. BAW Check Assays

5.5.4Infrastructure and Operations

The team also inspected the industrial site, surface infrastructure, tailings storage facility, processing plant, and underground mining areas. These inspections confirmed that the project facilities are in line with the current stage of mine development.



Figure 5–31 Underground visit for Qinglonggou



Figure 5–32 Open pit for Qinglonggou



Figure 5–33 Inspection of Laboratory Processes

5.6 Comments

All exploration activities conducted for the Dachaidan Property have been undertaken in accordance with the applicable national standards of the PRC, which mandate systematic protocols for drilling, logging, sampling, density determination, and the maintenance of auditable databases for Mineral Resource and Reserve estimation. These requirements largely parallel the technical expectations of the JORC Code 2012 and prevailing industry practice. Field controls such as sample security, duplicate analyses, and external umpire assays prescribed under GB/DZ standards and Ministry of Natural Resources regulations correspond closely to comparable provisions in the JORC framework.

BAW did not visit all external assay laboratories but reviewed the on-site laboratory's in-house procedures and found them to conform with industry norms. However, CRM results from 2023–2025 exhibit a consistent negative bias relative to certified values. Because certificates were unavailable for many early-generation CRMs, only six could be evaluated; whether unreviewed CRMs share this bias remains unknown. If representative, these offsets imply that routine assays may systematically under-report gold grades, potentially resulting in conservative Resource estimates.

SGS Tianjin's re-assay results generally agree with the on-site laboratory's original assays, yet a more detailed comparison reveals that SGS re-assays in the mid- to high-grade range tend to exceed the on-site laboratory's values. This observation supports the CRM findings aforementioned. The exact magnitude of any under-estimation requires further targeted validation before Resource figures are finalized.

External checks at QTC also show good overall concordance with SGS re-assays, but their Q-Q plots indicate a systematic downward shift, suggesting that QTC may likewise under-report gold grades. BAW therefore recommends that Dachaidan Mining should extend its verification programme by using only standards with available certificates, re-submitting those CRMs to an accredited third-party laboratory and sending QTC's assays to similar independent checks so as to quantify and correct any residual bias.

Blank insertions have been relatively infrequent. BAW advises increasing the blank insertion rate to 5–10% to enable routine monitoring of potential contamination during sample preparation and assay.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The previous estimation of Mineral Resources for the Dachaidan Property was conducted in 2024 by BAW in accordance with the JORC Code 2012 requirements. The classification, reporting and estimation of Mineral Resources for the Dachaidan Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX.

6.2 Resources Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as below.

- *A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

- *A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

The general relationships between exploration results, Resources and Reserves under the JORC Code are illustrated in.

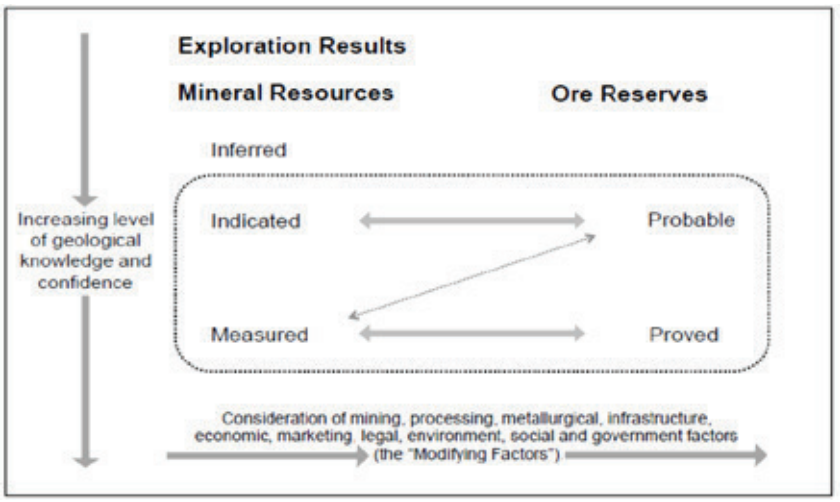


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Dachaidan Property are reported subsequent chapter in this CPR.

6.3 Resource Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as below:

- **Database Compilation and Verification**: Consolidation of drilling data with quality checks for accuracy and completeness.
- **Geological Modelling**: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- **Data Conditioning**: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- **Block Modelling and Interpolation**: Development of a 3D block model and grade estimation using suitable interpolation methods.
- **Bulk Density Assignment**: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- **Resource Classification**: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.
- **RPEEE Assessment**: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.

- **Model Validation and Reporting**: Visual and statistical validation of the block model, followed by preparation of the Mineral Resource Statement.

6.4 Drillhole Database

The Dachaidan Property has been in production for many years and has utilized two coordinate reference systems: the CGC2000 national grid and a locally defined mine grid. For the purpose of Mineral Resource estimation, BAW adopted the local mine grid to maintain consistency with operational practices. However, it is important to note that the local grids used in the southern open-pit and the northern underground operation are not identical. Each sector operates under its own locally defined system.

Drillhole data were provided by the Client and compiled and validated by BAW for Mineral Resource estimation. BAW reviewed and aggregated exploration data for the Dachaidan Project, identifying an extensive dataset that includes various drilling and sampling techniques: diamond drilling (DDH), reverse circulation (RC), trenching (TR), and channel/chip sampling (CM). The compiled database consists of a total of 11,843 drillholes, representing an aggregate drilling advance of 1,091,689.98 m.

The extensive exploration history across multiple campaigns leads to the fact that the geological data are spatially distributed over a wide area. To align the dataset with mineralization trends and modeling requirements, BAW subdivided the data into two principal area: the northern Qinglonggou area and the southern Tanjianshan area (including Xijinggou exploration project) as shown in Figure 6–1 below.

Qinglonggou Area: a total of 5,569 drillholes with an aggregate meterage of 623,605.33 m and 521,069 compiled assay records.

Tanjianshan Area: composed of the Tanjianshan Historic Pit and the Xijinggou exploration project. The Tanjianshan Historic Pit comprises 3,295 drillholes totaling 149,387.78 m of drilling, while the Xijinggou exploration project includes 387 drillholes totalling 57,258.56 m of drilling.

Table 6–1 Summary of Drillhole Database of the Dachaidan Property

Area	Site	Work Type	No. of Holes	Meterage
Qinglonggou	Qinglonggou/ Qinglonggou Deep	CH	1,430	35,312.8
		CM	664	30,218.9
		DDH	2,773	511,791.9
		RC	424	39,258.0
		TR	278	7,023.7
		Sub-Total	5,569	623,605.3
Xijinggou.	Tanjianshan	CH	1,485	9,670.2
		DDH	595	77,574.1
		RC	898	54,873.1
		TR	317	7,270.3
		Sub-Total	3,295	149,387.8
	Xijinggou	CH	8	288.3
		DDH	221	50,998.0
		RC	68	3,188.5
		TR	90	2,783.8
		Sub-Total	387	57,258.6

CH: Channel sample; CM: Cross-cut development; DDH: Diamond drill hole; RC: Reverse circulation drilling and TR: trench

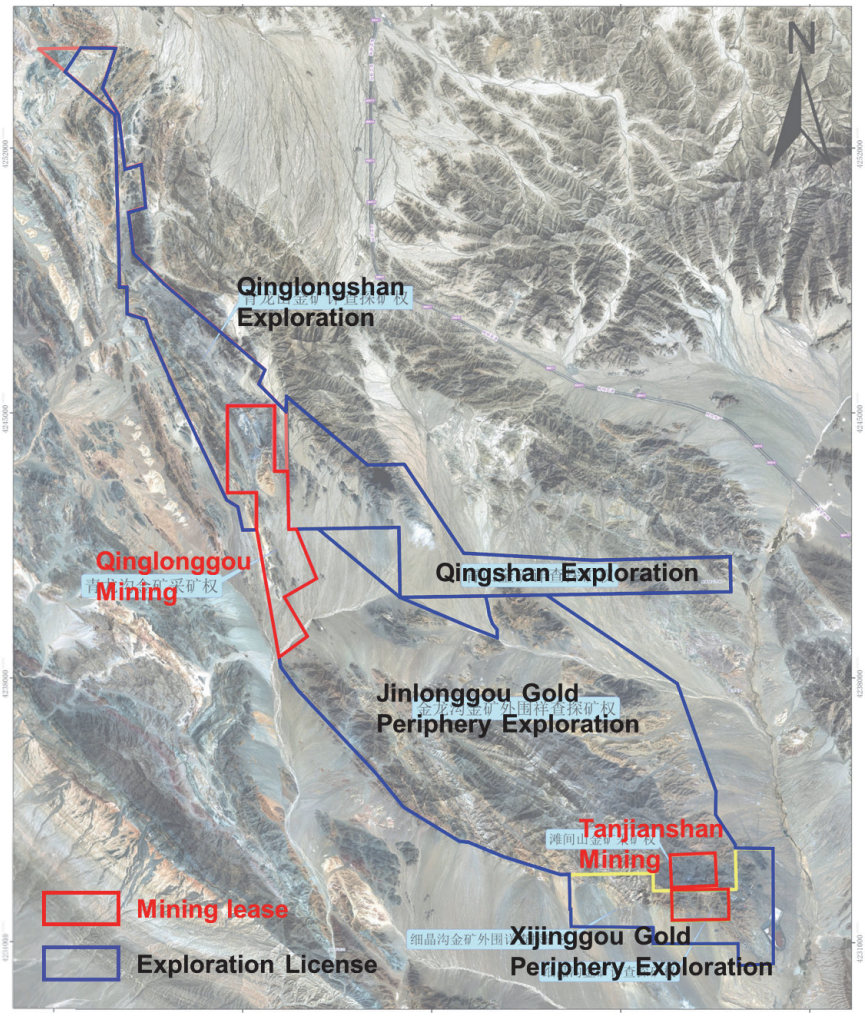


Figure 6–2 Mining and Exploration License of the Dachaidan Property

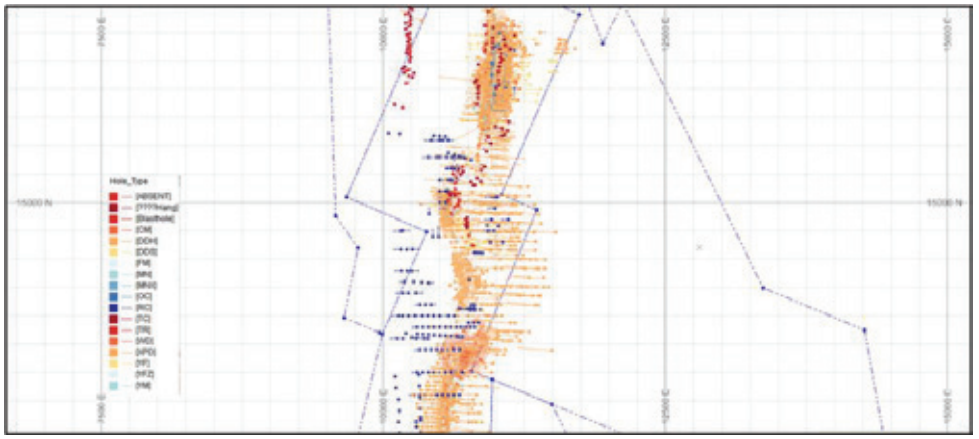


Figure 6–3 Plan View of Drillholes completed for the Qinglonggou Area

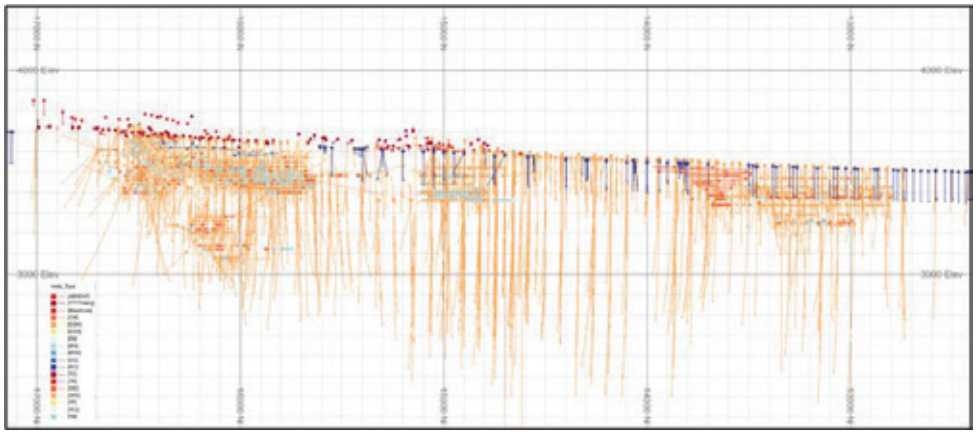


Figure 6–4 Long-section of Drillholes completed for the Qinglonggou Area

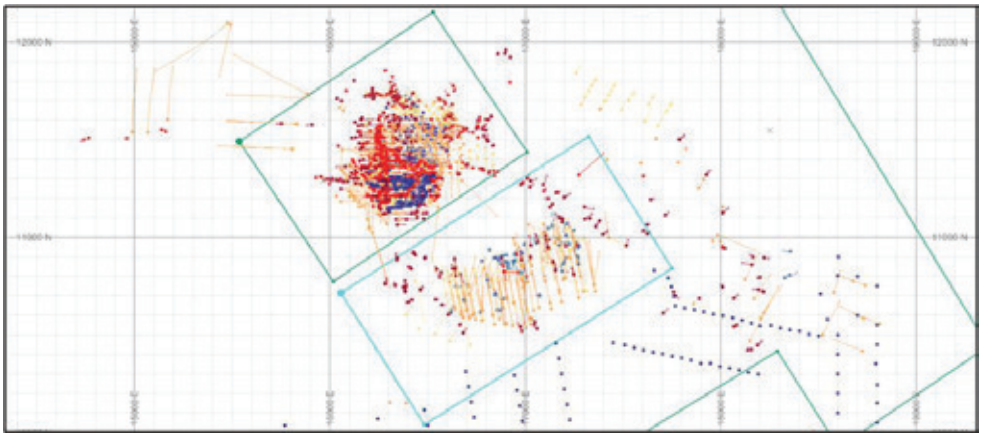


Figure 6–5 Plan View of Drillholes completed for the Tanjianshan Area

BAW compiled a geological database from validated collar, downhole survey, and assay data. Inconsistencies in the survey and assay datasets were addressed to ensure data integrity. BAW believes the drilling campaign and massive geological database satisfy the JORC Code (2012) requirements and adequately support subsequent Mineral Resource classification.

6.5 Domain Interpretation

BAW utilised topographic data in the local coordinate system, current as of December 31, 2025, to develop a digital terrain model (DTM), which was used as the reference surface for geological modelling and subsequent Mineral Resource estimation.

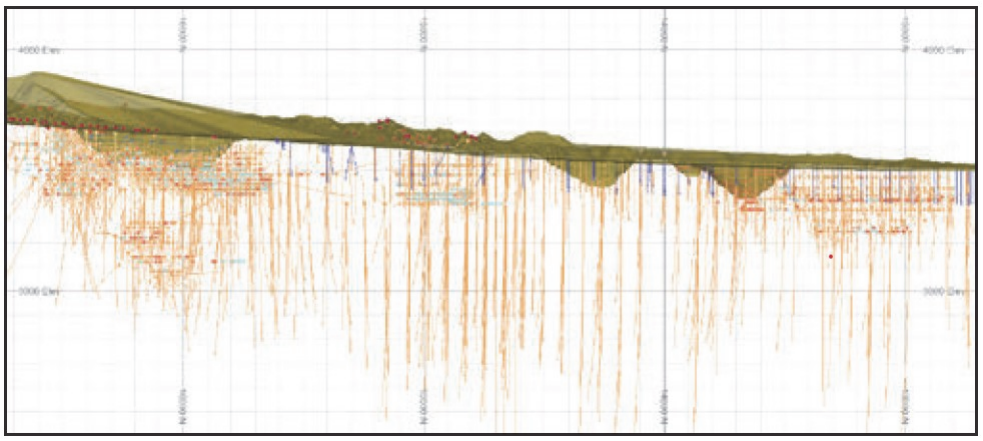


Figure 6–6 Topography Model of the Qinglonggou Area as of December 31, 2025

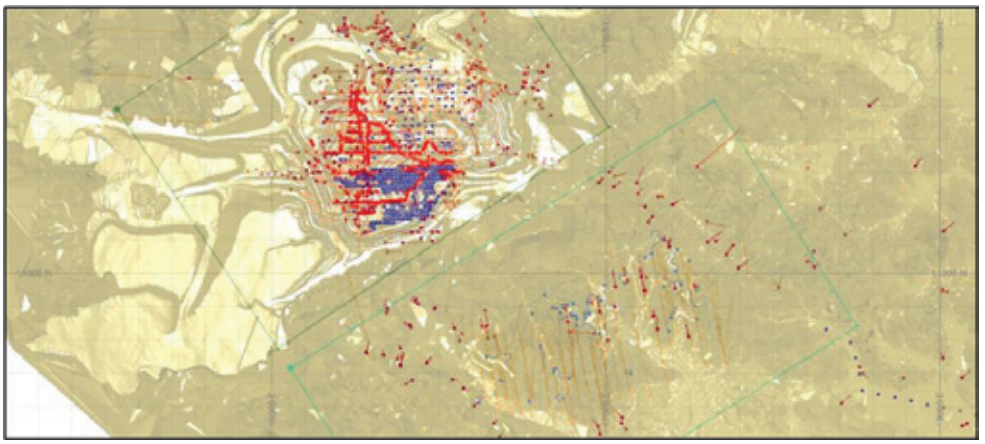


Figure 6–7 Topography Model of the Tanjianshan Area as of December 31, 2025

The Dachaidan mineralization is primarily controlled by regional NW-trending fault structures and is hosted within the dolomitic marble and carbonaceous phyllite of the Wandonggou and Tanjian Shan Groups. Gold mineralization occurs as tabular to lens-shaped zones with good continuity along strike and dip, although minor offsets are observed where cross-faults intersect, which is closely associated with alteration, including pyritization, arsenopyrite replacement, silicification, sericitization, carbonatization, and, near surface, limonitization.

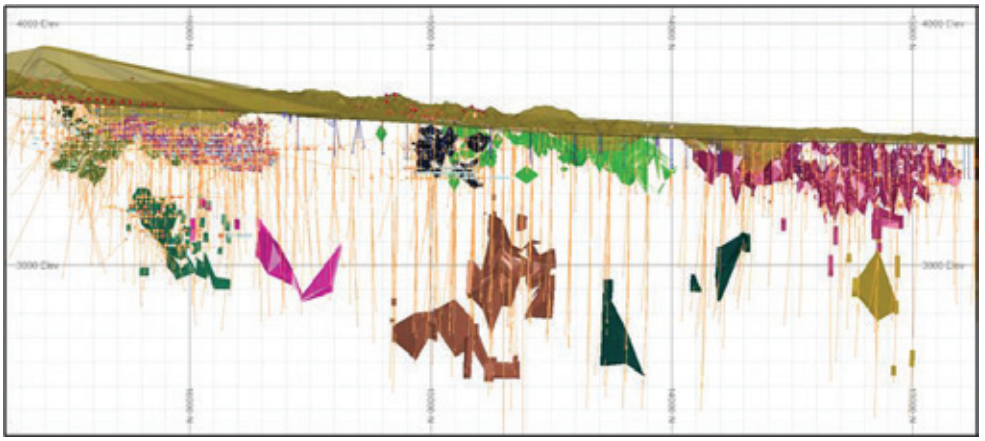


Figure 6–8 Spatial Distribution of Major Mineralised Zones in the Qinglonggou Area

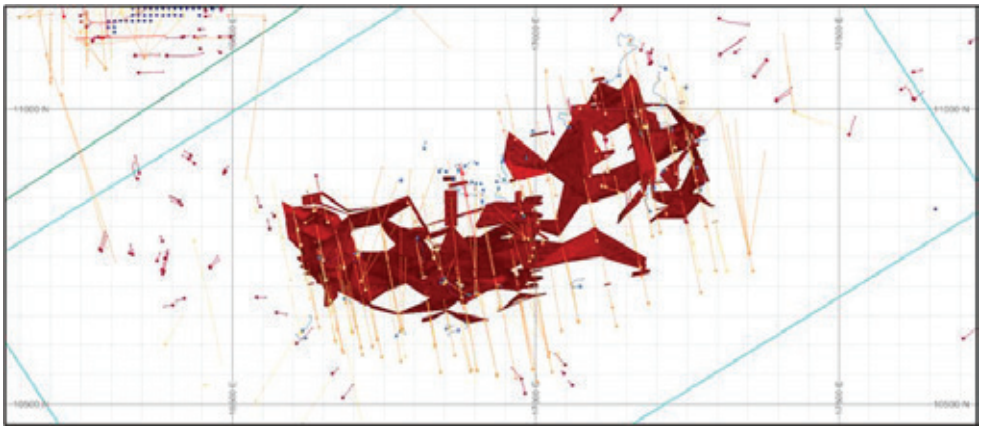


Figure 6–9 Spatial Distribution of Major Mineralised Zones in the Xijinggou Area

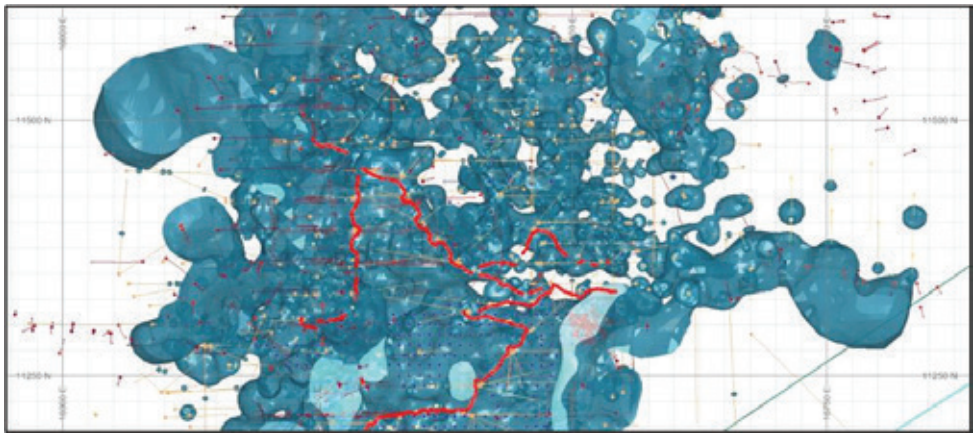


Figure 6–10 Spatial Distribution of Major Mineralised Zones in the Tanjianshan Area

Domains of the Qinglonggou and Xijinggou area were provided by the Client, which were delineated based on geological interpretation supported by geochemical assays. Wireframes were constructed using a threshold of 1.0 g/t Au, a minimum mining width of 1.0 m. BAW reviewed the provided mineralization domains through detailed checking on sectional and plan views, and concluded that the mineralization interpretation is reasonable and conformable with exploration drilling results.

In the Tanjianshan area, a resource model was previously constructed by the mine geologists, during the period of Eldorado's ownership, using the method of probability kriging. However, the model has not been updated in subsequent years. As part of the current Mineral Resource estimation, BAW generated a grade shell for the Tanjianshan area using probability kriging at a threshold of 0.3 g/t Au with a 50% probability cut-off. This shell was adopted as the basis for subsequent estimation. Oxidation and Sulphide zones were not modelled because of the lack of information.

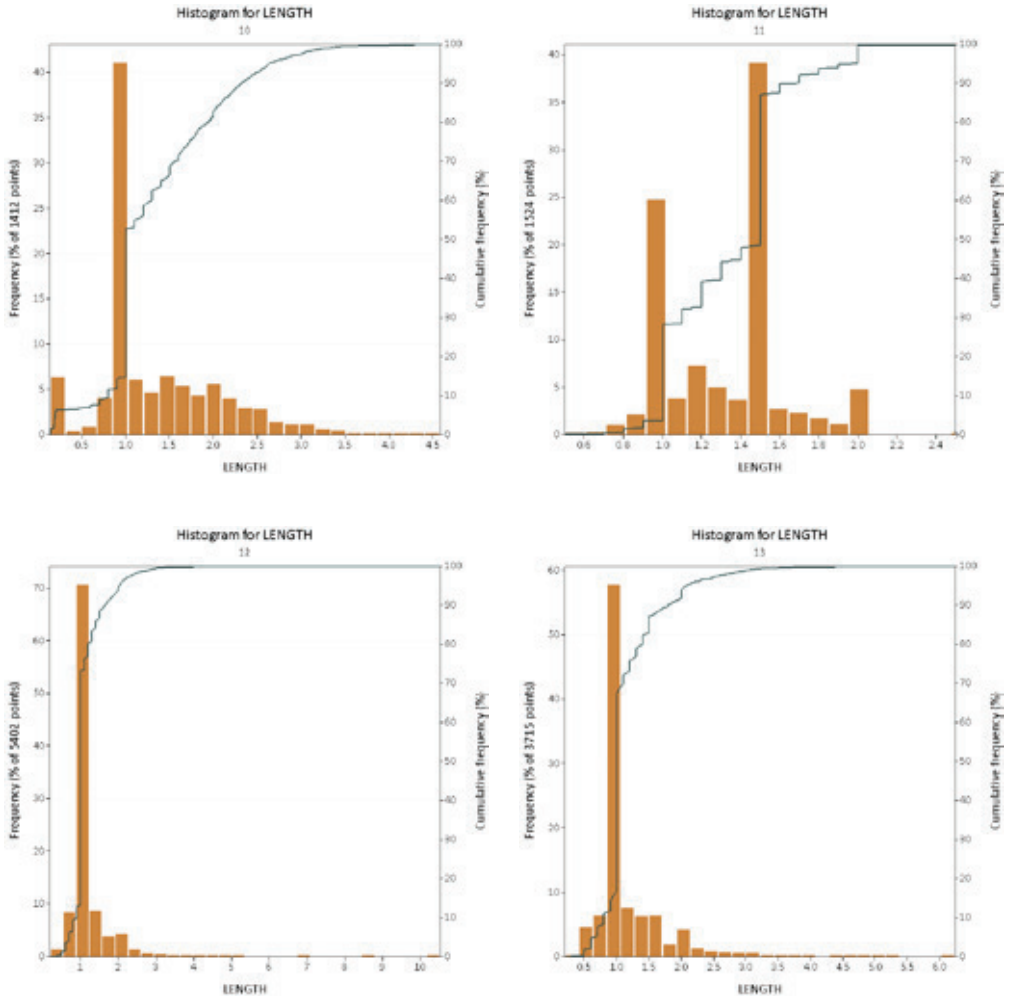
Table 6–2 Mineralised Domains of the Dachaidan Property

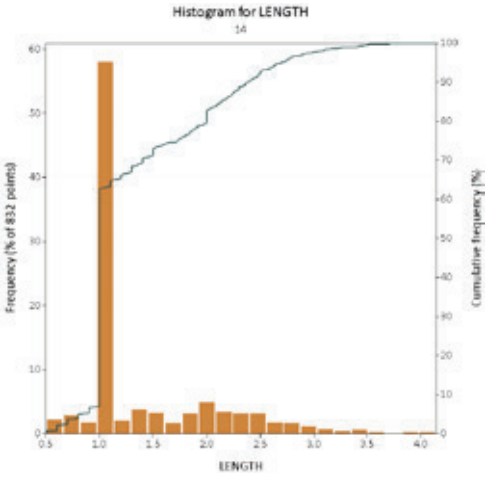
Area	Site	Zone Code	Domain
Qinglonggou	South Shaft	10	110–113
	323 North Open-pit	11	114–190
	II-III	12	191–262
	qlt_m2	13	271–279
	qlt_m3	14	281–287
	m3 South	15	301–344
	Jinlonggou	16	350–361
	M2 Deep	17	371–374
	Deep West	18	380–423
	Shaft East Deep	19	430–459
	Qingshan Deep	20	460–469
Tanjianshan	Tanjianshan	22	510
	Xijinggou	23	610–692

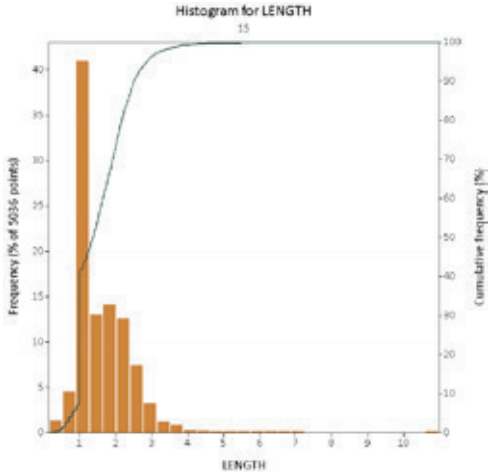
Within the Qinglonggou area, a total of 308 discrete geological domains were delineated across 11 zones. Each zone was characterised by broadly consistent strike and dip orientations. Subsequent compositing, grade capping, and variogram modelling were undertaken on a zone-by-zone basis; however, resource estimation was conducted at the level of the 308 individual domains. Within the Xijinggou exploration project, 81 discrete geological domains were defined and incorporated into subsequent analytical and estimation work. In Tanjianshan only one grade shell was defined.

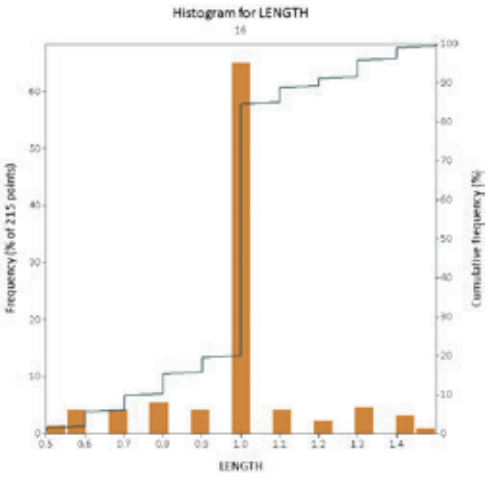
6.6 Compositing

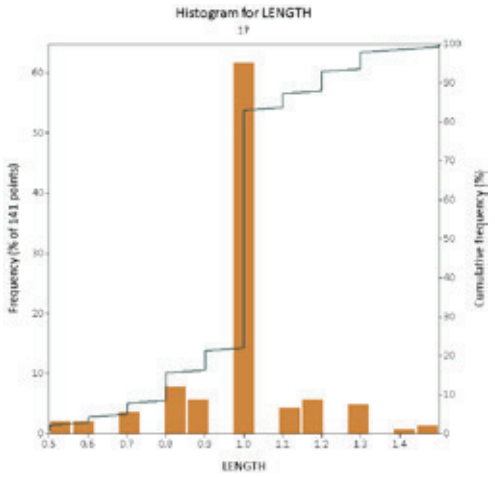
Basic statistics on assay data were conducted to better understand grade distribution and to rectify the data, if any, prior to the resource estimation. Statistics were specifically calculated for gold grades within each mineralized envelope corresponding to the main domains.

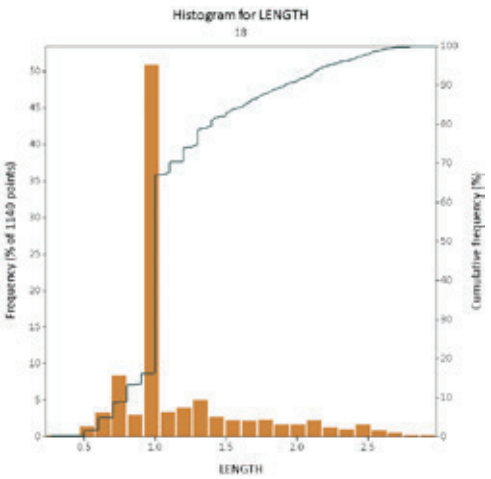


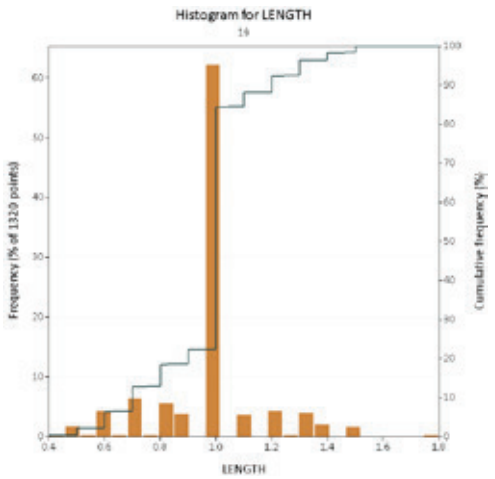

Histogram for LENGTH
14
Frequency (% of 832 points)
Cumulative frequency (%)
LENGTH


Histogram for LENGTH
15
Frequency (% of 5036 points)
Cumulative frequency (%)
LENGTH


Histogram for LENGTH
16
Frequency (% of 215 points)
Cumulative frequency (%)
LENGTH


Histogram for LENGTH
17
Frequency (% of 141 points)
Cumulative frequency (%)
LENGTH


Histogram for LENGTH
18
Frequency (% of 1160 points)
Cumulative frequency (%)
LENGTH


Histogram for LENGTH
19
Frequency (% of 1320 points)
Cumulative frequency (%)
LENGTH

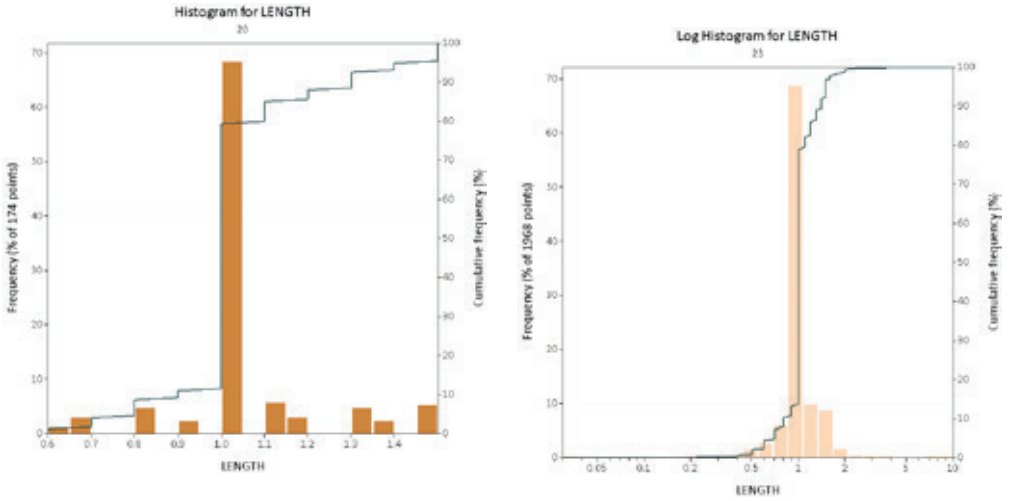


Figure 6–11 Histogram of Sample Length Distribution within the Major Geological Domains

BAW analysed sample lengths within each geological domain, finding that most intervals were 1.0 m in the Qinglonggou and Xijinggou areas. To ensure consistency with mineralised thickness, minimum mineable width, block size, and sampling distribution, all samples were composited to 1.0-m downhole intervals, with a minimum of 0.75 m per composite in the Qinglonggou area. For a small number of samples near domain boundaries, composite lengths were adjusted to approximately 1 m to maintain geological integrity. 2.0-m downhole intervals were used for the Tanjianshan area.

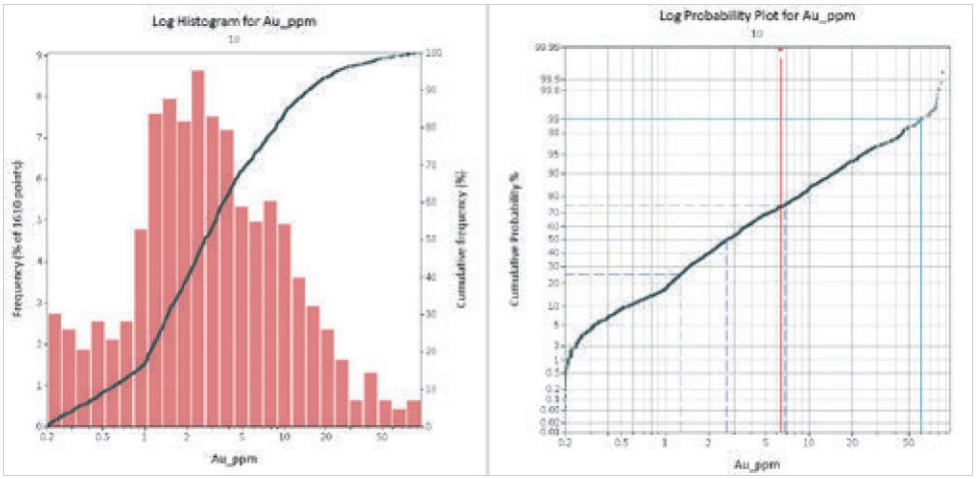
Table 6–3 Statistics of Assay Length by Geological Domain

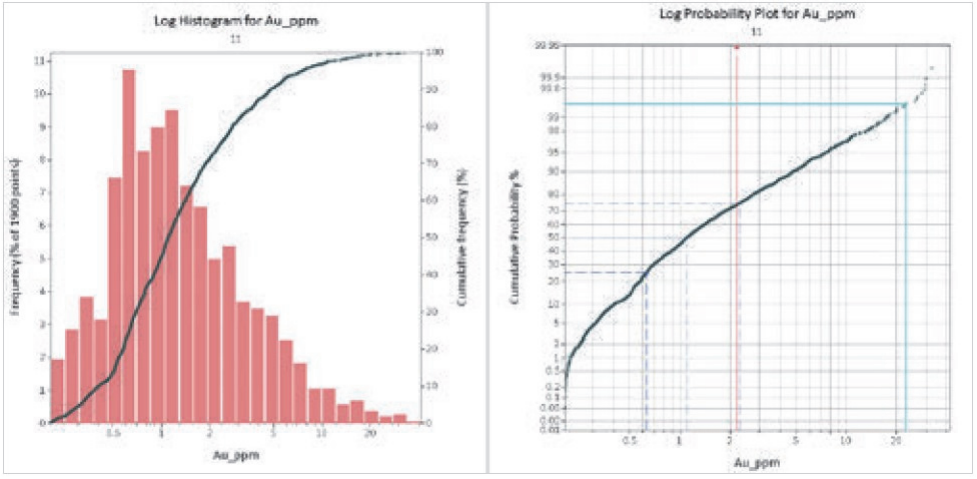
Zone	RAW	Mean	SD	Min	Mode	Max
10	1,412	1.35	0.68	0.14	1.00	4.58
11	1,524	1.35	0.30	0.50	1.50	3.10
12	5,402	1.14	0.45	0.19	1.00	10.51
13	3,715	1.17	0.49	0.20	1.00	6.23
14	832	1.36	0.63	0.50	1.00	4.14
15	5,036	1.57	0.74	0.15	1.00	10.97
16	215	0.99	0.17	0.50	1.00	1.50
17	141	0.99	0.17	0.50	1.00	1.50
18	1,140	1.18	0.45	0.23	1.00	2.98
19	1,320	0.98	0.18	0.40	1.00	1.80
20	174	1.04	0.17	0.60	1.00	1.50
22	58,900	1.98	0.13	1.00	2.00	2.95
23	1,968	1.05	0.36	0.03	1.00	10.00

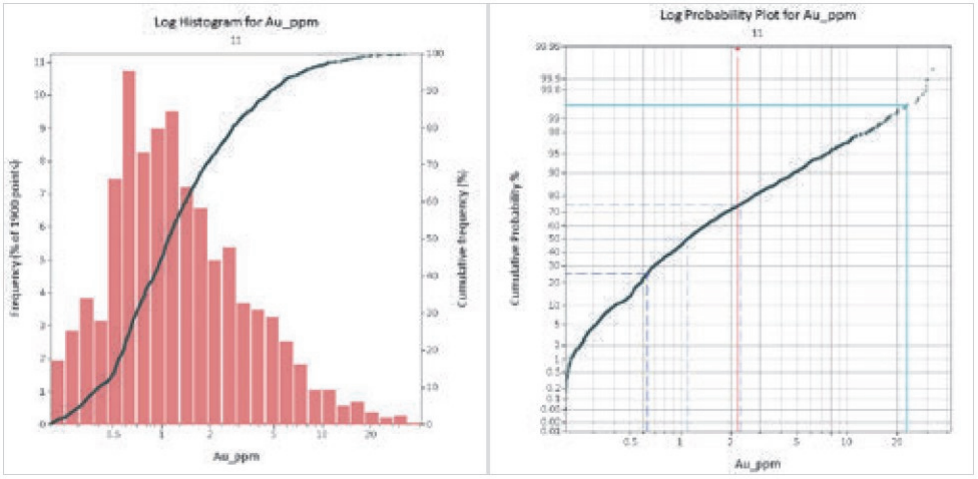
BAW conducted univariate statistical analyses on raw assay data for composite within each geological domain to assess population characteristics. The data exhibit a log-normal distribution, with some extreme high-grade samples occurring within the defined geological domains.

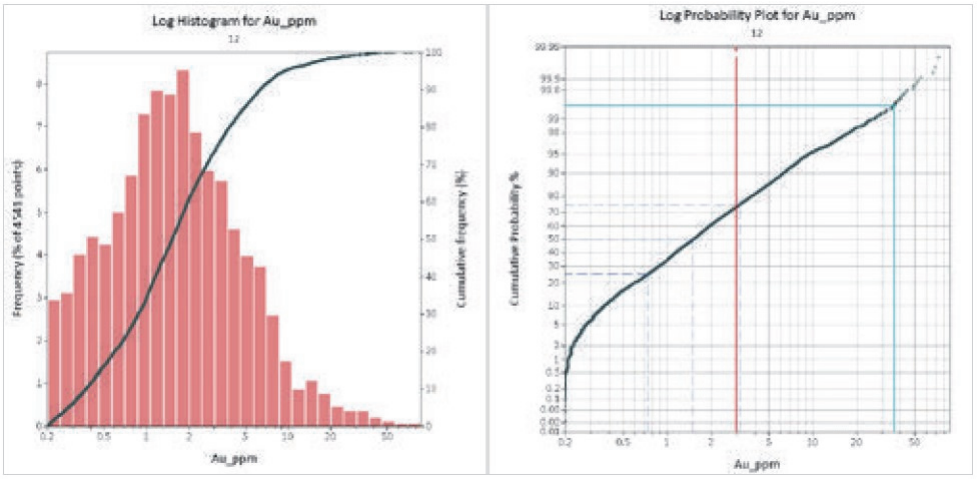
Table 6–4 Statistic of Composites against RAW of the Main Domain

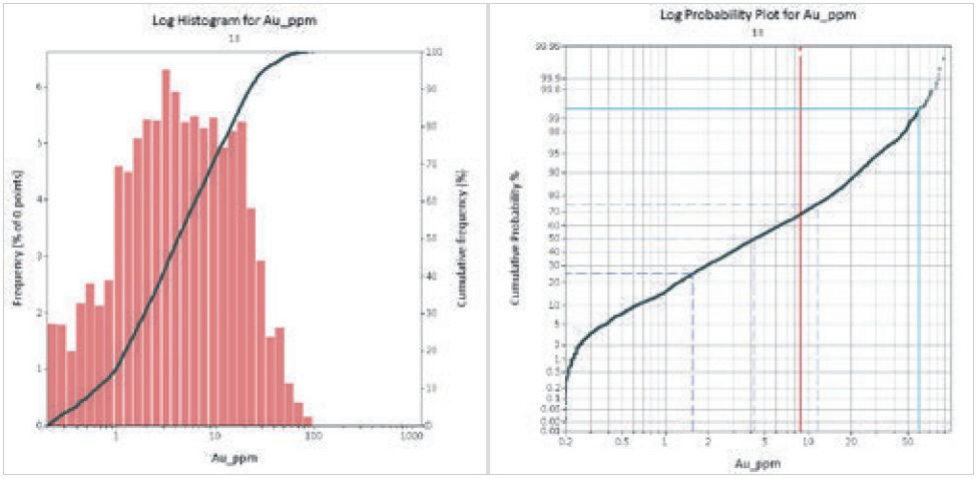
	Zone	RAW	Mean	SD	CV	Mode	Min	Max
Au_ppm . . .	10	1,902	5.42	10.19	1.88	0.03	0.01	94.81
Au_ppm . . .	11	876	1.55	2.34	1.51	0.59	0.01	41.40
Au_ppm . . .	12	6,163	2.21	4.55	2.06	0.01	0.00	86.24
Au_ppm . . .	13	4,354	7.86	11.26	1.43	0.01	0.00	113.86
Au_ppm . . .	14	1,141	6.62	15.68	2.37	0.01	0.01	172.87
Au_ppm . . .	15	7,837	3.29	9.34	2.84	0.04	0.01	404.59
Au_ppm . . .	16	213	4.49	7.37	1.64	0.01	0.01	61.98
Au_ppm . . .	17	141	3.78	6.62	1.75	1.46	0.01	54.54
Au_ppm . . .	18	1,351	2.56	3.57	1.39	0.01	0.01	36.34
Au_ppm . . .	19	1,291	8.42	14.52	1.72	0.01	0.01	165.50
Au_ppm . . .	20	180	5.24	6.02	1.15	0.67	0.10	30.75
Au_ppm . . .	22	14,631	3.08	5.56	1.81	0.01	0.00	143.21
Au_ppm . . .	23	2,064	4.21	6.15	1.46	0.01	0.01	88.80

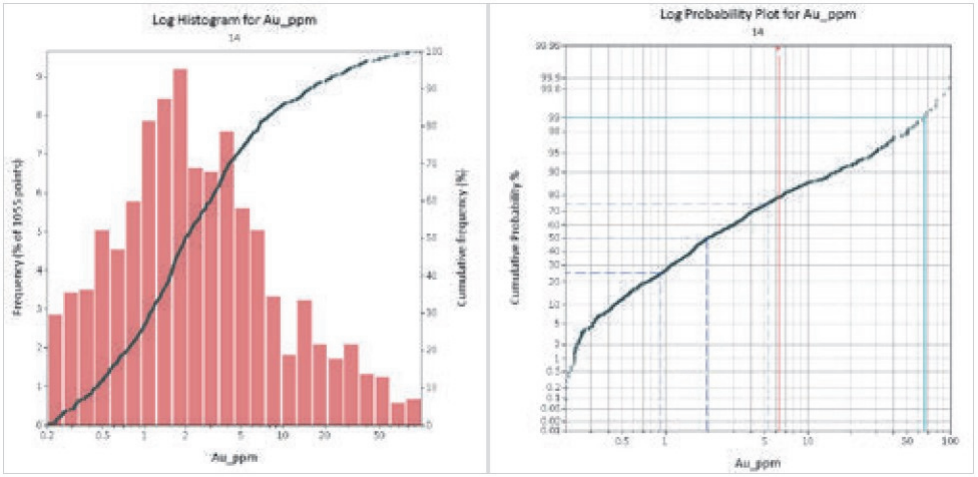


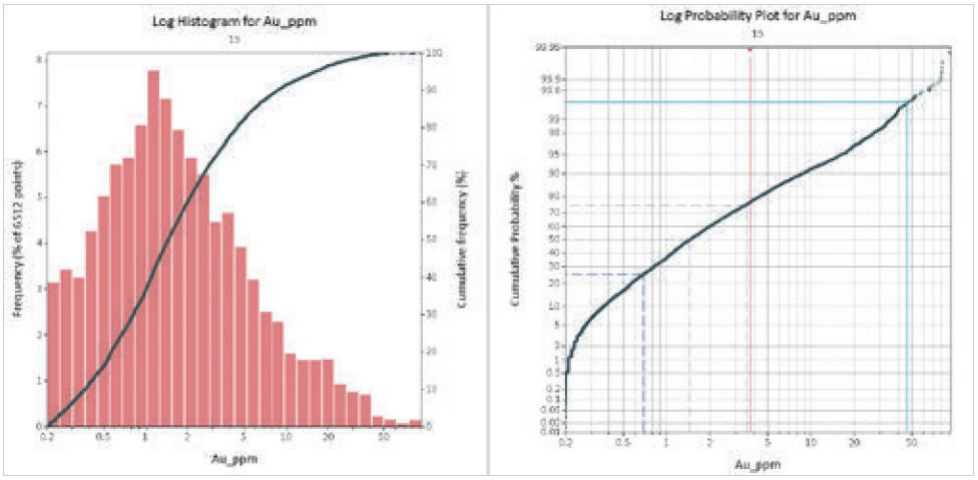


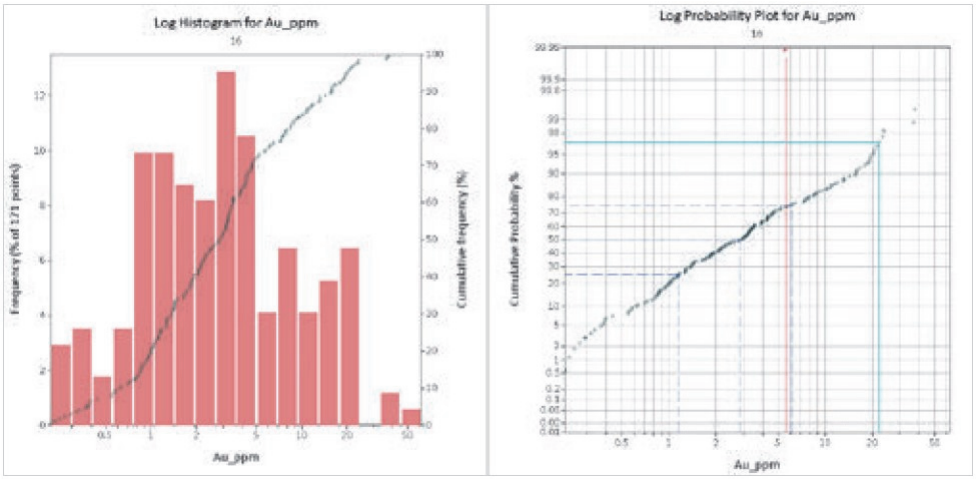

Log Histogram for Au_ppm
Au_ppm
Log Probability Plot for Au_ppm
Cumulative Probability %
Au_ppm

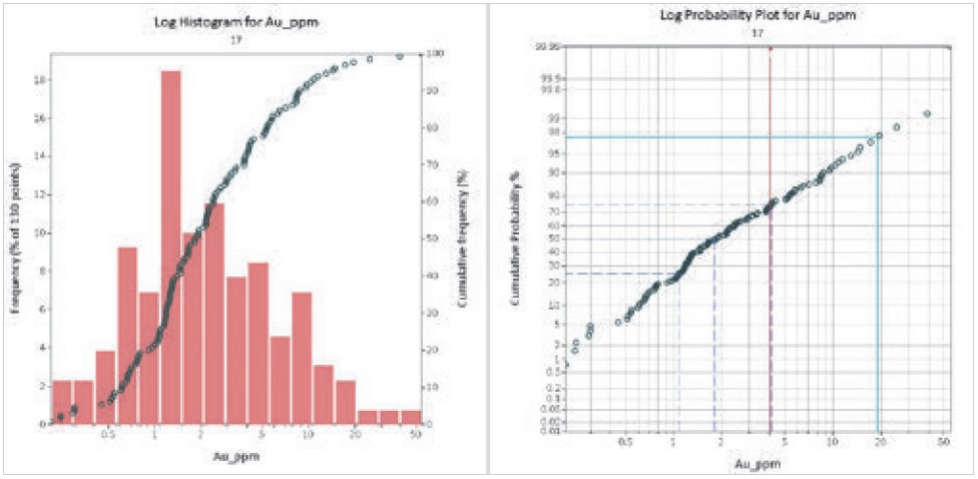

Log Histogram for Au_ppm
Au_ppm
Log Probability Plot for Au_ppm
Cumulative Probability %
Au_ppm

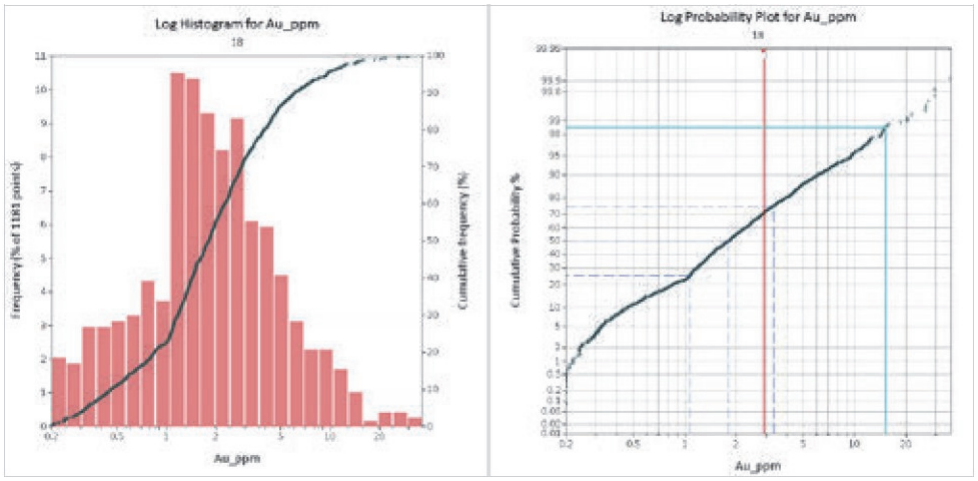

Log Histogram for Au_ppm
Au_ppm
Log Probability Plot for Au_ppm
Cumulative Probability %
Au_ppm

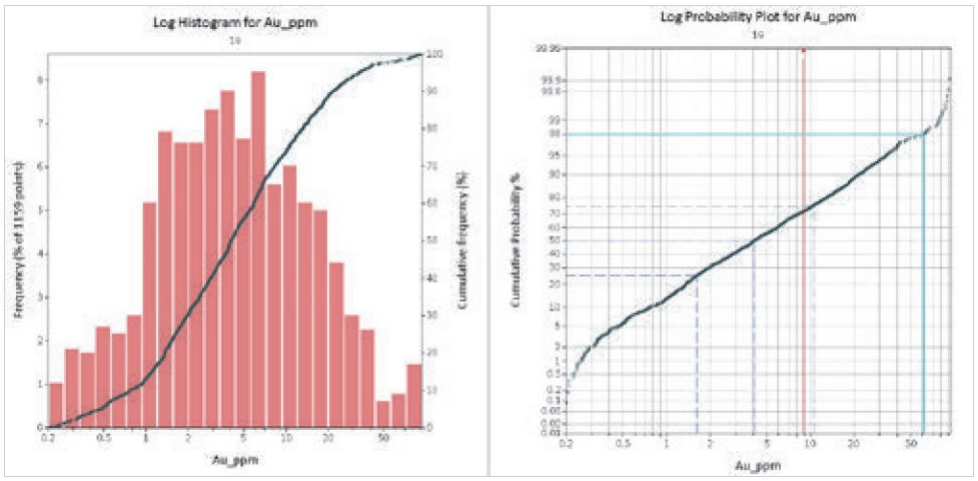

Log Histogram for Au_ppm
14
Frequency (% of # 1055 points)
Cumulative frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
14
Cumulative Probability %
Au_ppm


Log Histogram for Au_ppm
15
Frequency (% of # 6512 points)
Cumulative frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
15
Cumulative Probability %
Au_ppm


Log Histogram for Au_ppm
16
Frequency (% of # 171 points)
Cumulative frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
16
Cumulative Probability %
Au_ppm


Log Histogram for Au_ppm
17
Frequency (% of 130 points)
Cumulative Frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
17
Cumulative Probability %
Au_ppm


Log Histogram for Au_ppm
18
Frequency (% of 1161 points)
Cumulative Frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
18
Cumulative Probability %
Au_ppm


Log Histogram for Au_ppm
19
Frequency (% of 1159 points)
Cumulative Frequency (%)
Au_ppm
Log Probability Plot for Au_ppm
19
Cumulative Probability %
Au_ppm

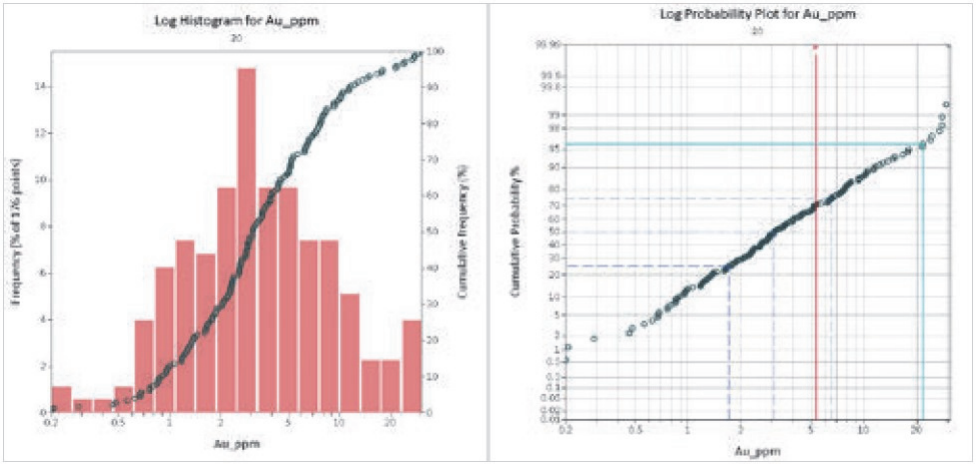


Figure 6–12 Histograms and Cumulative Frequency Plots of Sample Distributions within the Major Geological Domains

6.7 Grade Capping

BAW applied grade capping to the composited assay data on a domain-by-domain basis to mitigate the influence of high-grade outliers. Statistical analysis, including histograms, log-probability plots, and cumulative frequency distributions, was performed to assess grade distribution as figure above. Additionally, visual check for outliers in 3D space was conducted within each domain to identify the capping value. Based on these analyses, domain-specific capping thresholds, ranging from 19 g/t to 65.8 g/t Au.

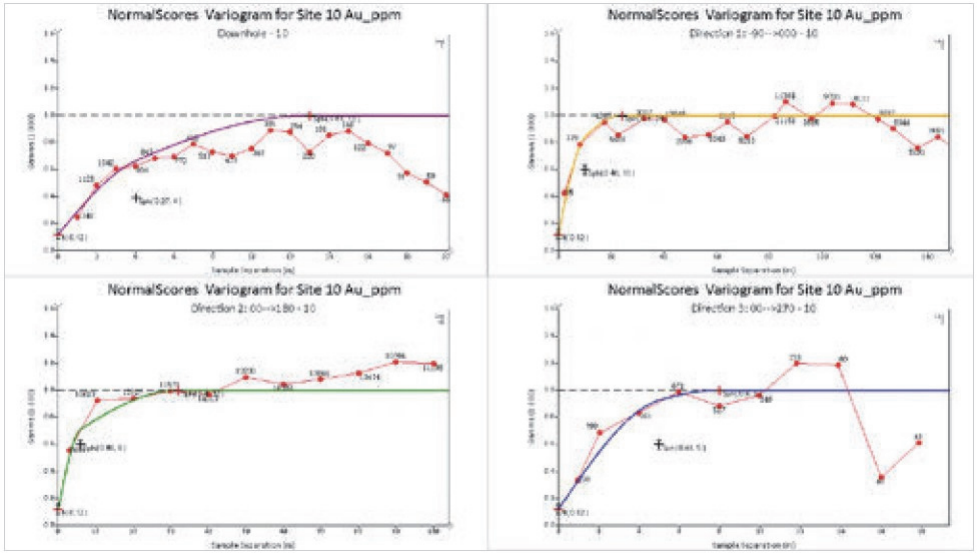
Table 6–5 Statistical Analysis for Capped Composites in the Main Domains

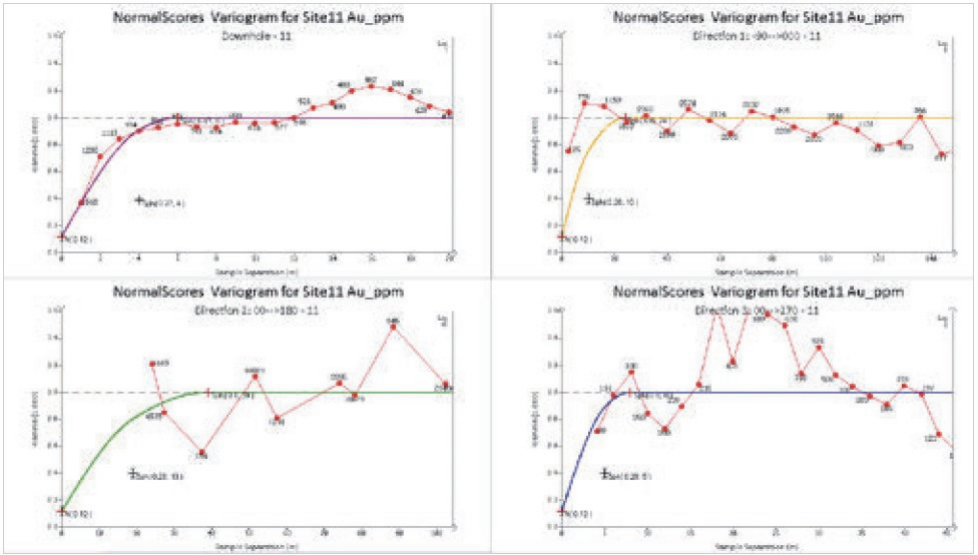
Domain	Capping Value	No. of Replaced Composites	Capped Ratio	Mean Before Capping	Mean After Capping	Difference
	g/t		(%)			(%)
10	60.8	17	0.89%	5.42	5.28	–2.49%
11	22.9	1	0.11%	1.55	1.55	–0.10%
12	36.2	23	0.37%	2.21	2.16	–2.07%
13	59.7	25	0.57%	7.86	7.77	–1.09%
14	65.8	18	1.58%	6.62	6.04	–8.83%
15	46.2	31	0.40%	3.29	3.11	–5.54%
16	22.1	6	2.82%	4.49	4.14	–7.71%
17	19	4	2.84%	3.78	3.34	–11.75%
18	15.2	17	1.26%	2.56	2.45	–4.28%
19	61	28	2.17%	8.42	7.94	–5.75%
20	21.7	8	4.44%	5.24	5.02	–4.19%
22	29	30	0.21%	3.08	2.97	–3.56%
23	29	19	0.92%	4.21	4.07	–3.25%

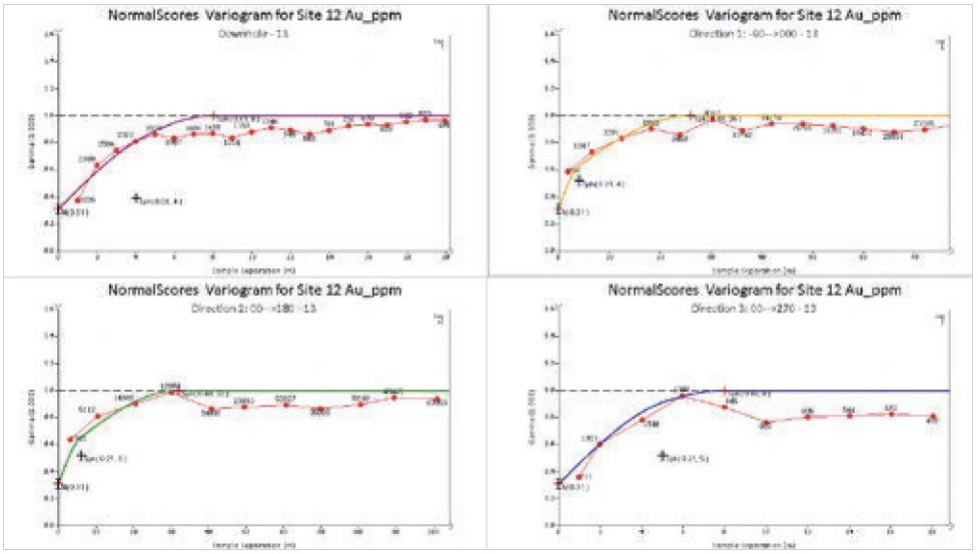
Grade capping was applied for composites to limit the influence of extreme high-grade outliers on the estimation results.

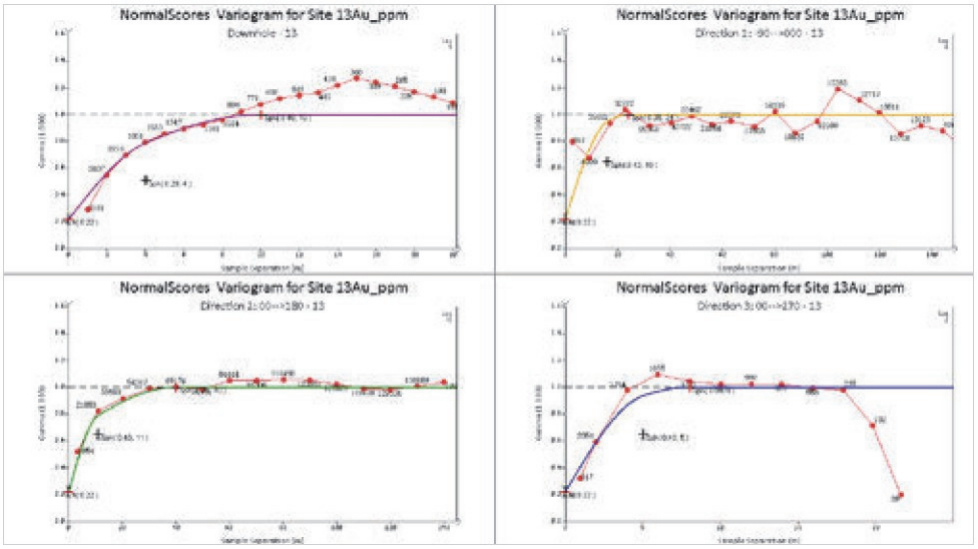
6.8 Variogram Study

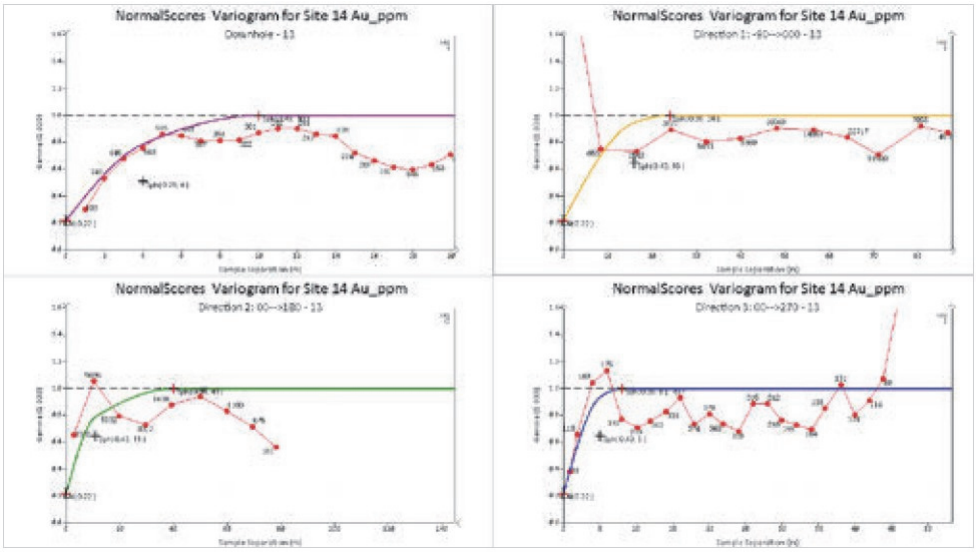
BAW conducted a semi-variogram study to guide the grade interpolation search strategy. The study focused on capped composites within the mineralised domain, preparing downhole variograms and omnivariograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as the spherical search ellipse parameters for grade interpolation, ensuring accurate grade estimation based on the spatial variability of gold mineralisation.

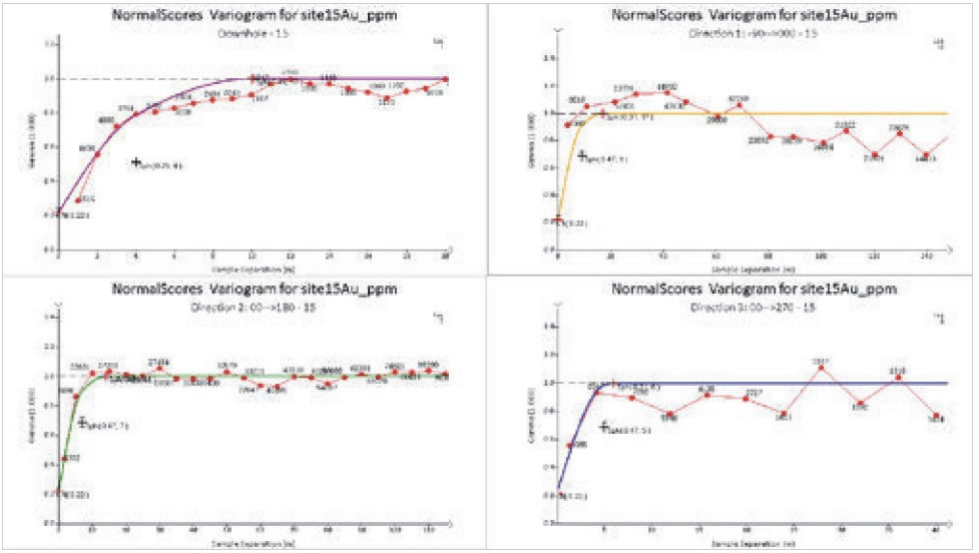





NormalScores Variogram for Site 12 Au_ppm
NormalScores Variogram for Site 12 Au_ppm
NormalScores Variogram for Site 12 Au_ppm
NormalScores Variogram for Site 12 Au_ppm


NormalScores Variogram for Site 13Au_ppm
NormalScores Variogram for Site 13Au_ppm
NormalScores Variogram for Site 13Au_ppm
NormalScores Variogram for Site 13Au_ppm


NormalScores Variogram for Site 14 Au_ppm
Downhole - 13
NormalScores Variogram for Site 14 Au_ppm
Direction 1: -60-->000 - 13
NormalScores Variogram for Site 14 Au_ppm
Direction 2: 00-->180 - 13
NormalScores Variogram for Site 14 Au_ppm
Direction 3: 00-->270 - 13


NormalScores Variogram for site15Au_ppm
Downhole - 15
NormalScores Variogram for site15Au_ppm
NormalScores Variogram for site15Au_ppm
NormalScores Variogram for site15Au_ppm

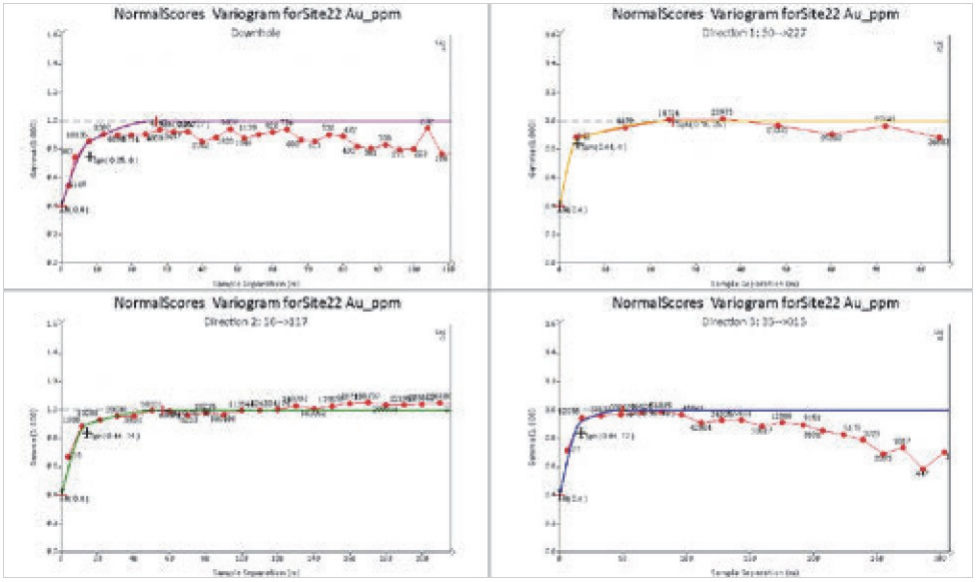


Figure 6–13 Gold Variograms of the Major Mineralized Domains

BAW conducted a variogram study on the main domains and used the results for Ordinary Kriging ("**OK**") interpolation. BAW did not identify well-structured variogram models. Directional variogram modelling within several geological domains demonstrated that the orientation of mineralisation, both in strike and dip, was consistent with the geological interpretation and geological assumptions. These provided sufficient confidence for defining the search parameters and informing the estimation strategy applied in the resource model.

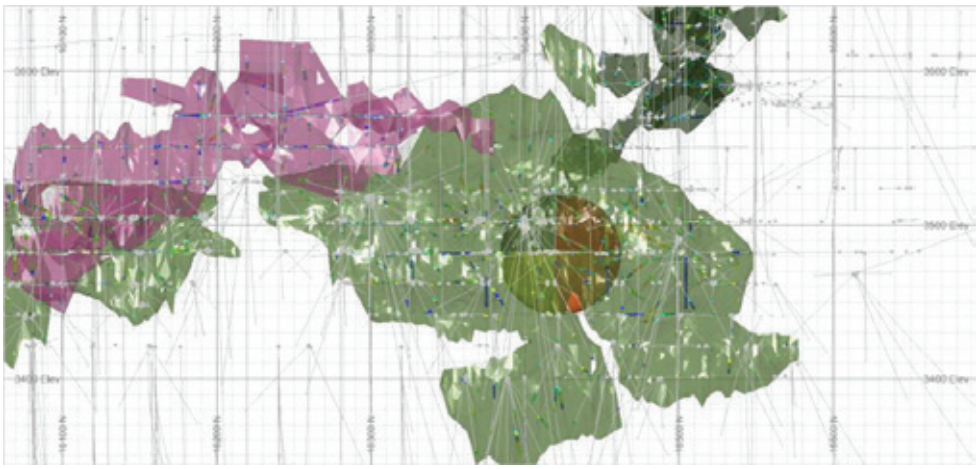


Figure 6–14 Variography search ellipse in 3D Space Long Section

Table 6–6 Variogram Parameters

	Rotation		Spherical 1				Spherical 2			
Zone	ZXY	Nugget	Sill 1	R1	R2	R3	Sill 2	R1	R2	R3
10	190/0/80	0.12	0.48	10	6	5	0.4	24	32	8
11	175/0/–75	0.12	0.28	10	19	5	0.6	24	39	8
12	180/0/–90	0.31	0.21	4	6	5	0.48	26	32	8
13	180/0/–90	0.22	0.43	16	11	5	0.35	24	40	8
14	188/0/–75	0.22	0.43	16	11	5	0.35	24	40	8
15	180/0/–90	0.22	0.47	9	7	5	0.31	17	14	6
16	197/0/–90	0.22	0.43	16	11	5	0.35	24	40	8
20	180/0/72	0.22	0.43	16	11	5	0.35	24	40	8
22	116/–16/53	0.4	0.44	4	14	17	0.16	25	56	49

6.9 Bulk Density

A substantial number of bulk density measurements have been collected during successive exploration programs, with most samples located within mineralized domains. Considering the mine production practice, BAW compiled test results generated since 2005 and applied mean values for each mineralized area. No distinction was made between oxide and primary ores, and interpolation was not applied; instead, average bulk density values were adopted directly for use in the Mineral Resource estimation. This approach is considered conservative and appropriate, providing adequate support for the Mineral Resources estimation in line with the JORC Code (2012) requirements.

Table 6–7 Summary of Bulk Density Measurements by Domains

Domain	10	11	12	13	14	15	16	17	18	19	20	22	23
Density .	2.80	2.75	2.78	2.80	2.80	2.80	2.78	2.80	2.80	2.82	2.82	2.75	2.72

6.10 Block Modeling

A un-rotated block model was constructed for resource estimation in Dachaidan Project. To reflect the spatial geometry of the mineralisation, parent block dimensions were set at 5 m X, 5 m Y, and 2 m RL. Variable Sub-blocking was applied to better conform to mineralised domain boundaries.

Table 6–8 Block Model Definition

Area	Direction	Origin	Extend	# of Blocks	Block Size	Sub-block Size	Rotation
Qinglonggou	X	10300	11500	240	5	1.25	0
	Y	12700	16700	800	5	1.25	0
	Z	2500	3900	700	2	0.5	0
Tanjianshan	X	15600	18000	480	5	1.25	0
	Y	10200	12000	360	5	1.25	0
	Z	2950	3700	375	2	0.5	0

Block models for domain code, density, grade and class were created. Domain codes and density values were assigned based on the parameters outlined in the preceding sections.

Given the variogram performance and mineralisation style, BAW applied OK, IDW^3, and Nearest Neighbour methods to estimate grades into parent blocks using Capped composites. Three interpolation passes were used in the estimation. Pass were implemented in the way that blocks better informed are first interpolated. Informing data refer to search ellipse parameters, minimum and maximum number of composites to interpolate a given block and the maximum number of composites that could be considered per hole. The consideration of a minimum number of composites to interpolate a block for a given pass combined with the maximum number of composites per holes allow implicitly determining the minimum number of drill holes when coding that pass. The estimation parameters are summarised below.

Table 6–9 Parameters Adopted for IDW^3, OK and Nearest Neighbour (NN) Methods

Site	Pass	Rotation ZXY	Strike Range (m)	Down Dip Range (m)	Across Dip Range (m)	Max No. of Composites Per Hole	Optimum No. of Composites Per Hole	Min No. of Composites	Max No. of Composites
10	I	190/0/80	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
11	I	175/0/–75	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
12/13/15/	I	180/0/–90	40	40	20	3	2	5	18
17/19 . .	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
14	I	188/0/–75	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
16	I	197/0/–90	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
18	I	220/23/75	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
20	I	180/0/72	40	40	20	3	2	5	18
	II		80	80	40	2	2	3	12
	III		120	120	60	2	1	1	5
22	I	116/–16/53	20	20	10	3	2	5	18
	II		40	40	20	2	2	3	12
	III		60	60	30	2	1	1	5
23	I	75/0/–75	20	20	10	3	2	5	18
	II		40	40	20	2	2	3	12
	III		60	60	30	2	1	1	5

6.11 Resource Classification

BAW adopted a classification strategy that reflects confidence in geological interpretation and grade continuity, supported by the spatial configuration of drilling and results from three-pass Inverse Distance Cubed estimation. This approach aligns with industry best practices. The following criteria were applied to define the confidence categories:

- **Measured Mineral Resources**: Assigned to blocks estimated within 40 meters of at least 3 drillholes, using a minimum of **seven** composites for grade estimation, and located within zones showing strong geological continuity and high data density (for Qinglonggou and Xijinggou). No measured resources were defined in areas with poor variogram performance.

- **Indicated Mineral Resources**: Defined as blocks estimated within 80 meters of the master domain, using at least two drillholes and a minimum of four composites for grade estimation.

- **Inferred Mineral Resources**: Assigned to blocks estimated during the second or third search passes, within a maximum distance of 120 meters and supported by at least one drillhole.

In the Tanjianshan area, Mineral Resource estimation was constrained within a 0.3 g/t Au grade shell generated using probability kriging at a 50% probability threshold. For classification purposes, BAW adopted a conservative approach. Blocks within 20 m of at least three drillholes were classified as Indicated Resources, while blocks interpolated within 40 m and supported by a minimum of two drillholes were classified as Inferred Resources. BAW is satisfied that the geological modelling honours the current geological information and knowledge. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding.

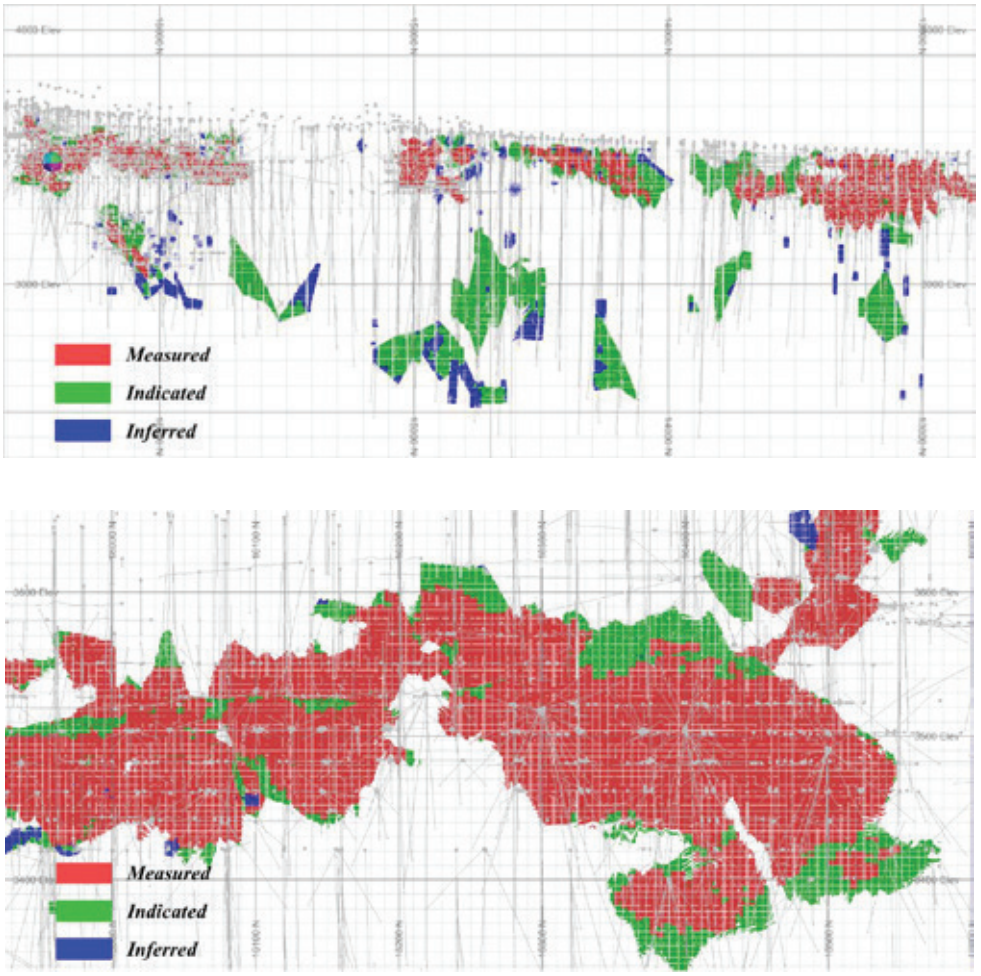


Figure 6–15 Long Section View of the Resources classified for the Qinglonggou area

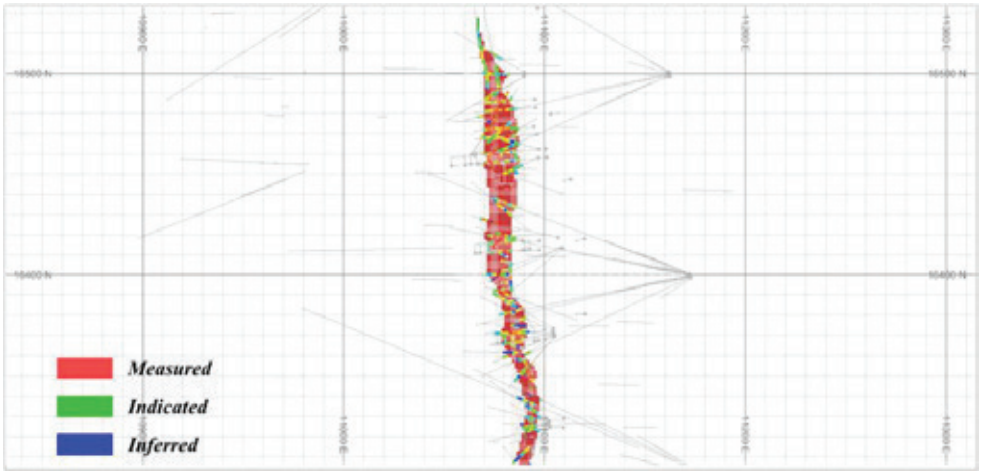


Figure 6–16 Plan View of the Resources Classified for the Qinglonggou area

6.12 Model Validation

BAW conducted a comprehensive validation of the interpolated model, which included visual inspection, comparison of Au grades between IDW3 and OK, and swath plot analysis. BAW concluded that the IDW3 method better reflects the geological characteristics of the deposit.

Swath plots for gold within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals. Considering the number of mineralized domain, BAW selected several representative zones. The block models and composites are well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates.



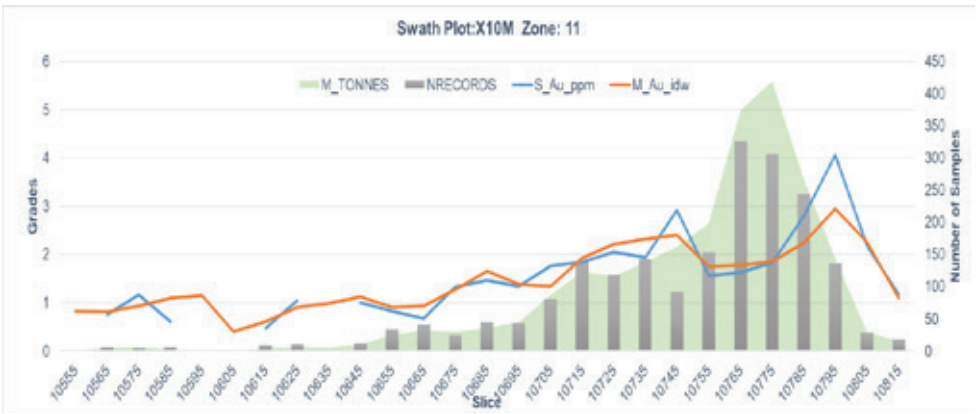
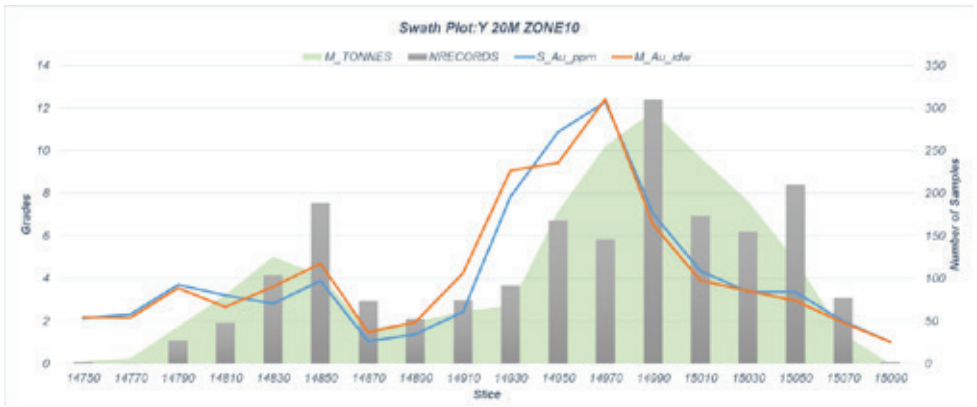




Figure 6–17 Swath Plot X direction for Au Grade within the Mineralised Zones



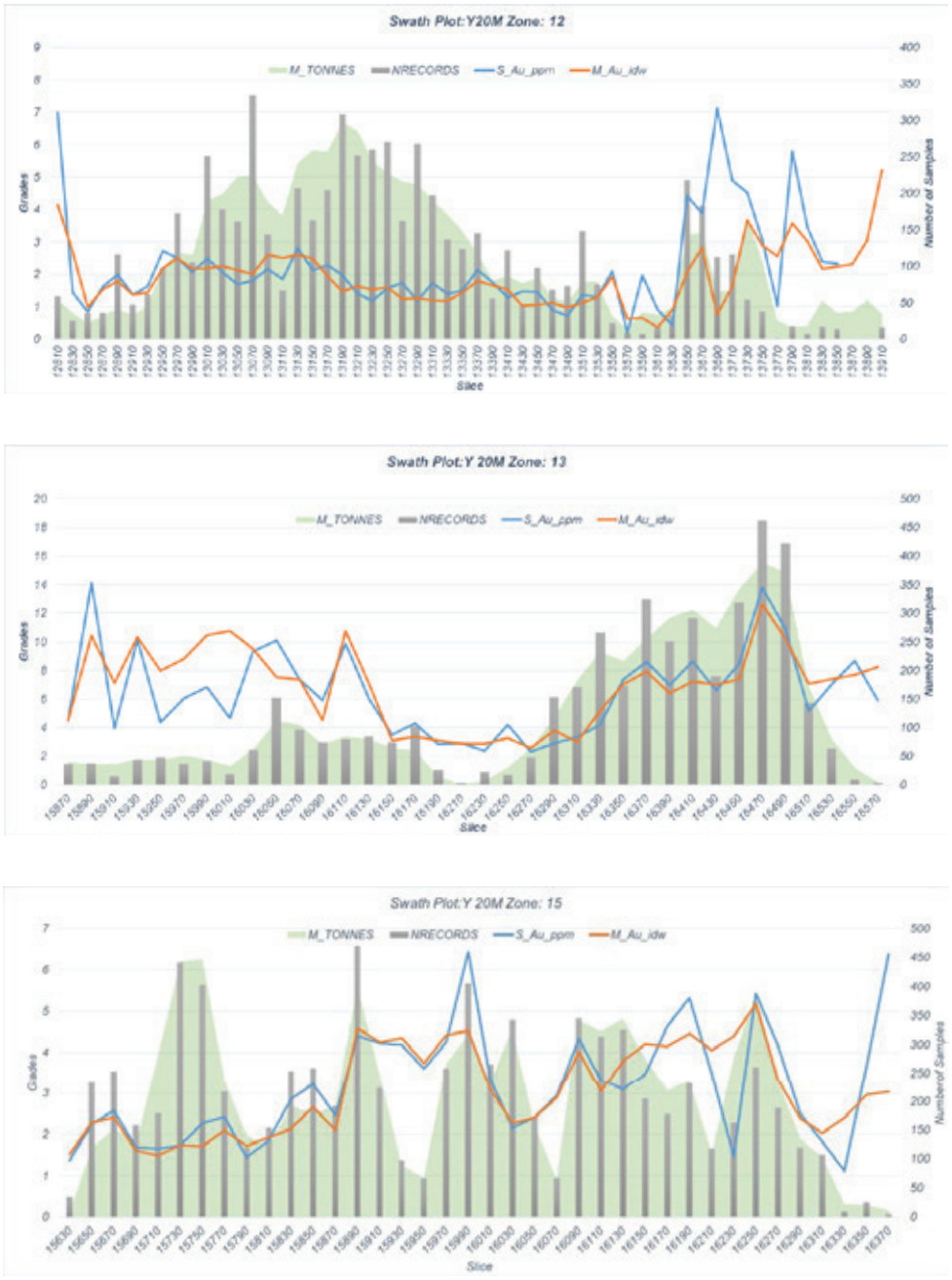


Figure 6–18 Swath Plot Y-direction for Au Grade within the Mineralised Zone

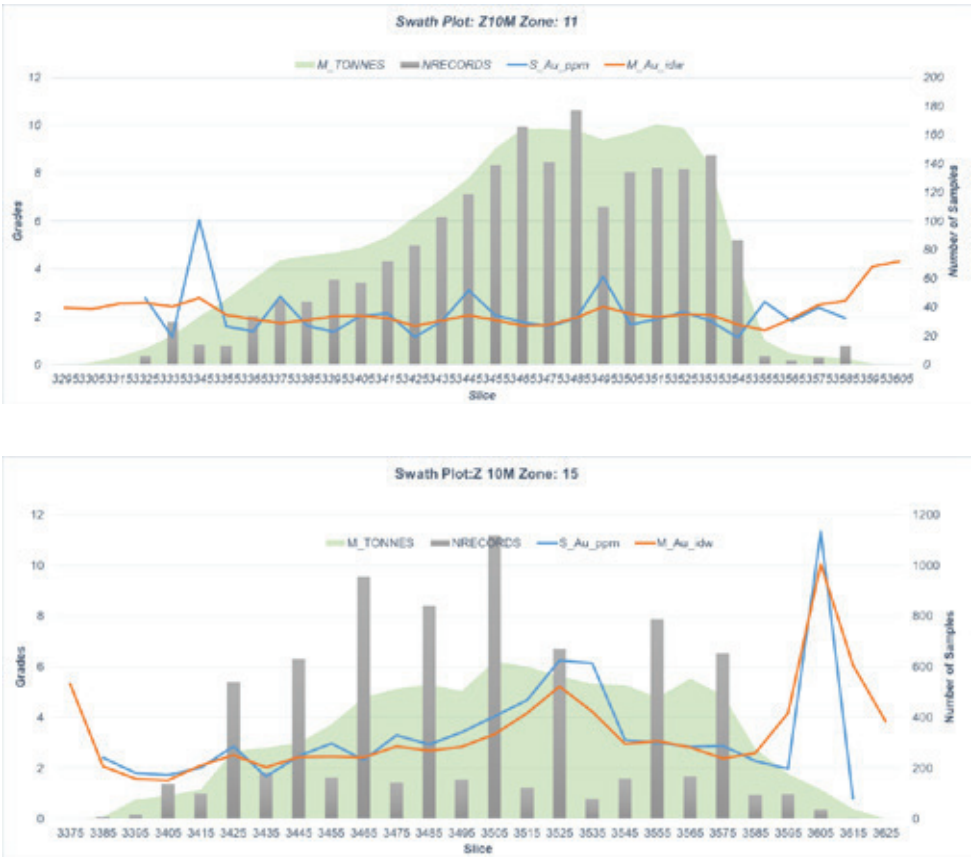


Figure 6–19 Swath Plot RL for Au Grade within the Mineralised Zone

6.13 RPEEE and Cut-off Grade Estimation

In compliance with the JORC Code (2012), the Mineral Resources for the Dachaidan Property have been reported only where Reasonable Prospects For Eventual Economic Extraction ("**RPEEE**") can be established with the following considerations:

- **Commodity Price** — Gold price of USD2,600/oz was adopted.
- **Open-Pit Potential** — Open-pit scenarios were evaluated for the Tanjianshan and Xijinggou resources. BAW considers that near-term open-pit mining is realistic and developed an optimised pit shell based on the mining, processing, and management costs, recoveries, and other modifying factors. A break-even cut-off grade was calculated for open-pit resources estimation (Figure 6–19).

- **Underground Potential** — The outpit-resources were further assessed for underground extraction potential through applying an appropriate underground break-even cut-off grade. BAW considers that the out-pit resources have underground mining potential based on the current cost budget.

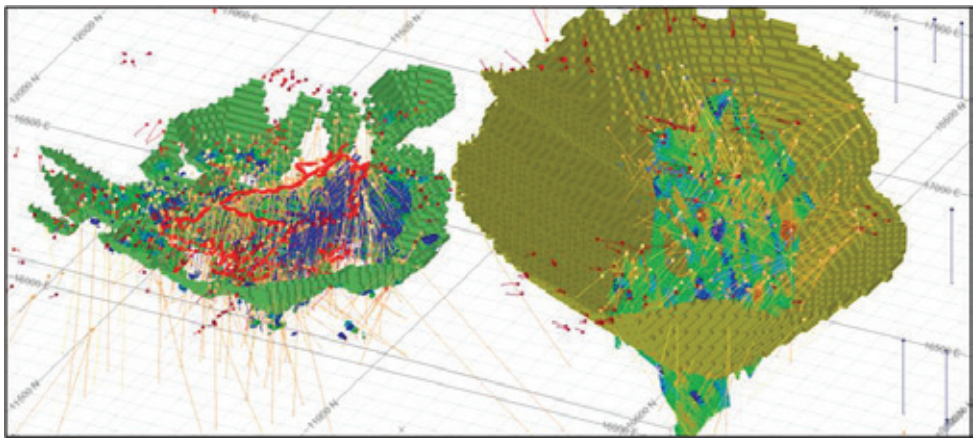


Figure 6–20 Optimized Pit Shell for the Tanjianshan and Xijinggou Resources

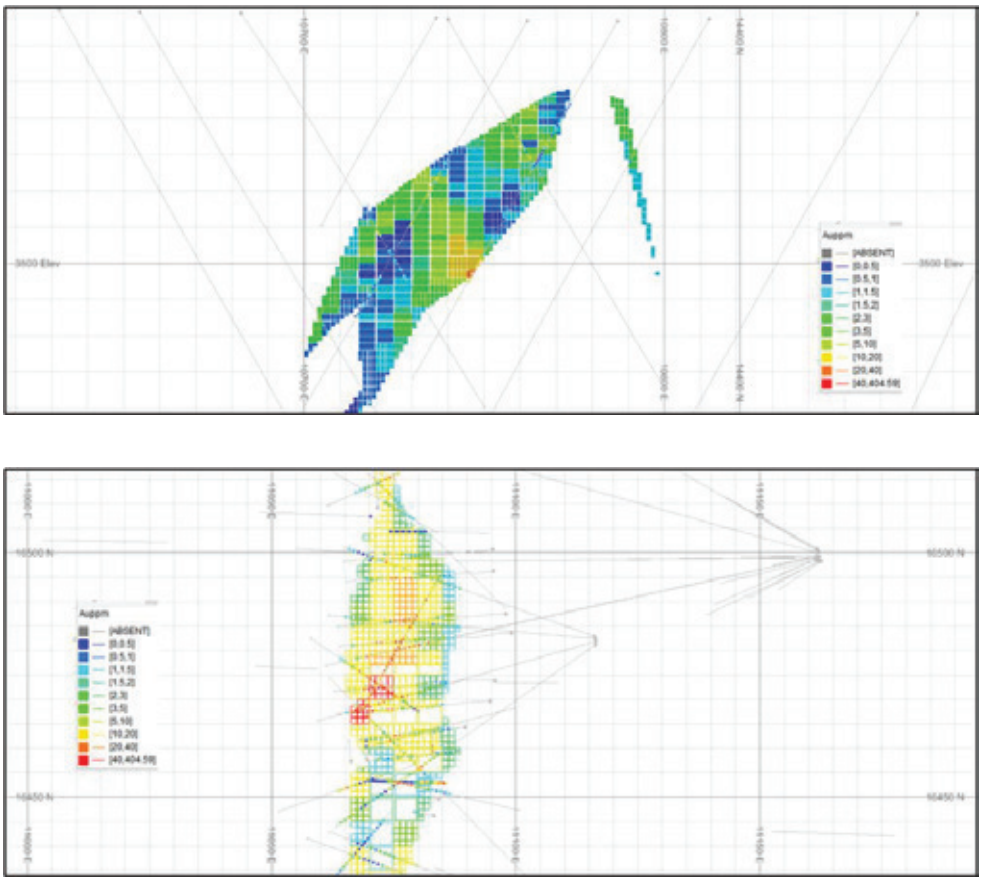


Figure 6–21 Block Model of the Dachaidan Property

Table 6–10 Cut-off Grades Adopted for In-Pit and Underground Resource Estimation for the Dachaidan Property

Parameters	Tanjianshan Open-pit	Xijingggou Open-pit	Underground	Unit
USD to RMB	7	7	7	
Gold price	2600	2600	2600	$/oz
	585.14	585.14	585.14	RMB/g
Mining Operating Cost	11	11	238.91	RMB/t
Processing & Smelting Operating Cost				RMB/t
General & Administrative				RMB/t
Royality Tax	175	175	190	RMB/t
Selling Costs/Transport Costs				RMB/t
Refining				RMB/t
Dilution	10.0%	10.0%	10%	
Mining Recovery	95.0%	95.0%	90.00%	%
Total Recovery of Processing and Smelting	88.55%	88.55%	90.00%	%
BECOG	0.42	0.42	1.00	g/t

6.14 Mining Depletion

Mined-out areas were considered during the course of the Mineral Resource estimation. Regarding underground resources, underground stopes were surveyed using laser scanning and were provided to BAW to generate the "Mined Out" block model using 1.25m X by 1.25m Y by 0.5m RL. In addition, isolated remnant blocks adjacent to the mined-out areas were manually assigned the "Mined" attribute. The depletion has been applied to the block models to reflect the depletion status as at December 31, 2025. Regarding the surface operations, the final open-pit topography was applied to remove material above the pit floor. These adjustments ensure that the Mineral Resources estimates exclude previously mined material (Figure 6–20 and 21).

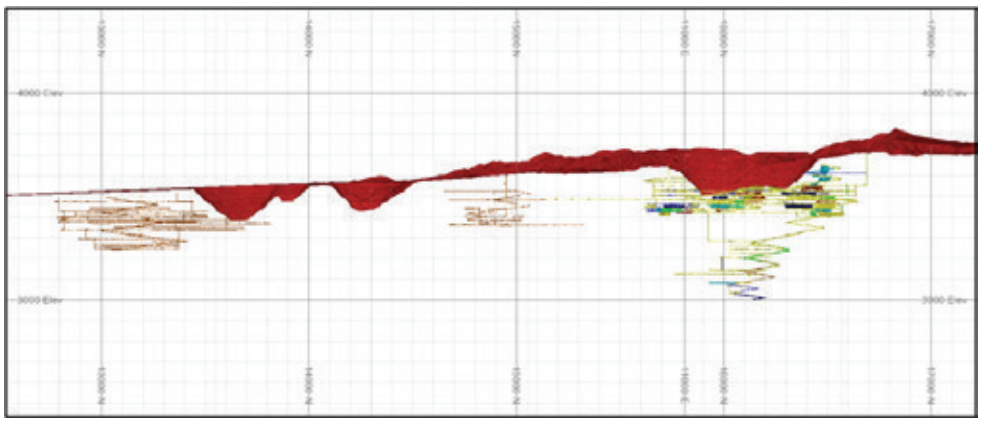


Figure 6–22 Mined-out Blocks as of December 31, 2025

6.15 Mineral Resources Statement

The Mineral Resources of the Dachaidan Property were estimated as of December 31, 2025 with the following key assumptions:

- Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured Mineral Resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resources.

- The Mineral Resource estimate is reported as of December 31, 2025.

- In-Pit Resources are contained within a conceptual open-pit shell generated using a gold price of US $2,600/oz, pre-feasibility study (PFS) cost parameters, a metallurgical recovery of 88.55%, and other assumptions consistent with open-pit mining. These parameters satisfy the "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) requirement.

- Out-Pit Resources are located outside the optimized pit-shell and are reported as the underground Mineral Resources using underground mining assumptions.

- The cut-off grades applied are 0.42 g/t for In-Pit Resources of the Tanjianshan Open-pit and Xijinggou Open-pit respectively.

- Underground Mineral Resources are reported using an underground mining break-even cut-off grade (BCOG) based on a cut-off grade of 1.0 g/t Au. Long-term metal price assumptions of US $2,600/oz Au were applied.

- Totals may not add up.

Table 6–11 Mineral Resources Statement Prepared by BAW for the Dachaidan Property as of December 31, 2025

Site	Mining Constraint	Cut-off	Category	TONNES (kt)	Au grade (g/t)	Gold Metal (t)
Qinglonggou	Underground	1.0g/tAu	Measured	4,402	3.52	15.48
			Indicated	1,571	3.65	5.74
			Measured + Indicated	5,973	3.55	21.22
			Inferred	263	3.31	0.87
			Total	6,236	3.54	22.09
Qinglonggou Deep	Underground	1.0g/tAu	Measured	86	2.81	0.24
			Indicated	3,204	6.72	21.54
			Measured + Indicated	3,290	6.62	21.78
			Inferred	1,125	7.90	8.89
			Total	4,415	6.95	30.67
Qingshan	Underground	1.0g/tAu	Measured	—	—	—
			Indicated	770	6.96	5.36
			Measured + Indicated	770	6.96	5.36
			Inferred	220	5.33	1.17
			Total	990	6.60	6.53
Tanjianshan	In-pit	0.42g/tAu	Measured	—	—	—
			Indicated	1,880	1.77	3.33
			Measured + Indicated	1,880	1.77	3.33
			Inferred	683	2.25	1.54
			Total	2,563	1.90	4.87
Xijinggou	In-pit	0.42g/tAu	Measured	—	—	—
			Indicated	2,773	3.76	10.43
			Measured + Indicated	2,773	3.76	10.43
			Inferred	1,145	4.12	4.71
			Total	3,918	3.86	15.14
Tanjianshan	Underground	1.0g/tAu	Measured	—	—	—
			Indicated	108	1.80	0.19
			Measured + Indicated	108	1.80	0.19
			Inferred	107	2.01	0.22
			Total	215	1.90	0.41

Site	Mining Constraint	Cut-off	Category	TONNES (kt)	Au grade (g/t)	Gold Metal (t)
Xijinggou	Underground	1.0g/tAu	Measured	—	—	—
			Indicated	367	4.10	1.50
			Measured + Indicated	367	4.10	1.50
			Inferred	154	4.14	0.64
			Total	521	4.12	2.14
Stockpile	Stockpile		Measured	622	4.03	2.51
			Indicated	—	—	—
			Measured + Indicated	622	4.03	2.51
			Inferred	—	—	—
			Total	622	4.03	2.51
Total			Measured	5,110	3.57	18.23
			Indicated	10,673	4.51	48.09
			Measured + Indicated	15,783	4.20	66.32
			Inferred	3,697	4.88	18.04
			Total	19,480	4.33	84.36

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao consents to the reporting of this information in the form and context in which it appears.

6.16 Comparison with Previous Estimates

The previous Mineral Resource estimate for the Dachaidan Property was prepared by BAW in March 2025, utilizing exploration and production data up to December 31, 2024. This estimate supported the 2024 annual resource and reserve review and was based on the Inverse Distance Squared (IDW^2) interpolation method, with geological interpretations provided by the mine.

For the 2025 update, BAW comprehensively reviewed all geological models, domain interpretations, and estimation parameters, incorporating additional drilling, sampling, and production data collected between January 2024 and June 2025. The geological framework and mineralisation controls remain broadly consistent with the previous interpretation, with no material structural changes identified. However, in areas of higher data density and strong continuity — particularly within the Qinglonggou orebody — Ordinary Kriging (OK) was applied for grade estimation to improve local precision, while the IDW^2 method was retained in other areas. A comparison of the previous and current estimates is presented in Table 6–12.

Table 6–12 Comparison of Previous and Current Mineral Resource Estimates of the Dachaidan Property

	Resource as of December 31, 2024			Resource as of December 31, 2025			% Difference in Contained Gold
Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	
Measured	903	2.75	2.48	5,110	3.57	18.23	634%
Indicated	8,200	4.57	37.49	10,673	4.51	48.09	28%
Inferred	8,475	4.99	42.27	3,697	4.88	18.04	–57%
Total	17,577	4.68	82.24	19,480	4.33	84.36	3%

The comparison between the December 31, 2024, and December 31, 2025, resource estimates indicates a material increase in Measured Resources, attributable to a significant improvement in resource confidence within the Qinglonggou and Xijinggou areas.

The principal factors contributing to these changes are summarised below:

1. ***Integration of new exploration data***

   As of December 31, 2024, several drilling programs were still ongoing. Between late 2024 and December 31, 2025, additional geological and assay data — particularly from new underground drillholes in the Qinglonggou area — were incorporated. This new dataset significantly increased geological confidence and improved the classification of the mineral resources.

2. ***Mining depletion***

   Ongoing mining operations during the 2025 resulted in the expected depletion of ore within active stopes.

3. ***Inclusion of the Tanjianshan pit resources***

   The Tanjianshan pit had previously been excluded from public reporting, as it was regarded as a historical mining area. Following the revised mining plan to integrate both Tanjianshan and Xijinggou for joint development, BAW re-estimated and reported the remaining pit-bottom resources, thereby increasing the total resources.

4. Refinement of estimation methodology and classification

In geologically continuous and data-rich zones (e.g., Qinglonggou), the estimation methodology was improved by replacing the previous Inverse Distance Squared (IDW^2) approach with Ordinary Kriging (OK) to enhance estimation robustness. Based on improved geostatistical confidence, BAW redefined the resource classification in Qinglonggou and upgraded areas that had not previously met the requirements for higher-category definitions under the earlier polygonal interpretation.

6.17 Exploration Potential

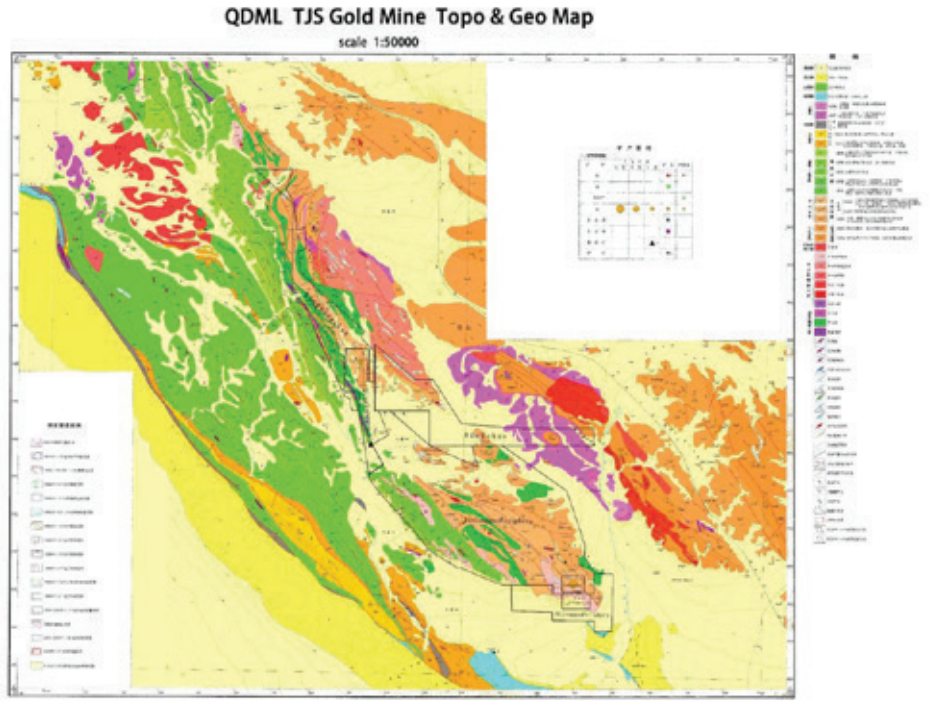


Figure 6–23 Regional Geology for the Dachaidan Property

The Dachaidan Property is geographically situated in a key mineralization corridor, within which several economically viable ore bodies have already been identified. Geological and drilling evidence demonstrates that the Qinglonggou-Jinlonggou-Xijinggou-Qingshan cluster forms a sizeable alteration-type lode gold system with significant potential for further resource additions.

At Qinglonggou, several ore bodies have been proven to extend well below the current mining depth, remaining open both at depth and along strike. Recent drilling has intersected high-grade shoots, in 2025, multiple drill holes at the Qinglonggou mining area intersected high-grade, thick ore bodies, including 25QLTZK6308 with 22 m @ 3.28 g/t, 25QLZK2408 with 21.7 m @ 7.53 g/t, and 25QLZK281 0, which revealed three separate mineralised layers of 12.7 m @ 8.76 g/t, 15.5 m @ 11.29 g/t, and 20.6 m @ 13.19 g/t. All these, confirming strong depth potential, while parallel blind lodes

have been identified in both hanging wall and footwall, supporting lateral expansion. In Jinlonggou, mineralisation continues stably at depth with potential strike continuity towards adjacent deposits.

At Xijinggou, detailed exploration has outlined economic mineralisation, but only at shallow levels, leaving the deeper and peripheral extensions largely untested. The ore bodies are mostly lens-shaped with pinch-and-swell features along strike and dip, indicating strong potential for discovery of blind lodes at depth and margins. In the Qingshan prospect, the southern extension of the Qinglonggou II ore belt has been confirmed by drilling, and additional untested Au-Sb geochemical anomalies provide attractive exploration targets.

Regionally, the Dachaidan-Tanjian Shan metallogenic belt remains underexplored, with numerous untested geophysical and geochemical anomalies coincident with Au-Cu-As signatures. Research confirms that the belt represents a metamorphic core complex and detachment-structure-controlled alteration-type gold system, favourable for blind ore discoveries along deep-seated fault zones.

Overall, exploration potential in the district is considered excellent. The main deposits remain open at depth and along strike, and future growth is realistically expected through step-out and deep drilling, as well as systematic testing of regional anomalies, supporting the long-term expansion of resources.

6.18 Conclusions and Recommendations

- BAW recommends that additional drilling should be carried out to enhance confidence in mineralization continuity, particularly in the peripheral and deeper extensions of both the Qinglonggou and Tanjianshan areas.

- BAW is of the opinion that further metallurgical testwork is required to better characterize ore variability and support the differentiation between potential ore types in the geological model.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Dachaidan Property presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

- *An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of*

Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

- *A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.*

- *A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.*

- *Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedures

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructures, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

7.2.1Estimation Procedure for Open-Pit Operation

The procedures adopted by BAW to estimate Ore Reserves for the open-pit operation are illustrated as follows:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected pit shell for surface constraints and potential interactions with planned production operations.

- **Pit Optimization**: Optimize the position and dimension of the ultimate pit boundary based on the geological and economic parameters of the deposit, along with mining, processing, and market conditions.

- **Mine Design**: Refine the optimal pit shell generated during optimization through detailed design, incorporating access ramps, bench configurations, and mining constraints.

- **Mine Production Schedule**: Schedule the material within the designed pit shell according to feasible tonnage and processing plant targets.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.2.2Estimation Procedure for Underground Mine

The procedures utilized by BAW to estimate Ore Reserves for the underground operation are illustrated as follows:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models, as well as the Mineral Resource Classification criteria and results.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the shapes of underground mining. Review the selected mining area for constraints and potential interactions with planned underground operations.

- **Mining Stope Shape Optimization**: Optimize the position and dimension of underground mining based on geological and economic parameters of the deposit, as well as mining, processing, and market conditions. Ensure compliance with licensing and minimum cut-off grades before accounting for mining losses and dilution.

- **Mine Design and Development Review**: Conduct a comprehensive audit of planned or existing production and development systems. Verify compliance with production processes and plans against technical, industry, and regulatory standards. Evaluate system efficiency through on-site inspections, data analysis, and expert input, identifying bottlenecks and risks.

- **Mine Production Schedule**: Audit the production schedule within stope boundaries. Validate its alignment with tonnage and processing targets using historical data and simulations. Ensure feasibility, safety, and sustainability, correcting any unrealistic projections.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining schedule. Assess specifications, quantities, and selection criteria for operational alignment. Verify procurement and supplier documentation to ensure reliable production.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.3 Technical Studies

In order to address and evaluate the geological, metallurgical and engineering issues of the Dachaidan Property, multiple technical studies have been previously completed for different mining areas. BAW has conducted a comprehensive review and in-depth analysis of these reports. Those technical studies are listed as follows:

7.3.1Open Pit Operation

Tanjiangshan Open Pit

- Feasibility Study Report for the Tanjiangshan Gold Mine Project of Qinghai Dachaidan Mining Co., Ltd. Beijing General Research Institute of Mining and Metallurgy, April 2006

- Development and Utilization Plan for Jinlongou Mine Section, Tanjianshan Gold mine, Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute, February 2006

Xijinggou Open Pit

- Feasibility Study Report for Xijinggou Gold Mine Mining Project Qinghai Dachaidan Mining Co., Ltd. Lanzhou Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. February 2021

- Mineral Resource Development and Utilization Plan for Xijinggou Gold Mine Qinghai Dachaidan Mining Co., Ltd. Lanzhou Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. April 2022

The Integration of Tanjianshan Gold Mine

- The Mineral Resources Development and Utilization Plan for the Resource Integration of Tanjianshan Gold Mine of Qinghai Dachaidan Mining Co., Ltd., Qinghai Coal Mine Design and Research Institute Co., Ltd. November 2024

In accordance with the mine's development plan, the future boundary of the Tanjianshan pit will be integrated with the Xijin'gou pit to form a unified mining concession. This integration will enable two separate open-pits, Xijin'gou and Tanjianshan, to operate as one single system. Consequently, the integration and feasibility studies will serve as the basis for Ore Reserves estimation and production scheduling.

7.3.2 Underground Operation

Section 323 (South) of the Qinglonggou Gold mine

- Development and Utilization Plan for Qinglonggou Gold Mine, Dachaidan Town, Qinghai Province" Changchun Gold Design Institute Co., Ltd, June 2022
- "Feasibility Study on Mining Project of Section 323 (South) of Qinglonggou Gold Mine", Changchun Gold Design Institute Co., Ltd, June 2022
- "Preliminary Design for Mining Project of Section 323 (South) of Qinglonggou Gold Mine", Changchun Gold Design Institute Co., Ltd, December 2022

Qinglonggou Gold Mine

- Preliminary Design for Mining Engineering at 3589–3360m of Qinglonggou Gold Mine. Qinghai Dachaidan Mining Co., Ltd." August 2019
- Feasibility Study Report on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. January 2018
- Development and Utilization Plan on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, October 2018
- Feasibility Study Report on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, August 2021 ("**2021 FS**")
- Preliminary Design of Mining Works for Qinglonggou Gold Mine (3589 — 3360m Section) of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, January 2024 ("**2024 Preliminary Design**")
- Pre-feasibility Study Report on Qinglonggou Gold Mine Mining Project of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, June 2025 ("**2025 PFS**")

Substantial breakthroughs in deep exploration have resulted in a significant increase in Mineral Resources. Therefore, the mine management plans to expand the production of the Qinglonggou area to a production capacity of 800 ktpa, in accordance with the 2025 PFS recommendation.

7.4 Ore Reserves Estimation for Open Pit Operation

7.4.1Cut-off Grade

The break-even COG (also referred to as the marginal or economical COG) is the lowest COG that will be applied at any point in time and will typically become applicable towards the end of the mine life when approaching resource exhaustion or during periods of high waste stripping. The mill limiting COG will typically apply when the open pit can produce sufficient ore, and the processing plant is the limiting constraint, which is the case for this DFS. The equation, as defined by Ken Lane, is shown below.

$$Mill\ Limiting\ Cut-off\ Grade\ (g/t) = \frac{(Unit\ Processing\ Cost\ (\$/t) + \frac{General\ and\ Admin\ cost\ (\$)}{Mill\ Capacity\ (t)}}{Net\ Price\ \left(\frac{\$}{g}\right) \times Processing\ Recovery\ (\%)}$$

Based on the technical study provided by Dachaidan, the same parameters were used to support the mining plan of the Xijinggou Open Pit and Tanjianshan Open Pit, and the parameters was [•].

The unit cost of mining, processing, general and administrative, and processing recovery were provided by the mine management for our cut-off grade estimation as shown Table 7–1. The cut-off grade was adjusted upward to one decimal place, so as to better reflect the profit risk associated with lower grade caused by reduced recovery rate.

Table 7–1 Cut-off Grade Adopted for Open Pit

Parameter	Unit	Value	Comment
		7.00	exchange currency
Gold price	$/oz	2000	
	RMB/g	450.11	
Mining cost	RMB/t ROM	11.00	
Processing cost	RMB/t ROM	175.00	
General & administrative cost	RMB/t ROM		Included in Processing cost
Royalty tax	RMB/t ROM		Included in Processing cost
Mining dilution	%	10.00	Requirements for recovery index of mineral resources-Part5 (DZ/T 0462.5–2023)
Mining recovery	%	90	
Processing recovery	%	88.55	
Breakeven Cut-off grade	g/t	0.47	BAW
Economic Cut-off Grade	g/t	0.44	BAW
Cut-off Grade for Ore Reserves	g/t	0.5	BAW

As the result of comparison with technical study and the analysis of mine plan, for the Reserve estimate the Mineral Reserve COGs were 0.5g/t.

7.4.2Dilution and Mining Loss

The following modifying factors were used to determine the Ore Reserves:

- **Optimization**: This includes the most economic pit shell.
- **Pit Design**: This involves the conversion from the optimal pit shell to a practical mine design, with detailed design included in Chapter 8.
- **Dilution and Loss**: Mining dilution is estimated at 10%, while ore loss is estimated at 10% for both, based on the standard named Requirements for recovery index of mineral resources-Part 5 (DZ/T 0462.5–2023).

7.4.3Ore Reserves Statement

The Ore Reserves of the Open Pit Operation of the Dachaidan Property were estimated as of December 31, 2025 with the following key assumptions:

- All of the Ore Reserves are included within the Mineral Resources;
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- Adopted cut-off grade: 0.5 g/t for both open pits, based on a gold price of RMB450/g (US$2,000/oz);
- Ore Reserves are reported within an optimized pit shell within the licenses;
- Mining recovery: 10%;
- Mining dilution: 10%;
- Totals may not add up.

The Ore Reserve statement for Open Pit Operation of the Dachaidan Property as of December 31, 2025 is shown in Table 7–2.

Table 7–2 Ore Reserve Statement Prepared by BAW for the Open Pit Operation of the Dachaidan Property as of December 31, 2025

Pit	COG (g/t)	Category	Tonnage (mt)	Gold Grade (g/t)	Contained Gold (t)
Xijinggou	0.5	Proved	—	—	—
		Probable	1.43	4.61	6.58
		Subtotal	1.43	4.61	6.58
Tanjianshan	0.5	Proved	—	—	—
		Probable	1.20	1.50	1.81
		Subtotal	1.20	1.50	1.81
Total		Proved	—	—	—
		Probable	2.63	3.19	8.39
		Total	2.63	3.19	8.39

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

7.5 Ore Reserves Estimation for Underground Operation

7.5.1Cut-off Grade

The Break-even cut-off grade is the lowest COG that will be applied at any point in time and will typically become applicable towards the end of the mine life, for underground mine, the Break-even cut-off grade in the ROM feed are generally calculated using the following formula.

$$Cut-off\ Grade = \frac{Mining\ Cost + Processing\ Cost + G\&A\ Cost}{(Price - Offsite\ Cost) * Processing\ Recovery}$$

The unit cost of mining, processing, general and administrative, and processing recovery from 2022 to 2025 were provided by the mine management, as detailed in Table 7–3. The cut-off grade is estimated to be 1.6 g/t, based on the adjustment from average historic three-year unit costs, while also considering processing recovery and royalty factors, as shown in Table 7–4.

Table 7–3 Historic Unit Costs of the Dachaidan Property from 2022 to 2025

	Unit	2022	2023	2024	2025
Ore Mined (Underground)	kt	372.3	277.5	259.0	450
Ore Mined (Open Pit)	kt	1,018.4	373.0	—	—
Ore Processed	kt	664.9	841.7	929.4	977
Mining Cost	RMB/t	108.2	162.2	303.0	421.1
Processing Cost	RMB/t	106.6	87.5	98.8	142.0
G&A Cost	RMB/t	120.0	221.9	239.2	189.3
Total Cost	RMB/t	334.8	471.6	641.0	752.4

Source: Mine management and summarized by BAW

As indicated in Table 7–3, a substantial part of the ore was contributed by the open-pit operation in 2022 and 2023 whereas open pit operation was terminated by the end of 2023. Therefore, the average unit cost of 2024 and 2025 is used to estimate the cut-off grade for the Qinglonggou underground operation as shown in Table 7–4.

Table 7–4 Cut-Off Grade Analysis for the Underground Operation

	Unit	Unit Cost
Exchange Rate	RMB/USD	7.000
Unit Cost	$/t	533.45
Mining Cost	RMB/t	238.91
Processing Cost	RMB/t	103.51
G&A Cost	RMB/t	191.02
Offsite Costs	USD/oz	0.09
Offsite Costs	RMB/g	20.65
Refining	RMB/g	0.90
Selling Costs/Transport Costs	RMB/g	1.75
Mineral Extraction Tax (4% of gold extracted)	RMB/g	18.00
Gold Price	USD/oz	2,000.00
Gold Price	RMB/g	450.11
Processing Recovery	%	80.0%
Breakeven Cut-off Grade	g/t	1.6
Marginal Cut-off Grade	g/t	0.9

7.5.2Dilution and Mining Loss

The determination of dilution and loss rates involves consideration of the national standards, geological conditions and mining methods. This process references practices from similar operating mines, incorporates tech-economic optimization, and complies with resource protection policies. Specific rates are defined alongside control measures and risk analyses. Mining loss and dilution estimated by various technical studies are summarized in Table 7–5.

Table 7–5 Mining Loss and Dilution estimated by various Technical Studies

Mining Method	2025 PFS		2021 FS	
	Mining Loss (%)	Dilution (%)	Mining Loss (%)	Dilution (%)
Upward cut and fill Method . . .	16	19	12	11
Upward Stope Filling Method . .	14	17	10	12
Continuous Filling Mining Method.	12	17	9	15
Sublevel Open Stope Method (with subsequent filling)	14	17	11	13
Total.	15	18	10	13

As discussed above, dilution can yield varying results depending on the specifics of the technical studies or estimation methods employed. Dilution encompasses unplanned dilution due to stope wall failures and overbreak from stope walls and floors. Waste rock dilution primarily arises from material sloughing off the hanging wall, with minor contributions from the ends and floors of the stope area. This waste dilution typically ranges from 0.05 m to 0.3 m, depending on the size and shape of the orebodies.

To estimate the mining dilution for Ore Reserves estimation, BAW expanded the stope shape by 0.5 m, exceeding the typical range for the hanging wall and footwall. However, the stope optimization results did not adequately reflect the corresponding high loss rate. After a comprehensive analysis, BAW determined a dilution rate of 12% which is reasonably comparable with the estimates from the technical studies while the mining loss is determined to be 10%.

7.6 Ore Reserves Statement

The Ore Reserves of the Dachaidan Property were estimated as of December 31, 2025 with the following key assumptions:

- All of the Ore Reserves are included within the Mineral Resources;
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- Adopted cut-off grade: 1.6 g/t Au, based on a gold price of US$2,000/oz;
- Mining recovery: 90%;
- Mining dilution: 12%;

- BAW has reported the stockpile as of December 31, 2025. The material from the stockpile is classified as a Proved Ore Reserve of 0.90 Mt at an average grade of 2.74g/t gold and containing 2.47 t of gold. It should be noted that this part does not require consideration of the factors of losses and dilution;

- Totals may not add up.

The Ore Reserve statement for the Dachaidan Property as of December 31, 2025 at a cut-off of 1.6 g/t Au is shown in Table 7–6.

Table 7–6 Ore Reserve Statement Prepared by BAW for the Underground Operation of the Dachaidan Property as of December 31, 2025

	Category	Tonnage (mt)	Gold Grade (g/t)	Contained Gold (t)
Qinglonggou	Proved	2.62	3.75	9.83
	Probable	0.33	3.63	1.18
	Total	2.95	3.74	11.02
Qinglonggou Deep	Proved	0.17	4.36	0.74
	Probable	2.82	6.92	19.48
	Total	2.99	6.77	20.22
Stockpile	Proved	0.90	2.74	2.47
	Probable	[•]	[•]	[•]
	Total	0.90	2.74	2.47
Combined	Proved	3.69	3.53	13.04
	Probable	3.14	6.57	20.66
	Total	6.84	4.93	33.70

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Current Operation Status

The Dachaidan Property encompasses two distinct mining districts: the Xijingou area in the south and the Qinglonggou area in the north.

In the Xijingou area, the key operation is the Tanjianshan Open Pit and Xijinggou Open Pit which, according to its latest pre-feasibility study, is slated for open-pit mining with a planned production capacity of 600 ktpa.

The Qinglonggou area consists of several operations and sections: Qinglonggou North, Qinglonggou South, 323 North, 323 South, and the newly added II and III mining sections. Currently, the Qinglonggou North and II-III mining sections are in underground production. The Qinglonggou North section operates via underground mining with an existing capacity of 200 ktpa, while the South section, also underground, has a capacity of 50 ktpa. The 323 North section was previously an open-pit operation with a capacity of 150 ktpa but is now closed and backfilled. The 323 South section initially utilized open-pit mining with a capacity of 150 ktpa, but these operations have concluded. Its deep resources are now integrated into the newly designed II and III underground mining sections, which have a combined design capacity of 400 ktpa.

The latest feasibility study for the Qinglonggou area incorporates newly discovered deep resources, enabling a comprehensive mining approach. This integrated strategy merges the North and South sections into a single production system and includes the 323 South underground resources with the II-III sections. The overall maximum simultaneous production capacity for the Qinglonggou area is planned to reach 800 ktpa. This comprehensive development significantly enhances the project's value and extends its operational lifespan, with the final product being auriferous gold.

8.2 Infrastructure

8.2.1Power Supply

The Dachaidan Property is supported by a robust power infrastructure. The Qinglonggou mining rights are served by a 35/10 kV Shuanglong substation, known for its high reliability, drawing power from two independent 35 kV overhead lines that connect to the 110 kV Mahai substation and the Tanjianshan 35 kV substation, featuring a substantial total transformer capacity of 12,000 kV.

Additionally, the Tanjianshan area will establish its own dedicated 35/10 kV substation. To ensure uninterrupted operations for critical loads such as main hoists, ventilation fans, and drainage pumps, diesel generator sets ranging from 800 kW to 1,250 kW are strategically deployed as backup power sources across various sections, including Qinglonggou South, the II-III mining section, and for future deep resources.

The electrical system is designed with advanced microcomputer protection and insulation monitoring, particularly for underground low-voltage systems, enhancing overall safety and operational reliability.

8.2.2Water Supply

Water management at the Dachaidan Property primarily relies on recovering underground mine inflow to meet the substantial demands of production and construction. This is supplemented by trucked water from Dachaidan town for domestic use.

Key mining projects, such as Qinglonggou North and South, manage considerable normal pit inflows of 180 m^3/d and 160 m^3/d, respectively, along with the 323 section's inflow of 25.4 m^3/d. This water is efficiently pumped to high-level surface tanks with a total capacity of 300 m^3, including a significant 200 m^3 specifically earmarked for firefighting purposes, ensuring emergency readiness. An additional small tank (12–20 m^3) is dedicated to providing water for underground rescue efforts.

Furthermore, a concentrator actively implements water recycling from the tailings pond, minimizing fresh water consumption and enhancing overall water sustainability.

8.2.3 Transportation Systems

The project employs a diversified transportation infrastructure tailored to its mining methods. Underground operations in Qinglonggou heavily utilize main ramp systems for development, with 20-tonne trackless trucks (UQ-20A) serving as the primary means for hauling ore and waste rock, loaded by ACY-3L diesel LHDs. These ramps are engineered with a net section of approximately 4.4m × 4.2m, a maximum slope of 14.3%, and include dedicated pedestrian paths. The Qinglonggou South section incorporates a vertical shaft (5.0m net diameter, 294.5m deep) for hoisting, complemented by battery locomotives and mine cars on specific underground levels.

For 323-South mine area, 40-tonne and 91-tonne dump trucks are deployed for ore and waste rock transport. External ore transportation to the concentrator extends approximately 18 km via road. Internal mine roads are designed as secondary roads, 10–14.5m wide, with an average gradient of 6.5%.

8.2.4 Waste Management

Waste management at the mine site is strategically designed to minimize environmental impact and ensure sustainable operations.

Waste Rock Disposal

- Underground Mining: Waste rock is primarily backfilled into excavated stopes to reduce surface disposal volumes.

- Cemented Paste Backfill: The Qinglonggou North section utilizes a cement-bound waste rock paste backfill method — an efficient and widely adopted technique that enhances ground stability and reduces environmental footprint.

- Surface Disposal: Surplus or non-backfillable waste rock is trucked to designated surface waste dumps. The 323 (South) Waste Dump: Recently expanded to a capacity of approximately 780,000 m^3, this facility is engineered to accommodate the projected 478,000 m^3 of waste rock from the II-III mining sections during both development and production phases.

Tailings Management

Tailings Pond: Tailings from the ore processing plant are stored in the No. 5 Tailings Pond, located about 2 km southeast of the concentrator. Its capacity is around 3.028 million m^3. The lining system is equipped with a 1.5 mm HDPE geomembrane and GCL bentonite blankets, providing robust anti-seepage protection and environmental containment.

Water Recycling

A key component of the environmental strategy is the recycling of clarified water from the tailings pond back to the concentrator, significantly reducing freshwater consumption and enhancing resource efficiency.

8.2.5Other Essential Facilities

Beyond its core operational infrastructure, the Dachaidan Property is supported by a network of essential facilities. Air supply for underground operations is provided by both fixed and mobile air compressors, which also serve as the underground self-rescue air supply system.

The mine-site includes various workshops and repair facilities, such as mining repair shops, for equipment maintenance. Comprehensive warehouses ensure a steady supply of materials and spare parts. On-site living and office facilities, including dormitories, offices, dining halls, and wastewater treatment plants, support the workforce.

A central concentrator with a capacity of 800,000 tpa processes the ore, employing advanced flotation-cyanidation leaching processes, particularly for complex ores, to produce auriferous gold. Additionally, the mine-site features robust communication systems for internal and external liaison.

Transportation to the mine-site primarily relies on road networks. The Dunhuang-Golmud Highway runs north of the site, with the distance from the mine to Dachaidan Town being 104 km (including 30 km of unpaved road). From Dachaidan Town, there are two routes to Xining City: the northern route via Delingha and Wulan, and the southern route via Golmud, Dulan, and Chaka. This network provides convenient access to regional hubs.

8.3 Open Pit Operation

8.3.1Hydrogeological Conditions

The mine's hydrogeological conditions are generally categorized as simple (Class I, Type I), with the area exhibiting very weak water abundance.

Surface Water

The Aolao River is the region's only perennial surface water body, located approximately 3 km east of the mine. Its average annual flow is 28,737 m^3/day, with reported ranges between 23,587 m^3/day and 38,275 m^3/day. The river's water is weakly alkaline and suitable for industrial use, but not for direct drinking due to quality concerns. Other valleys within the mining area typically consist of dry ephemeral streams that experience brief flooding only during the summer rainy season (July to September), with floodwaters rapidly infiltrating underground. Surface water provides limited recharge to groundwater due to low atmospheric precipitation (averaging only 107 mm annually) and high evaporation rates (averaging 1,741.9 mm annually), with evaporation being approximately 16 times greater than precipitation.

Groundwater

Groundwater in the mine area is classified into three types: pore water in loose strata, karst fissure water in carbonate rocks, and bedrock fissure water. The main water-bearing layers include bedrock fissure water within carbonaceous sericite phyllite, plagioclase granite porphyry, and quartz diorite porphyrite. The water abundance of these bedrock fissure aquifers is low, typically with a unit water inflow of less than 0.1 L/s. Groundwater recharge primarily occurs from atmospheric precipitation and snowmelt during the limited rainy season from July to September. Due to the steep terrain and intense dissection, most infiltrated atmospheric precipitation quickly flows as runoff along faults and fissures, discharging at mountain slopes, with only a small portion infiltrating deeper. The mine area functions as a groundwater runoff zone, where the northern mountainous area acts as the recharge zone and the southern basin serves as the discharge zone. Importantly, groundwater levels are typically found below the main ore bodies.

Mine Inflow

Mine inflow factors include atmospheric precipitation, surface water, groundwater, and fault structures. For open-pit mining, atmospheric precipitation is a direct source of inflow, especially during intense rainfall events that can lead to sudden pit flooding. Surface water, particularly from the Aolao River, can contribute to mine inflow, especially for ore bodies located below the erosion base level of 3,144 m. Bedrock fissure water is the primary source of groundwater inflow into the pit, flowing along structurally broken zones. Fault structures, particularly those trending north-northeast, serve as crucial conduits and storage areas, significantly impacting mine inflow. The mine's pits experience direct water ingress because the ore layer is situated within the bedrock fissure aquifer, without a significant aquiclude to prevent water inflow.

8.3.2Geotechnical Conditions

The engineering geological conditions are categorized as medium in complexity. The rock mass is predominantly composed of two types:

Hard to Moderately Hard Massive Granitic Rocks

These include plagioclase granite porphyry and quartz diorite porphyrite, which are widespread in the central mining area. While exhibiting strong uniaxial saturated compressive strength (10.4–131.1 MPa), they possess well-developed structural fissures and show significant weathering, leading to poor rock mass integrity (average RQD of 22.63–41.78%, Class IV-V).

Moderately Hard to Soft Layered Carbonaceous Sericite Phyllite and Dolomitic Marble

Characterized by a layered structure and moderate strength (10.7–42.6 MPa), these rocks also exhibit extensive structural fissures and greater weathering depths (5–15 m), resulting in poor continuity and integrity (average RQD of 17.71–35.21%, Class IV-V).

Physical Properties

The ore generally has a bulk density of 2.74 t/m^3 and a hardness coefficient (f-value) of 6–8, while the wall rock has a bulk density of 2.60 t/m^3 and an f-value of 6–10. Superficial Quaternary soil deposits in intermontane valleys exhibit high stability and low compressibility, with minimal freezing issues.

Slope Parameters for the Initial Mining Area (Xijinggou)

The selection of slope parameters is based on findings from two reports:

1. "Optimization Study Report on Open Pit Slope Parameters of Xijinggou Gold Mine" by Qinghai Dachaidan Mining Co., Ltd. (Changsha Research Institute of Mining and Metallurgy Co., Ltd., December 2021)

2. "Mining Resources Development and Utilization Plan for Xijinggou Gold Mine" by Qinghai Dachaidan Mining Co., Ltd. (Lanzhou Nonferrous Metallurgical Design and Research Institute Co., Ltd., April 2022)

The selected open-pit design slope parameters for both mining areas are summarized in Table 8–1 and illustrated in Figure 8–1 below:

Table 8–1 Summary of Pit Slope Design Parameter

Parameter	First Mining Area (Xijinggou)	Second Mining Area (Tanjian Mountain)
Bench Height	12m; 24m (two bench merged)	10m; Merged heights vary by elevation and pit: West Pit (3260m~3290m: 30m; 3290m~3310m: 20m; 3310m~3340m: 30m; East Pit (3260m~3280m: 20m; 3290m~3320m: 30m; 3320m~3340m: 20m;
Bench Face Angle. . . .	65° (for rock); 50° (for overburden/weathered rock)	65°~70° (near surface 55°)
Safety Berm Width . . .	10m	5m
Cleaning Berm Width .	16~25m	8m (for every 2–3 Safety Berm)
Overall Slope Angle . .	40°~43° (overall); 37°~39° for loose soil/ weathered rock; 41°~44° for fresh rock	Default 43°; West 42°; South 43°; East 37°; North-East41°

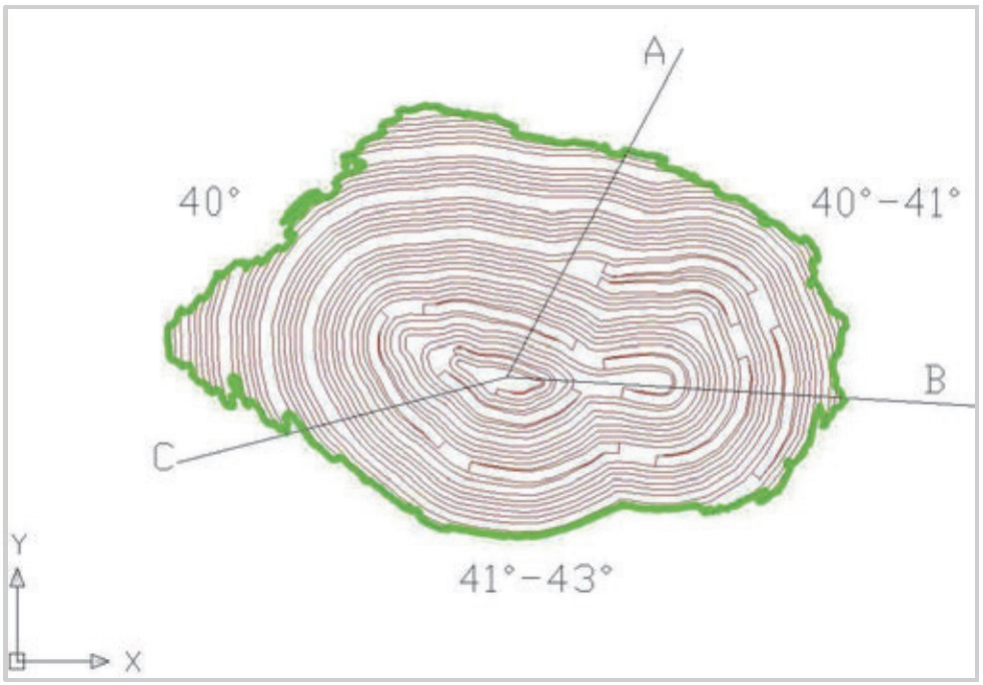


Figure 8–1 Geotechnical Domains of the Xijinggou Open Pit

8.3.3Pit Optimization and Mine Design of the Xijinggou Open Pit

8.3.3.1Pit Optimization

To identify the economically viable extraction of open pit mining portion for the Xijinggou Open Pit, BAW conducted pit optimization using the Pseudoflow algorithm with parameters outlined in Table 8–2. The exploration license was incorporated as constraints during the optimization process, which focused exclusively on the Measured and Indicated Resources.

Table 8–2 Pit Optimisation Parameters Adopted for the Xijinggou Open Pit

Parameters	Value	Unit	Comment
USD To RMB	7		exchange currency
Gold Price	2,000	$/oz	
	450.11	RMB/g	
Mining Operating Cost	11	RMB/t	
Processing & Smelting Operating Cost	175	RMB/t	
General & Administrative cost	—	RMB/t	Included in processing cost
Royality	—	RMB/t	Included in processing cost
Mining Dilution	10	%	
Mining Recovery	95	%	
Total Recovery of Processing and Smelting	88.55	%	
Overall Slope Angle	40~43	°	
Revenue Factor	0.3 to 1.5, single 2.0		Increment 0.02
Discount Rate	10	%	
Ore Processing Capacity	60	Ktpa	Ore Processing Rate
Mining Capacity	0.4	Mtpa	Mining Rate

The results of the pit-by-pit analysis are presented in Table 8–3 and Figure 8–2. After evaluating various scenarios, including single and multiple pushbacks, the final pit was determined to be shell 2 which has the highest NPV and a revenue factor of 0.64. This shell contains 1.67 Mt of ore and 88.4 Mt of waste rock, with a LOM of 3.9 years.

Table 8–3 Pit Optimisation Results for the Xijinggou Open Pit

Pit Shell	Revenue Factor	Open pit cashflow best $ disc	Open pit cashflow specified $ disc	Open pit cashflow worst $ disc	Ore Tonnage	Waste Tonnage	Mine life years specified
1	0.62	2,104,503	2,104,503	2,104,503	1,336	84,082	0.0
2	0.64	474,986,553	474,986,553	474,986,553	1,666,195	88,410,480	3.9
3	0.66	477,011,000	473,528,390	473,528,390	1,690,226	88,887,545	3.9
4	0.68	477,453,668	473,301,474	473,301,474	1,695,089	89,003,450	3.9
5	0.72	487,237,785	470,517,423	470,517,423	1,750,122	91,968,024	4.2
6	0.74	488,756,214	470,100,944	470,100,944	1,764,556	92,326,875	4.2
7	0.76	488,775,130	470,098,235	470,098,235	1,764,816	92,329,879	4.2
8	0.78	492,810,283	467,201,483	467,201,483	1,809,887	93,486,305	4.3
9	0.8	492,824,530	467,214,816	467,214,816	1,809,916	93,492,804	4.3
10	0.82	500,234,448	454,583,226	454,583,226	1,854,974	96,964,122	4.5
11	0.84	518,697,142	428,570,792	428,570,792	2,046,443	106,724,502	5.0
12	0.86	528,340,271	419,434,121	419,434,121	2,192,035	113,080,364	5.3
13	0.88	537,347,056	400,822,532	400,822,532	2,335,796	120,979,822	5.7
14	0.9	537,359,682	400,812,408	400,812,408	2,336,358	120,989,053	5.7
15	0.92	540,794,360	390,572,163	390,572,163	2,418,102	125,229,498	5.8
16	0.96	551,515,222	163,105,432	163,105,432	3,005,691	190,142,355	7.9
17	0.98	551,482,396	137,411,649	137,411,649	3,092,411	194,398,584	8.2
18	1	551,604,046	110,895,554	110,895,554	3,169,213	200,826,619	8.4
19	1.02	551,600,921	110,707,590	110,707,590	3,169,639	200,889,971	8.4
20	1.04	551,584,802	110,417,714	110,417,714	3,170,502	200,964,178	8.4
21	1.08	551,567,155	110,347,944	110,347,944	3,170,888	201,012,752	8.4
22	1.1	551,553,203	110,321,364	110,321,364	3,171,342	201,031,882	8.4
23	1.14	551,499,272	110,026,348	110,026,348	3,173,405	201,085,308	8.4
24	1.16	550,957,005	107,526,827	107,526,827	3,184,960	201,611,760	8.5
25	1.2	550,765,195	106,303,754	106,303,754	3,185,941	201,824,966	8.5
26	1.22	542,518,033	66,024,596	66,024,596	3,285,006	208,572,794	8.7
27	1.26	542,012,458	64,119,073	64,119,073	3,287,061	209,032,711	8.8
28	1.28	534,671,967	32,903,262	32,903,262	3,328,560	214,624,962	8.9
29	1.32	527,839,794	4,912,171	4,912,171	3,377,851	219,394,930	9.1
30	1.34	527,834,879	4,906,530	4,906,530	3,377,883	219,398,163	9.1
31	1.36	527,753,914	4,646,432	4,646,432	3,378,717	219,443,024	9.1
32	1.4	527,486,764	4,135,604	4,135,604	3,379,788	219,614,944	9.1
33	1.42	527,201,608	3,452,893	3,452,893	3,381,334	219,774,957	9.1
34	1.44	527,189,763	3,438,752	3,438,752	3,381,402	219,781,417	9.1
35	1.5	527,163,770	3,400,442	3,400,442	3,381,594	219,794,281	9.1
36	2	508,349,024	42,702,772	42,702,772	3,429,698	227,983,956	9.2

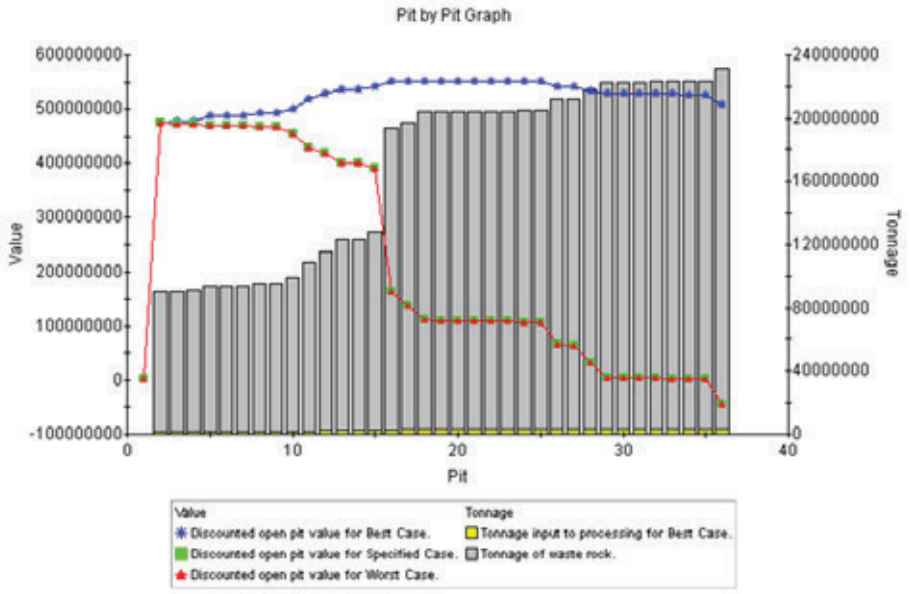


Figure 8–2 Xijinggou Pit Optimization — Pit by Pit

8.3.3.2Mine Design

The pit design was developed based on the mining model, slope design parameters, and the optimized shell 2. The designs are illustrated in Figure 8–3.

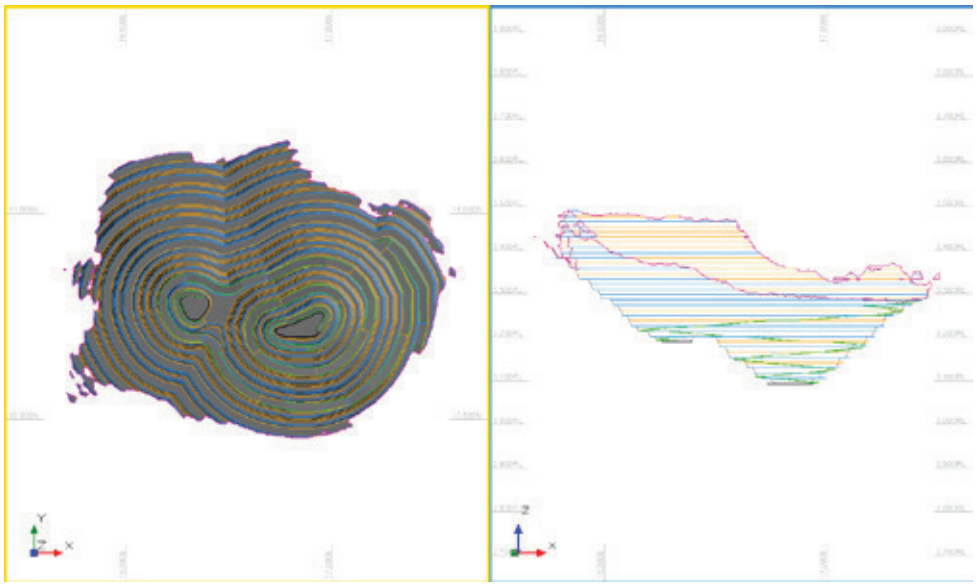


Figure 8–3 Plan View and Side View of the Xijinggou Pit Design

8.3.4Pit Optimization and Mine Design of the Tanjianshan Open Pit

8.3.4.1Pit Optimisation

To identify the economically viable extraction of open pit mining portion for the Tanjianshan Open Pit, BAW conducted pit optimization using the Pseudoflow algorithm with parameters outlined in Table 8–4. The exploration license was incorporated as constraints during the optimization process, which focused exclusively on the Measured and Indicated Resources.

Table 8–4 Pit Optimisation Parameters Adopted for the Tanjianshan Open Pit

Parameters	Value	Unit	Comment
USD To RMB	7		exchange currency
Gold Price	2,000	$/oz	
	450.11	RMB/g	
Mining Operating Cost	11	RMB/t	
Processing & Smelting Operating Cost	175	RMB/t	
General & Administrative	—	RMB/t	Included in processing cost
Royality	—	RMB/t	Included in processing cost
Mining Dilution	10	%	
Mining Recovery	95	%	
Total Recovery of Processing and Smelting	88.55	%	
Overall Slope Angle	40~43	°	
Revenue Factor	0.3 to 1.5, single 2.0		Increment 0.02
Discount Rate	10	%	
Ore Processing Capacity	35	ktpa	Ore Processing Rate
Mining Capacity	0.4	mtpa	Mining Rate

The results of the pit-by-pit analysis are presented in Table 8–35 and Figure 8–4. After evaluating various scenarios, including single and multiple pushbacks, the final pit was determined to be shell 22 which has the highest NPV and a revenue factor of 0.72. This shell contains 1.31 Mt of ore and 8.44 Mt of waste rock, with a LOM of 4.6 years.

Table 8–5 Pit Optimisation Results for the Tanjianshan Open Pit

Pit Shell	Revenue Factor	Open pit cashflow best $ disc	Open pit cashflow specified $ disc	Open pit cashflow worst $ disc	Ore Tonnage	Waste Tonnage	Mine life years specified
1	0.30	236,097,201	236,097,201	236,097,201	385,464	2,100,948	1.10
2	0.32	243,727,943	243,629,778	243,629,778	403,469	2,159,045	1.15
3	0.34	261,447,871	261,151,096	261,151,096	439,545	2,473,452	1.26
4	0.36	270,111,019	269,544,056	269,544,056	465,050	2,613,583	1.33
5	0.38	286,268,571	284,793,216	284,793,215	523,186	2,865,264	1.49
6	0.40	295,242,746	289,528,233	289,528,233	556,881	3,075,975	1.74
7	0.42	313,672,408	301,131,002	301,131,002	623,965	3,556,891	2.12
8	0.44	325,379,986	311,849,319	311,849,319	674,527	3,889,293	2.28
9	0.46	326,844,900	313,430,775	313,430,775	684,405	3,917,480	2.30
10	0.48	331,916,086	317,695,188	317,695,188	710,156	4,065,464	2.38
11	0.50	345,795,544	329,105,682	329,105,682	784,197	4,493,865	2.57
12	0.52	354,331,268	335,238,187	335,238,187	832,193	4,812,144	2.72
13	0.54	367,063,088	345,514,285	345,514,286	928,746	5,134,977	2.95
14	0.56	382,341,595	353,258,401	353,258,401	1,023,945	6,158,395	3.39
15	0.58	396,437,526	355,253,863	355,253,863	1,148,696	6,725,366	3.98
16	0.60	407,722,631	358,201,022	358,201,022	1,219,525	7,797,228	4.40
17	0.62	410,383,296	359,854,844	359,854,844	1,242,173	8,000,014	4.47
18	0.64	411,000,115	360,471,228	360,471,227	1,249,374	8,019,999	4.48
19	0.66	411,439,187	360,588,473	360,588,473	1,254,529	8,050,125	4.50
20	0.68	412,446,587	361,511,999	361,512,000	1,267,835	8,107,493	4.52
21	0.70	414,029,851	362,587,554	362,587,554	1,291,526	8,230,573	4.58
22	0.72	415,560,353	363,905,181	363,905,181	1,312,323	8,435,435	4.61
23	0.74	417,916,916	362,675,895	362,675,896	1,331,544	9,213,796	4.75
24	0.76	418,653,320	362,275,506	362,275,506	1,345,399	9,287,044	4.80
25	0.78	420,764,092	357,090,728	357,090,728	1,382,927	9,641,278	5.07
26	0.80	420,950,164	356,529,147	356,529,147	1,386,026	9,692,478	5.10
27	0.82	421,549,171	355,261,391	355,261,392	1,401,095	9,816,198	5.19
28	0.84	423,105,425	353,736,380	353,736,380	1,446,671	10,187,168	5.40
29	0.86	423,599,678	352,996,983	352,996,983	1,464,818	10,329,165	5.45
30	0.88	423,944,326	351,916,767	351,916,767	1,478,732	10,467,401	5.50
31	0.90	424,320,317	350,202,553	350,202,553	1,498,670	10,738,284	5.60
32	0.92	424,541,727	348,269,666	348,269,666	1,513,504	10,957,195	5.67
33	0.94	424,662,604	346,843,762	346,843,762	1,525,279	11,103,284	5.72
34	0.96	424,667,256	346,709,565	346,709,566	1,526,088	11,118,709	5.72
35	0.98	424,680,196	343,746,210	343,746,210	1,555,619	11,472,801	5.87
36	1.00	424,676,520	343,698,671	343,698,671	1,558,735	11,494,126	5.87
37	1.02	424,635,867	343,263,133	343,263,133	1,571,057	11,530,884	5.89
38	1.04	424,541,639	341,946,135	341,946,136	1,574,964	11,640,927	5.93
39	1.06	424,536,555	341,931,967	341,931,967	1,575,126	11,646,190	5.93
40	1.08	423,932,711	334,442,469	334,442,469	1,598,266	12,444,355	6.06
41	1.10	423,930,436	334,430,922	334,430,923	1,598,374	12,446,950	6.07
42	1.12	423,070,661	333,023,917	333,023,917	1,628,572	13,224,059	6.17

Pit Shell	Revenue Factor	Open pit cashflow best $ disc	Open pit cashflow specified $ disc	Open pit cashflow worst $ disc	Ore Tonnage	Waste Tonnage	Mine life years specified
43	1.16	423,064,345	332,945,069	332,945,070	1,628,752	13,229,301	6.17
44	1.18	422,937,166	332,190,120	332,190,120	1,632,766	13,279,551	6.21
45	1.20	422,506,953	331,189,258	331,189,257	1,647,150	13,417,815	6.27
46	1.22	422,489,244	331,129,053	331,129,053	1,647,150	13,420,554	6.27
47	1.26	422,467,250	330,939,725	330,939,725	1,647,581	13,430,964	6.28
48	1.28	422,283,023	330,747,012	330,747,012	1,653,315	13,466,159	6.30
49	1.34	421,733,576	327,687,025	327,687,025	1,662,834	13,690,538	6.41
50	1.38	416,525,008	311,458,968	311,458,968	1,718,076	15,860,801	6.93
51	1.40	416,516,895	311,443,070	311,443,070	1,718,220	15,863,378	6.93
52	1.42	416,493,506	311,334,648	311,334,648	1,718,291	15,868,756	6.93
53	1.44	416,479,417	311,242,532	311,242,532	1,718,435	15,874,037	6.93
54	1.46	416,409,247	310,927,951	310,927,951	1,719,441	15,894,757	6.94
55	1.48	412,215,875	298,563,177	298,563,177	1,768,211	17,338,822	7.27
56	1.50	411,949,032	297,095,702	297,095,703	1,768,786	17,479,011	7.29
57	2.00	405,642,757	264,530,357	264,530,357	1,802,871	19,819,062	8.16

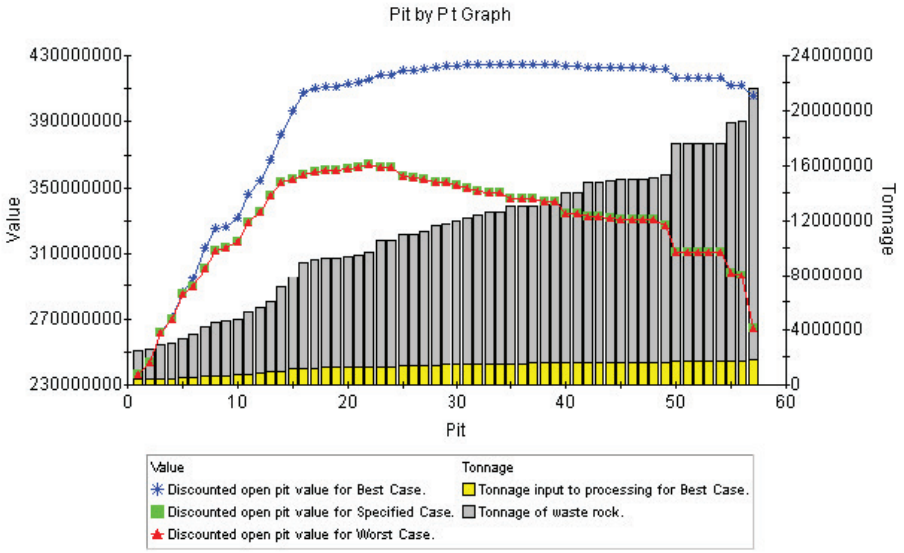


Figure 8–4 Tanjianshan Pit Optimization — Pit by Pit

8.3.5Mine Design

The pit design was developed based on the mining model, slope design parameters, and the optimized shell 22. The designs are illustrated in Figure 8–5.

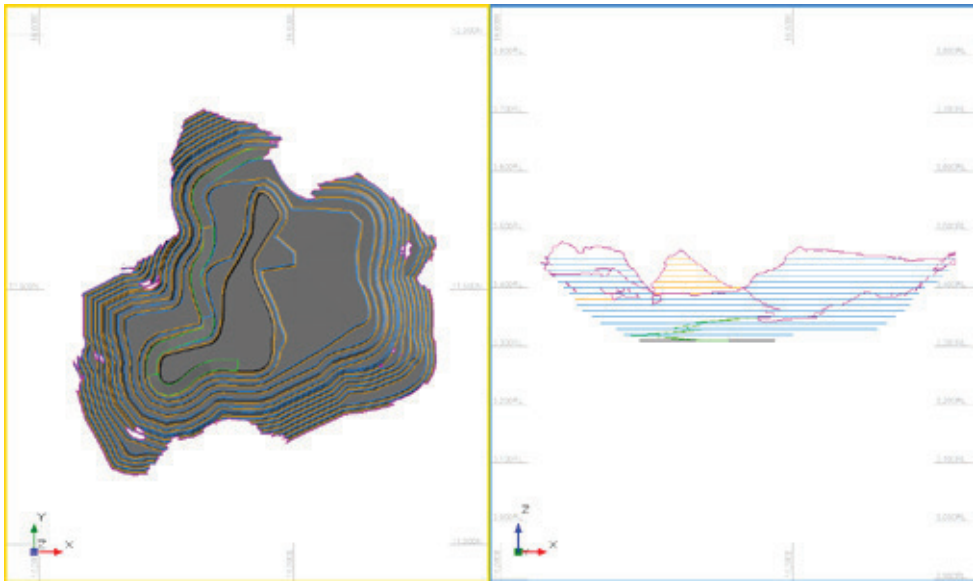


Figure 8–5 Plan View and Side View of the Tanjianshan Pit Design

8.3.6Mining Equipment

Key mining equipment for the open pit operation proposed by the 2025 PFS is summarized in Table 8–6.

Table 8–6 Key Mining Equipment

Category	Equipment Type	Key Parameters	Quantity
Drilling	Percussion Drill	φ 102mm	1
	Rotary Drill	φ 250mm	7
	Percussion Slope Drill	φ 102mm	1
Loading	Electric Hydraulic Excavator	Bucket capacity 8.3 m^3	8
	Hydraulic Excavator	Bucket capacity 4 m^3	1
	Wheel Loader	Bucket capacity 3 m^3	3
Hauling	Dump Truck	Load capacity 91 t	41
	Dump Truck	Load capacity 40 t	4

Category	Equipment Type	Key Parameters	Quantity
Auxiliary/Support.	Track-mounted Bulldozer	D9T	3
	Road Roller	SR22MP	1
	Grader	SG18–3	1
	Water Sprinkler Truck	40 m^3	2
	Hydraulic Breaker	B20	1
	Fuel Truck	5 t	2
	Explosives Mixing Truck	15 t	2
	Small Passenger Vehicle	17–20 seats	2
	Engineering Command Vehicle	Pickup	3

Source: 2025 PFS and summarized by BAW

8.3.7LOM Production Schedule

According to the technical studies, the integrated mining project designates Xijinggou as the initial pit whereas Tanjianshan as the second pit. The stripping for the Xijinggou Open Pit will commence in 2026, with two years of construction and development. After the mining depletion of the Xijinggou Open Pit is completed, the mining operation for the Tanjianshan Open Pit will be carried out. Table 8–7 presents the LOM production schedule of the open pit operation.

Table 8–7 LOM Production Schedule of Open-Pit Operation of the Dachaidan Property

Mine	Items	Unit	Total	2025Q4	2026	2027	2028	2029	2030	2031	2032	2033	2034
Tanjianshan .	Ore Mined	Mt	1.20		0.39	0.39	0.42	—					
	Waste Mined	Mt	17.48		11.29	3.3	2.9	—					
	Total Tonnage	Mt	18.68		11.68	3.6	3.4	—					
	Strip Ratio	t/t	14.54		28.70	8.4	7.0						
	Gold Grade	g/t	1.50		1.60	1.6	1.4						
	Contained Metal	t	1.81		0.63	0.6	0.6	—					
Xijinggou. . .	Ore Mined	Mt	1.43			0.00	0.01	0.05	0.15	0.29	0.46	0.23	0.23
	Waste Mined	Mt	114.15		10.21	10.21	19.32	19.34	19.19	19.04	8.42	4.21	4.21
	Total Tonnage	Mt	115.58		10.21	10.21	19.34	19.39	19.34	19.34	8.87	4.44	4.44
	Strip Ratio	t/t	80.03						129.26	64.76	18.38	7.35	7.35
	Gold Grade	g/t	4.61				6.82	2.75	4.13	3.48	3.42	3.42	3.42
	Contained Metal	t	6.58				0.09	0.15	0.61	1.02	1.57	1.57	1.57
Total.	Ore Mined	Mt	2.63		0.4	0.4	0.4	0.1	0.1	0.3	0.5	0.2	0.2
	Waste Mined	Mt	131.64		21.5	13.5	22.3	19.3	19.2	19.0	8.4	4.2	4.2
	Total Tonnage	Mt	134.26		21.9	13.9	22.7	19.4	19.3	19.3	8.9	4.4	4.4
	Strip Ratio	t/t	50.08		54.67	34.82	51.15	355.51	129.26	64.76	18.38	18.38	18.38
	Gold Grade	g/t	3.19		1.60	1.57	1.52	2.75	4.13	3.48	3.42	6.85	6.85
	Contained Metal	t	8.39		0.63	0.61	0.66	0.15	0.61	1.02	1.57	1.57	1.57

8.4 Underground Operation

The mining rights of the Qinglonggou area currently encompass two sections, arranged from north to south as follows:

1. **Qinglonggou North-South Section**: This section results from the merger of the former North Ore Section and South Ore Section into one production system.

2. **II and III Ore Sections**: These sections will operate independently.

Due to the relatively long distance between the two ore sections (approximately 3 km), forcibly connecting them is technically feasible but economically irrational. As a result, the two ore sections will function as independent mining units, each supplying ore to the concentrator.

Based on the 2025 PFS, the mine management plans to increase production in the deeper parts and periphery. This planning includes constructing facilities such as centralized hoisting shafts, which will facilitate the gradual merging of the entire Qinglonggou Gold Mine into a single production system.

8.4.1Geotechnical Conditions

The geotechnical conditions of the mining area are characterized by four primary engineering geological rock mass types, contributing to a medium level of complexity.

Key Engineering Geological Rock Mass Types

1. Hard to Very Hard Blocky Gabbro-Diorite Rock Mass

   - **Location**: Western and central mining area.
   - **Strength**
     - Above 3300m: 45.91–52.64 MPa (hard to very hard).
     - Below 3300m: 30.07–87.71 MPa.
   - **Softening Coefficient**
     - Above 3300m: 0.50–0.95.
     - Below 3300m: 0.70–0.90.
   - **Integrity**
     - Structural fissures and strong weathering, with a thin weathering zone (3–10m).

- RQD: 39.15–93.85% above 3300m (poor to good integrity) and 73.26–93.52% below 3300m (medium to good integrity).

2. Harder Layered Phyllite Rock Mass

   - **Location**: Eastern and central mining area.
   - **Strength**
     - Above 3300m: 25.46–36.16 MPa (softer to harder).
     - Below 3300m: 46.64–57.50 MPa (harder).
   - **Softening Coefficient**
     - Above 3300m: 0.70–0.80.
     - Below 3300m: 0.50–0.85.
   - **Integrity**
     - Developed fissures and strong weathering.
     - RQD: 53.60–58.73% above 3300m (medium integrity) and 73.26–93.52% below 3300m (medium to good integrity).

3. Hard Layered Marble Rock Mass

   - **Location**: Eastern and central mining area.
   - **Strength**
     - Above 3300m: 64.56–71.64 MPa.
     - Below 3300m: 52.38–69.53 MPa.
   - **Softening Coefficient**
     - Above 3300m: 0.70–0.80.
     - Below 3300m: 0.50–0.85.
   - **Integrity**
     - Displays developed fissures and experiences strong weathering.
     - RQD: 68.40–95.30% above 3300m and 82.64–96.81% below 3300m (good to excellent integrity).

4. Weak Rock Mass in Fault Zones

    - o Location: Locally observed in boreholes.
    - o Characteristics: Fragmented, highly susceptible to spalling, collapse, and roof falls.
    - o Classification: Very poor integrity and stability, categorized as V-class weak rock layers.

Overall Engineering Geological Conditions

The mining area is classified as Type V layered rock, primarily composed of carbonate rock. The rock mass exhibits anisotropic properties and variable strength but remains generally stable. Contributing factors to the medium complexity include:

- Complex lithology.
- Moderate weathering and karstification.
- Weak interlayers, fractured zones, and water-saturated sand layers.

Adverse Geological Phenomena

The region is tectonically active, with frequent seismic activity (7-degree intensity), contributing to instability. Key issues include:

- Mudslides: Observed in the gully west of the Qinglonggou pit, exacerbated by 3.89 million m^3 of waste rock accumulation.
- Collapses: Eastern wall failures in the Qinglonggou pit are linked to "X" joints, weathering, and water immersion.

This combination of geological factors and adverse phenomena highlights the challenges of mining operations in this area.

8.4.2Hydrogeological Conditions

The mining area's hydrogeological conditions are simple, with limited surface water systems and scarce groundwater resources.

Surface Water System

- The surface water system is underdeveloped, with most gullies dry except during summer floods.

- Aolao River: The only perennial water body, ~3 km east of the mining area.
    - Flow: ~28,737 m^3/d, infiltrating into the Mahai Basin (~10% of the basin's groundwater recharge).
    - Impact: Minimal influence on the mining area's conditions.

Groundwater Conditions

Groundwater is scarce and deeply buried, with boreholes generally dry, indicating weak water richness. Groundwater types include:

1. Quaternary Loose Rock Pore Water
    - Found in mountain-front plains and the Aolao River valley (10–25m thick).
    - Low water richness, negligible impact on mining.
2. Bedrock Fissure Water
    - **Layered Rock Fissure Water**: Found in brittle Middle Proterozoic Wandonggou Group rocks, with deep water levels (> 50m) and weak water richness.
    - **Massive Rock Fissure Water**: Found in intrusive rocks (e.g., granites, gabbro), weak water richness due to deep burial and limited storage.
3. Carbonate Karst Fissure Water
    - Found in dolomite marble, with localized concentrated outflows (e.g., at 3460m and 3480m levels), suggesting potential for localized water ingress.

Groundwater Quality

- **Characteristics**: High mineralization and hardness, unsuitable for drinking but usable for production after purification.

Adverse Water-Related Phenomena

1. Mudslides
    - Common west of Qinglonggou pit during heavy rains, caused by ~3.89 million m^3 of waste rock.

2. Collapses

    o Occur on the eastern wall of Qinglonggou pit, caused by "X" joints, weathering, and water immersion in carbonaceous sericite phyllite.

These conditions present localized but manageable challenges for mining operations.

8.4.3Development System

The mining area's development system integrates existing infrastructure for shallower sections with a newly planned system for deeper and peripheral resources, aiming for a unified production approach.

Current Development Systems

North and South Mining Sections: These sections operate as a single production system, connected at the 3,480 m level by a 650 m tunnel for large trackless equipment.

South Section: Developed via a vertical shaft located on the hanging wall north of the ore body. The shaft opens at 3,614 m and extends to 3,319.5 m, with a circular cross-section of 5.0 m diameter. It is used for lifting ore and waste, transporting materials, and serves as an air intake and safety exit. An auxiliary ramp for large equipment has a maximum slope of 14.3%.

North Section: Developed using main ramps that open at 3,547 m on the eastern side of the original open pit, facilitating the transportation of ore, rock, and personnel, with a maximum slope of 14.3%.

II and III Mining Sections: This section, including the 323 South underground area, uses a ramp with an opening at 3,492 m elevation. The ramp has a net cross-section of 4.4 m × 4.2 m (17.08 m^2) and serves multiple transport functions, as well as air intake.

Planned Development System (New for Deep and Peripheral Resources)

The plan for deep resources includes a new shaft system:

Main and Auxiliary Shafts

The Main Shaft will lift ore and rock, located at 3,579 m with a depth of 1,359 m and a net diameter of 5.5 m.

The Auxiliary Shaft is for personnel and materials, also at 3,579 m but with a depth of 1,399 m.

The existing North Section ramp will be extended for large equipment, reaching 2,340 m elevation with a cross-section of 4.5 m × 4.5 m (18.80 m^2) and a 14.3% slope. A new main return shaft will handle return air from deep sections at 3,618 m elevation and 1,278 m depth.

The development strategy is evolving from a mix of existing ramps and vertical shafts to a centralized vertical shaft system for deeper resources, focusing on operational efficiency. Each section will feature 60-meter vertical intervals.

South Section: 3,560 m, 3,520 m, 3,480 m, 3,440 m, 3,400 m, 3,360 m.

North Section: 3,589 m, 3,526 m, 3,480 m, 3,420 m.

II-III Zone: 3,470 m, 3,425 m, 3,380 m, 3,335 m, 3,290 m, 3,245 m.

Deep Zone: Multiple levels ranging from below 2,800 m to 2,340 m.

The primary development types and dimensions are illustrated in Figure 8–6.

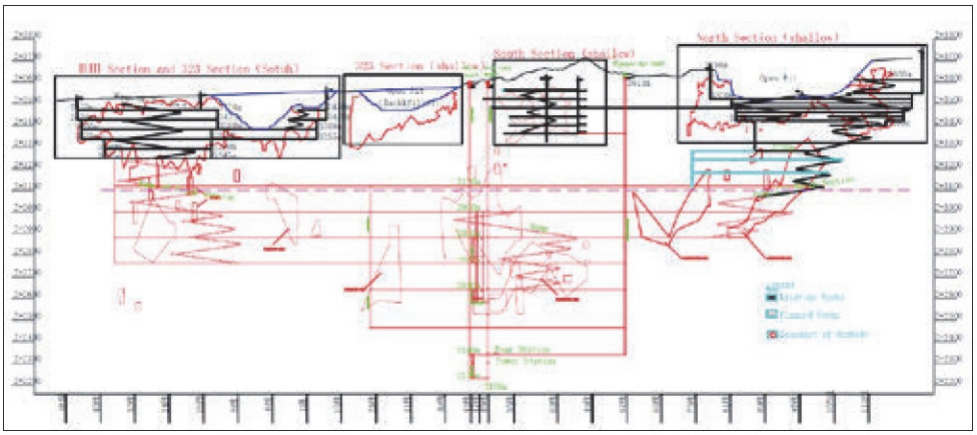


Figure 8–6 Planned Development System

Development is carried out using conventional Jumbo equipment. Standard development profiles are employed for various purposes, including ore drives, capital declines, and infrastructure. The dimensions and specific purposes are summarized in Table 8–8.

Table 8–8 Summary of the Development Profile

Type of Excavation	Location/Purpose	Net Cross-Section	Net Cross-Section Area (m^2)
Shafts			
Main Shaft.	For ore/waste hoisting, depth 1359m	Ø 5.5m	19.63
Auxiliary Shaft.	For personnel, materials, and some ore, depth 1399m	Ø 6.5m	33.17
Main Return Air Shaft .	For ventilation, depth 1278m	Ø 6.0m	28.26
Ramps			
North Ramp	Auxiliary ramp (planned extension)	4.5m × 4.5m (1/3 arch)	18.80/18.83
South Ramp.	Auxiliary ramp (planned extension)	4.5m × 4.5m (1/3 arch)	18.83
Existing South Mine Auxiliary Ramp.	For large trackless equipment	3.6m × 3.6m (1/3 arch)	12.03
Existing II, III Mine Ramp	Trackless ramp	4.4m (W) × 4.2m (H)	17.08
Level Drifts/Tunnels			
Middle-Level Drifts (e.g., 3120m, 3000m, 2940m, 2880m, etc.).	Along vein/connecting tunnels (planned)	Typically 4.5m × 4.5m (1/3 arch)	18.83
Middle-Level Trackless Tunnels.	General planned specification	4.1m (W) × 3.95m (H, full height)	15.05
Existing South Mine Track-Bound Transport Level	Centralized transport level	2.8m × 2.8m (1/3 arch)	7.29
Existing II, III Mine Level Drifts	General tunnel	4.1m (W) × 4.2m (H)	16.05
Fine Ore Recovery Level	Main shaft bottom level	14.67	15.85
Ore & Waste Pass Systems			
Main Ore Pass Barrel . .	General	Ø 3.5m	9.62
Main Ore Pass Storage Section	General	Ø 4.5m	15.9
Inclined Pass	Part of Main Ore Pass System		4.64

8.4.4Mining Method

The project utilizes four main underground mining methods: Overhand Horizontal Cut-and-Fill Mining, Overhand Stope Cut-and-Fill Mining, Continuous Cut-and-Fill Mining, and Sublevel Open Stoping with subsequent backfill. Here's a detailed overview of each method:

1. *Upward Horizontal Cut-and-Fill Mining*

This method is specifically designed for ore bodies where the rock mass stability is medium or better and the thickness is less than 5 meters, ensuring the roof remains stable during operations. Mining blocks are typically laid out along the strike, 50 meters long, with a width matching the horizontal thickness of the ore body. Each layer is mined at a height of 3 meters, with a series of layered access drifts accommodating the mining and subsequent filling cycle.

Key production parameters for this method include a block production capacity of 120 tons per day, a relatively low ore loss rate of 14%, and a dilution rate of 17%. The operational cycle involves drilling using electric hydraulic jumbos, blasting with emulsion explosives, main airflow ventilation supplemented by auxiliary fans, and mucking with $3m^3$ loaders. Backfilling is a critical component, utilizing high-concentration tailings initially, followed by a 500mm thick cemented fill (1:6 cement-sand ratio) to create a stable floor for the next layer. The first and last layers of each stope are fully cemented to support pillar recovery, with the final layer filled in two stages for complete roof contact.

2. *Overhand Stope Cut-and-Fill Mining*

Similar to the horizontal method, Upward Stope Cut-and-Fill is suitable for ore bodies with medium or better rock mass stability and a thickness greater than 5 meters, while still maintaining roof stability. stopes are also laid out along the strike, 50 meters long, and designed for panel-based operations, typically with two blocks per panel. This method differs in its approach to wider ore bodies by incorporating 2–3 access drifts per standard stopes, which can be adjusted in width (2.5–4.0m or up to 4m for better stability) depending on the rock conditions.

The block production capacity for this method is also 120 tons per day, with a 14% loss rate and a 17% dilution rate. The operational process is largely similar to the horizontal cut-and-fill, employing jumbos for drilling (45mm diameter, 3.4m deep holes), emulsion explosives for blasting, and $3m^3$ loaders for mucking. Backfilling involves initial cemented gravel fill at the bottom (1:6 ratio) to support subsequent mining stages, and then either 1:8 cemented fill or high-concentration gravel fill with a cemented surface for intermediate layers, ensuring dense filling to the roof.

3. Continuous Cut-and-Fill Mining

This method is specifically applied to individual thick ore bodies, particularly those exceeding 10 meters in thickness, provided the rock mass stability is medium or better and roof stability can be ensured. Blocks are typically 40 meters long along the strike, with the width determined by the ore body's horizontal thickness. A key feature is the reduction of development work by integrating drilling, mucking, and filling activities into two main drifts: a lower drilling/mucking drift and an upper fill/ventilation drift, both strategically placed to minimize ore loss and dilution.

This method offers a higher block production capacity of 200 tons per day, with a low loss rate of 12% and a dilution rate of 17%. Operations involve creating a slot at one end of the stope using specialized drilling jumbos (e.g., Sandvik DL2720) and deep-hole blasting. Mining then retreats from one side to the other, with upward fan-shaped holes drilled and blasted in 2–3 row increments. Remote-controlled $3m^3$ diesel loaders and 20t underground trucks are used for mucking. Backfilling closely follows the retreating face, utilizing surface waste rock crushed to –40mm and mixed with cement slurry to form both the fill body and 5-meter-wide cemented aggregate walls between adjacent stopes.

4. Sublevel Open Stoping (with subsequent backfill)

This method is chosen for individual ore bodies that have stable surrounding rock and a thickness greater than 5 meters. Blocks are arranged along the strike, 40–50 meters long, with a width corresponding to the ore body's thickness. Each block is divided into three vertical sublevels, each 15–20 meters high, with a flat bottom structure for efficient loader mucking. Development includes a vein-parallel stage transport drift and two sublevel drilling drifts, along with manway/ventilation raises within inter-block pillars and cut-off raises at the stope ends to facilitate blasting.

The production capacity for Sublevel Open Stoping is also 200 tons per day, but it has a slightly higher loss rate of 16% and a dilution rate of 19% compared to continuous cut-and-fill. The mining process involves drilling upward fan-shaped holes using YGZ-90 rock drills in the sublevel drilling drifts, followed by blasting with emulsion explosives. Blasted ore falls into trenches and is loaded by mucking machines into trucks, with large blocks being secondarily crushed in the loading drifts. Although an open stoping method, it incorporates subsequent backfill using gravel-cemented materials to treat mined-out areas, ensuring no open spaces remain, and then these areas are sealed off.

The parameters or mining blocks were summarized in Table 8–9.

Table 8–9 Stope Dimensions of Each Mining Method

Mining Method	Length (m)	Width	Slice Height (m)	Sublevel/Stage Height (m)	Pillars
Overhand Horizontal Cut-and-Fill Mining	50	Orebody thickness	3	15–20	Ore chamber length 44m, 6m inter-pillar, 5m bottom pillar, no top pillar during mining
Overhand Stope Cut-and-Fill Mining	50	Orebody thickness	3.75	15–20	Generally no inter-pillar or bottom pillar, 5m top pillar
Continuous Filling Mining Method . .	40	Orebody thickness	N/A (Continuous)	15–20	Not explicitly specified for the block itself, but integrates drilling, mucking, and filling headings into upper and lower drives to minimize preparation
Sublevel Open Stope Method (with subsequent filling)	40–50	Orebody thickness	N/A (Open Stope)	15–20 (divided into 3 sublevels)	5m top pillar, 6m inter-pillar, no bottom pillar

Source: BAW

8.4.5Stope Optimization

Stope optimization was conducted by BAW, utilizing input parameters such as cut-off grade and available block model assumptions. The 2025 PFS outlines various mining methods based on the morphological characteristics of the orebody, including dip angle and thickness. However, it does not specify which methods correspond to particular orebodies or sections.

Based on prior feasibility studies and actual mining activities. depended on the morphology of the orebody, an appropriate method is selected; and in light of the differences in blasthole depths, the optimization is conducted separately by dividing into 3m-height stopes and 15m-mining-height levels. Stope design parameters are summarized in Table 8–10.

Table 8–10 Stope Optimization Parameters at the Dachaidan Property

Item	Unit	Short hole mining	Long hole and sub-level
Height	m	3	15
Sub-stope height	m	NO	3
Length	m	5	5
Minimum Width	m	1	1
Minimum Stope pilar	m	2	2
Dilution	m	0.5 each side	0.5 each side
COG	g/t	1.6	1.6

The resulting optimized stope are illustrated in Figure 8–7.

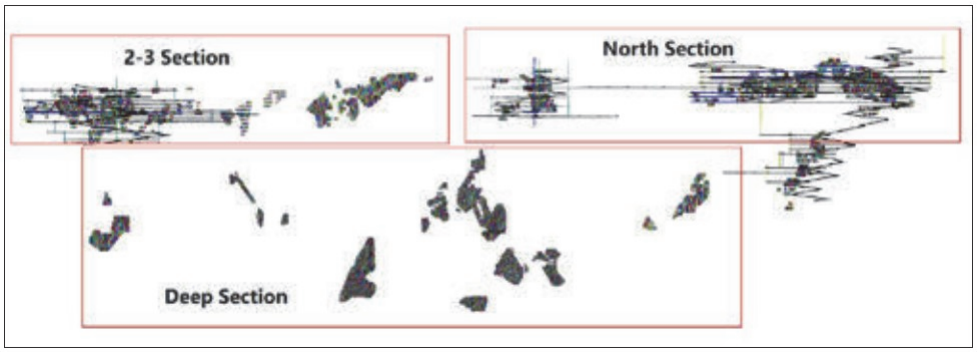


Figure 8–7 The resulting optimized stope shapes for Qinglonggou mine

8.4.6 Underground Services

Ventilation

For the planned development of deep and peripheral resources, a diagonal ventilation system with an exhaust ventilation method is proposed. Fresh air will be supplied through the auxiliary shaft and an auxiliary inclined shaft, while stale air will be expelled via the main return air shaft (6.0 m net diameter, 1278 m deep). The total estimated air volume required for the mine is 228 m^3/s. Due to low water inflow and humidity, mechanical cooling is unnecessary; instead, increased air velocity will be used for cooling in deeper areas. To maintain incoming air temperatures above 2°C, five 1.2 MW far-infrared hot air units will preheat the air at shaft entrances. A FKZ-No30/2000 kW axial flow mine fan will be installed at the main return air shaft, capable of 265 m^3/s flow and 5800 Pa negative pressure, with airflow reversal capabilities for emergencies. This system will operate continuously.

Existing ventilation systems in the North and South mining sections employ partitioned, single-wing or two-wing diagonal exhaust methods, with fresh air entering main shafts and stale air exiting through return air shafts. The South section requires 39 m^3/s, while the North section requires 87 m^3/s, utilizing various axial flow fans. Local fans provide auxiliary ventilation at excavation and mining faces. The II and III mining sections also utilize a mechanical continuous, two-wing diagonal exhaust system.

Power

The underground power supply for the Qinglonggou Gold Mine's planned deep and peripheral resource development will primarily come from a new 110/35 kV main step-down substation, drawing 110 kV power from the State Grid. Existing sections (North, South, II, III) will continue to use power from the modified Shuanglong 35/10 kV substation, now linked to the new main substation. Power is distributed radially at 10 kV. Critical equipment, such as hoists, main ventilation fans, and underground drainage pumps, is classified as first-level loads, ensuring a dual power supply for reliability. These major machines will utilize 10 kV frequency converters for power. The project's total installed power is 27,712.5 kW.

Water Supply

The mine's water supply system is designed to provide 1,100 m^3/d for various underground operations. Water for production and fire fighting is primarily sourced from underground inflow, utilizing a gravity-fed supply method. The system includes two main high-level water tanks: a 1,000 m^3 surface tank at +3579 m elevation, serving areas above +2,880 m, and a 600 m^3 underground tank at the +2,880 m pump station for lower regions. Main supply pipes are Ø159 × 8 mm seamless steel. For emergencies, two 50 m^3 drinking water tanks, supplied from surface domestic water, are strategically positioned underground.

Drainage and Dewatering

The mine's drainage and dewatering system is designed for efficient water management and environmental protection. It employs a clear-dirty water separation strategy, directing underground mining wastewater — mainly from inflow, drilling, and dust suppression — to surface settling ponds. This water, generally low in pollution but high in turbidity, is partially recycled for mine production. Water for operations also comes from the Aolao River.

The underground dewatering system features a two-stage relay pumping system. Mobile pumps transfer water from lower working faces to fixed pump stations located at key levels, such as +2,880 m and +2,340 m, before discharging to the surface. Surface runoff is managed by interception ditches outside the open pit boundaries to prevent water from entering mining areas. High-level water tanks are integrated for both production and fire-fighting purposes, drawing from underground sources. This comprehensive system aims to ensure operational safety and minimize environmental impact.

Compressed Air

The mine's compressed air system is vital for various operational needs, encompassing both surface and underground installations. A primary compressed air station is located near the auxiliary shaft entrance, equipped with an OG(F)D-28.8/8 air compressor, delivering an exhaust volume of 28.8 m^3/min at 0.8 MPa pressure, powered by a 160 kW motor for compressed air self-rescue. The main air supply is channeled through $\varphi 159 \times 4.0$ mm seamless steel pipes along the auxiliary shaft, with $\varphi 108 \times 4.0$ mm seamless steel pipes serving as branch lines. To support underground drilling requirements, five PES920 mobile air compressors are deployed, with four in active use and one as a reserve. Each mobile unit provides 25 m^3/min of compressed air at 0.8 MPa pressure, driven by a 132 kW motor. This robust system ensures a consistent air supply for daily operations and critical safety functions.

8.4.7Mining Equipment

Table 8–11 outlines the key underground mining equipment used at the Qinglonggou Underground Mine. Excavation and loading are performed using loaders and excavators, while jumbo drills and long hole drills are employed for production drilling, creating blast holes in the orebody. Dump trucks are used to transport both ore and waste material from underground to the surface.

Table 8–11 Key Mining Equipment at the Qinglonggou Underground Mine

Equipment Name	Model/Specification	Unit	Quantity		
			Working	Standby	Total
Tunneling Equipment					
Drilling Jumbo	Boomer K111	Set	2	—	2
Diesel LHD (Load-Haul-Dump)	$2m^3$	Set	2	—	2
Pneumatic Leg Rock Drill	YSP45	Set	2	2	4
Pneumatic Leg Rock Drill	YT-28	Set	4	4	8
Wet Concrete Sprayer	SPT8	Set	2	—	2
FKNo.4.5 Local Fan	FKNo.4.5	Set	9	3	12
Mining Equipment					
Drilling Jumbo	Boomer K111	Set	2	—	2
Pneumatic Leg Rock Drill	YGZ-90	Set	5	5	10
Pneumatic Leg Rock Drill	YT-28	Set	6	6	12
Electric LHD	$1m^3$	Set	4	2	6
Electric LHD	$2m^3$	Set	5	2	7
Scaling Jumbo	XMPYT-45/700	Set	2	—	2
FKNo.4.5 Local Fan	FKNo.4.5	Set	26	6	32
Haulage Trucks					
Ore Truck	UK-10	Unit	6	—	6
Auxiliary Equipment					
Underground Personnel Carrier	RU-5	Set	4	—	4

Sources: Summarized by BAW

8.4.8LOM Production Schedule

The production schedule of the underground operation of the Dachaidan Property from 2026 till the end of LOM is shown in Table 8–12.

Table 8–12 LOM Production Schedule of Qinglougou Underground Operation of the Dachaidan Property

Mine	Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
North-South	Development	Km	58.3	10.8	10.9	10.8	10.9	10.8	4.1	—	—	—	—	—	—	—
	Ore Mine	Mt	1.3	0.2	0.3	0.3	0.3	0.3	0.1	—	—	—	—	—	—	—
	Grade Au	g/t	5.07	6.06	5.21	5.28	5.16	3.75	3.69	—	—	—	—	—	—	—
	Metal Au	t	6.7	1.4	1.3	1.3	1.3	0.9	0.3	—	—	—	—	—	—	—
2–3 Section	Development	Km	71.7	8.8	8.7	8.7	8.7	8.7	8.6	8.6	8.5	2.4	—	—	—	—
	Ore Mined	Mt	1.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	—	—	—	—
	Grade Au	g/t	2.66	2.88	2.55	2.38	2.43	2.80	2.69	2.71	2.84	3.43	—	—	—	—
	Metal Au	t	4.3	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.2	—	—	—	—
Deep	Development	Km	83.0	—	—	—	9.9	11.3	10.9	7.5	10.7	11.5	10.0	11.1	—	—
	Ore Mine	Mt	3.0	—	—	—	0.3	0.3	0.3	0.2	0.5	0.5	0.4	0.5	—	—
	Grade Au	g/t	6.77	—	—	—	4.35	6.37	7.50	5.46	4.70	6.88	11.18	6.45	—	—
	Metal Au	t	20.2	—	—	—	1.1	1.9	2.2	1.3	2.2	3.5	4.9	3.1	—	—
Stockpile . .	Development	Km	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Ore Mine	Mt	0.9	0.3	0.1	0.1	0.1	0.0	—	—	—	0.1	0.3	—	—	—
	Grade Au	g/t	2.74	5.06	1.84	1.84	1.84	1.84	—	—	—	1.84	1.84	—	—	—
	Metal Au	t	2.5	1.3	0.2	0.1	0.2	0.0	—	—	—	0.2	0.5	—	—	—
Total.	Development	Km	213.0	19.5	19.6	19.5	29.5	30.8	23.6	16.2	19.3	13.9	10.0	11.1	—	—
	Mining	Mt	6.8	0.6	0.5	0.5	0.8	0.8	0.6	0.4	0.7	0.7	0.7	0.5	—	—
	Grade Au	g/t	4.93	4.96	3.66	3.75	3.79	4.48	5.23	4.22	4.15	5.88	7.54	6.45	—	—
	Metal Au	t	33.7	3.2	2.0	1.9	3.1	3.5	3.0	1.9	2.8	3.9	5.4	3.1	—	—

9 PROCESSING

9.1 Previous Testwork

9.1.1Mineralogy Studies

Details of previous mineralogy studies and results are summarized in this section.

Table 9–1 Previous Mineralogical Studies and Results

Deposit/Zone	Ore Type/Main Features	Key Mineralogy/ Chemistry	Gold Recovery & Key Points	Notes/Comparisons
Jinlonggou Oxidized Phyllite	Oxidized phyllite, high S-oxidation (>88%), 0.85% organic C	9.3% preg-robbing gold, 3.7% Fe-sulfide refractory, 0.5% siliceous	86.5% cyanide recovery (P80=75μm), 9.3% preg-robbing	High preg-robbing, rare for oxidized ores
Jinlonggou Sulfide Ore	92% primary phyllite, 4% diorite, 4% felsite; 3.84% S, 0.24% As	0.62% org. C, low carbonate (0.2%), 13.6:1 phyllite: arsenian phyllite	50.6% cyanide recovery (P80=75μm), +12.8% w/ultra-fine grind; 32.4% refractory	Requires ultra-fine grind for higher recovery
Qinglonggou Deposit .	High-grade, low S (0.89%), low refractory, 0.19% As, 28.7% carbonate	0.10% org. C, minimal S oxidation	78.4% cyanide recovery (P80=75μm), +8.8% (P80=20μm), 8.6% refractory	Easily treatable, minimal refractory gold
Qinglonggou Zone III South.	Hydrothermal gold in dolomitic marble/ sericite phyllite	Native Au, pyrite, arsenopyrite, sphalerite, galena; S 1.60%, As 0.14%, Ag 0.98g/t	72.1% exposed/ semi-exposed, 18.6% sulfide, 2.1% carbonate, 6.7% silicate gold	Amenable to flotation + cyanidation
Qinglonggou Zone III.	Carbon-mica schist/ marble/diorite, altered rock-type	Native Au, pyrite, arsenopyrite, S 2.60%, As 0.06%, Ag 49.5g/t	82.8% exposed/ semi-exposed, 9.6% sulfide, 5.9% carbonate gold	Amenable to flotation + cyanidation
Xijinggou Gold Deposit	Phyllite-hosted, similar to Tanjianshan	Electrum, pyrite, arsenopyrite, trace chalcopyrite/ sphalerite; As 0.246%, Ag 4.98g/t, C 1.32%	78.8% fracture-hosted, 21.2% inclusion gold	Processing identical to Tanjianshan
Tanjianshan Gold Deposit	Phyllite-hosted	Electrum, pyrite, arsenopyrite, trace chalcopyrite/ sphalerite; As 0.23%, Ag 3.95g/t, C 1.53%	76.9% fracture-hosted, 23.1% inclusion gold	Long-term stable processing performance

In summary,

- Jinlonggou oxidized phyllite: High cyanide recovery (86.5%) despite high preg-robbing.
- Jinlonggou sulfide ore: Needs ultra-fine grinding for improved (63.4%) recovery.

- Qinglonggou: High-grade, low-refractory, achieves 87.2% cyanidation recovery.
- Xijinggou: Processability matches Tanjianshan, enabling shared infrastructure; no separate plant needed.

9.1.2Metallurgical Testwork

Previous metallurgical testwork are summarized in this section.

Table 9–2 Previous metallurgical testwork

Report/Year	Sampling Coverage	Main Processes Tested	Key Results/Recovery (%)	Notes/Conclusions
John W. MacIntyre & Associates, 2005. . .	Jinlonggou: 18 samples (83% ore) Qinglonggou: 10 HQ drill core composites	Cyanidation, Flotation, Leaching	Jinlonggou: 83–89% Qinglonggou: 91%	Representative sampling; Two-step processes evaluated
Qinghai Geology Mine Test & Application Center, 2018	3 main ore bodies (~85% of gold)	Bulk flotation, Concentrate & Tailings Cyanidation, Whole-ore Cyanidation	Flotation: 84% Combined: 89.7% Whole-ore: High leaching rates	Gold predominantly as exposed/ semi-exposed native gold
Qinghai Dachaidan Mining Co., Ltd., 2021	Process compatibility testing (Jinlonggou + Qinglonggou)	Primary Grinding → Flotation → Tailings Cyanidation	90% (total gold recovery)	Existing plant and reagents suitable; minimal modification needed
Qinghai No.1 Geological Exploration Institute, 2023	46 samples from 7 ore bodies (78% tonnage, 85% gold)	Flotation + Tailings Cyanidation Whole-ore Cyanidation Cyanidation-Flotation	Flotation + Cyanidation: 89.8% Whole-ore: 64% Combined: 87%	Flotation + cyanidation most effective
BGRIMM, 2024	Refractory gold concentrates	Roasting + Cyanidation (Atmospheric & Pressure Acid Leaching)	Atmospheric: ~94% Pressure: >98%	Pressure leaching gives highest recovery, low residue gold
Dachaidan Mining Co., Xijinggou ore, 2020	Xijinggou ore samples	Flotation, Roasting, CIL Cyanidation	86.8% (comprehensive) Final: 83.3%	Silver: 65.7% recovery; meets/exceeds target

In summary,

- Sampling in all studies is highly representative (77–85% of reserves).
- Optimized flowsheets (flotation, cyanidation, roasting) achieve 86–91% gold recovery for most ores, 83–89% for refractory ores.
- Existing plant circuits and reagents are compatible with both the Jinlonggou and Qinglonggou ores.
- Pressure acid leaching yields the highest gold recovery from refractory ores.
- Consistent test results across reports confirm high gold recovery rates (typically 86–91%) are achievable using flotation, cyanidation, and roasting methods, with process compatibility validated for various ore types and plant configurations.

9.2 Processing and Metallurgical Facilities

9.2.1Processing Overview

Underground mining of primary ore at Jinlonggou commenced in 1995, with an initial production scale of 30 ktpa. The production process adopted a flotation-roasting-cyanidation flowsheet, achieving a gold recovery rate of approximately 82%. The Jinlonggou mining area remained in suspension from 2003 to 2007.

In 2007, the Tanjianshan Gold Mine expanded its production capacity to 800ktpa, which remains the current production scale. The Tanjianshan Gold Mine comprises two mining areas — Jinlonggou and Qinglonggou — sharing one processing plant and smelting plant. The Jinlonggou mining area accounts for 600ktpa, while Qinglonggou contributes 200ktpa. During production, the two mining areas jointly fulfill the annual production target of 800kt of gold ore, with a distance of 20km between them.

The Qinglonggou mining area and its ancillary facilities accepted as Phase I project in 2008. The Jinlonggou mining area and its roasting section passed environmental acceptance as Phase II project in 2009.

The mine complex includes:

- An 800ktpa gold ore processing plant
- One roasting workshop (employing carbon-in-leach for oxidized ore and flotation/roasting for primary ore)
- Five tailings storage facilities (No.1-No. 1 Pond is closed. No. 3 and No. 4 Ponds are at capacity. No. 2 and No. 5 Ponds are in operation)

- Administrative and residential areas

The 800ktpa processing plant currently operates two parallel systems for different ore types:

- System No.1: Crushing — Grinding — Whole-ore CIL — Elution/Electrowinning — Smelting — Cyanide destruction of tailings
- System No.2: Crushing — Grinding — Flotation — Oxidative roasting of concentrate — Sulfuric acid production from roasting gases

These two systems operate independently yet cooperatively, allowing flexible process adjustments based on ore type.

For low-carbon, low-sulfur, easily-processed ores:

- Ore first enters System No.1 (whole-ore CIL)
- Cyanide tailings undergo cyanide destruction before entering System No.2 for flotation
- Flotation concentrate is oxidatively roasted, with calcine returning to System No.1 for cyanidation
- This forms a "CIL + cyanide tailings flotation + concentrate roasting + calcine cyanidation" metallurgical circuit

For refractory ores containing arsenic, high sulfur, and carbonaceous fine-grained gold:

- Ore first enters System No.2 for flotation
- Flotation concentrate undergoes oxidative roasting
- Both flotation tailings and calcine proceed to System No.1 for cyanidation
- This forms a "flotation + concentrate roasting + tailings/calcine cyanidation" circuit

9.2.2Processing Flowsheet

1) System No. 1 Processing

Current ROM processing primarily handles oxide ore or low-sulfide ore. The flowsheet of the No. 1 System is shown in Figure 9–1.

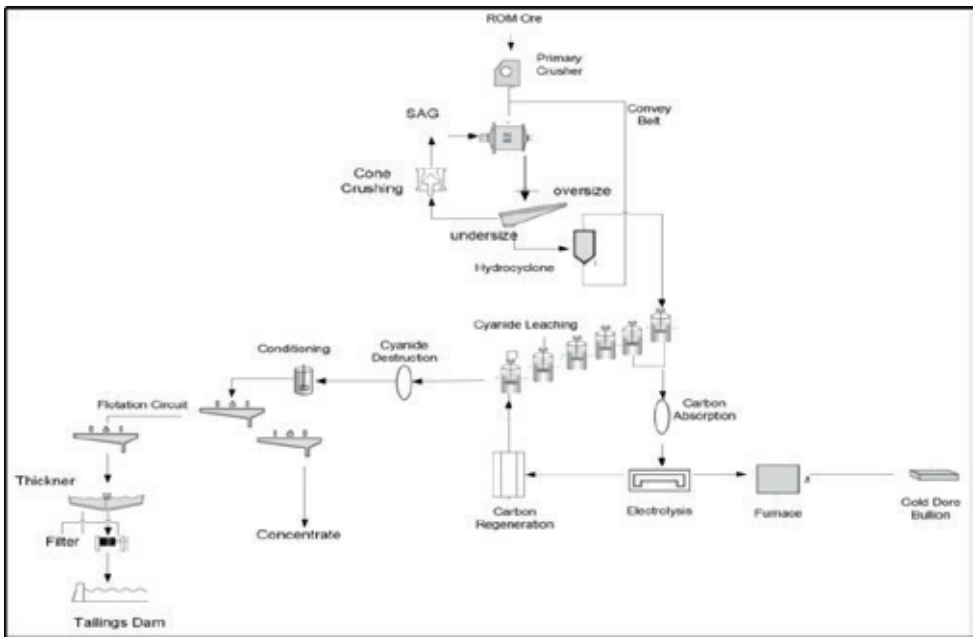


Figure 9–1 No. 1 System Processing Flowsheet

Crushing

Run-of-mine (ROM) ore is conveyed from the ROM bin to the C100 jaw crusher via a heavy-duty 800*10800*8350 apron feeder for primary crushing. The crushed product, with a target particle size of –120 mm, is transported to the storage bin by Belt Conveyors #1 and #2.

Grinding Circuit

The grinding circuit, shared by both Systems No.1 and No.2, comprises a SAG mill followed by two-stage classification. Ore from the storage bin is fed via a motorized vibrating feeder onto Belt Conveyor #3, which delivers the material to the φ 11880*4900 mill. The mill discharge slurry is screened on a 5870*3784 screen, with oversize pebbles crushed in a φ 1,300 crusher and recirculated to the SAG mill via Belt Conveyors #4 through #6. The screen undersize reports to a pump tank and is subsequently classified in a $\phi 250 \times 10$ hydrocyclone cluster. The cyclone overflow (80% passing –200 mesh) reports to a trash screen, with oversize collected and undersize directed to either the CIL (System No.1) or flotation (System No.2) circuits based on ore type. The cyclone underflow is either returned to the SAG mill or diverted to quick flotation, depending on ROM characteristics.

CIL (Carbon-in-Leach)

The CIL circuit consists of eight $\phi 9{,}000 \times 9{,}500$ leaching tanks operating in series. The leaching process employs lime and sodium cyanide addition with oxygen injection. Carbon moves counter-currently from Tank #9 to Tank #2 via airlifts. Gold-loaded carbon from Tank #2 is transferred to a safety screen, with overflow proceeding to carbon stripping and electrowinning and underflow returning to Tank #2. Cyanide tailings exit from Tank #9 to the safety screen, where fine carbon is recovered, and the underflow reports to cyanide destruction.

Carbon Stripping and Electrowinning

Refer to the process description for System No.2.

Cyanide Tailings Destruction

Cyanide tailings gravitate to four $\phi 5{,}000 \times 6{,}500$ agitated tanks for INCO (SO_2-air) detoxification. Sodium metabisulfite and copper sulfate are added under oxygen sparging to reduce total cyanide content to < 5 ppm. The detoxified slurry reports to flotation, with final concentrate stored in TSF No.2 and tailings deposited in TSF No.5. Process water is recycled to achieve zero liquid discharge.

Cyanide Tailings Flotation

Detoxified tailings are conditioned in two $\phi 5{,}500 \times 6{,}000$ mixing tanks prior to flotation. The circuit comprises two roughing stages, one cleaning stage, and one scavenging stage. Cleaning concentrate is pumped to storage ponds, while tailings report to a thickener. Thickener underflow is deposited in TSF No.5, with overflow recycled to the process.

Tailings Disposal

Thickener underflow is discharged to TSF No.5, with overflow returned to the process water circuit.

2) No. 2 System Processing

The processing flowsheet of the No.2 System is presented in Figure 9–2.

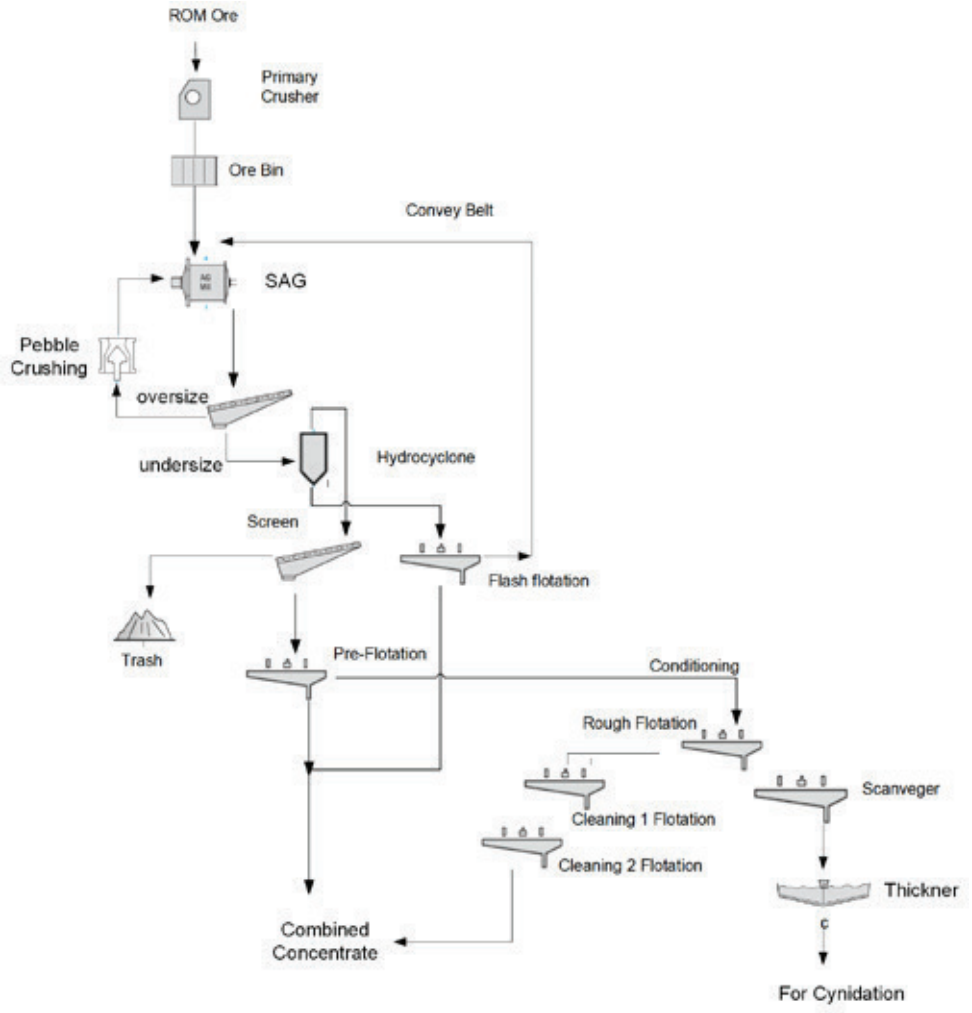


Figure 9–2 No. 2 System Processing Flowsheet

Crushing System

A single crushing circuit serves both System No.1 and System No.2 in parallel configuration.

Grinding Circuit

The grinding circuit is shared between System No.1 and System No.2, utilizing identical equipment and flow configuration.

Flotation Circuit

The trash screen underflow reports to the flotation circuit, comprising quick flotation, pre-flotation, two-stage roughing, single-stage scavenging, and single-stage cleaning. (Note: This circuit also processes CIL tailings when treating oxidized ore.)

Flotation Concentrate Dewatering and Roasting (Currently Inactive)

The processing plant is equipped with complete flotation concentrate dewatering and roasting facilities, though these units remain non-operational at present. Processing flowsheet of flotation concentrate dewatering and roasting is shown in Figure 9–3 below.

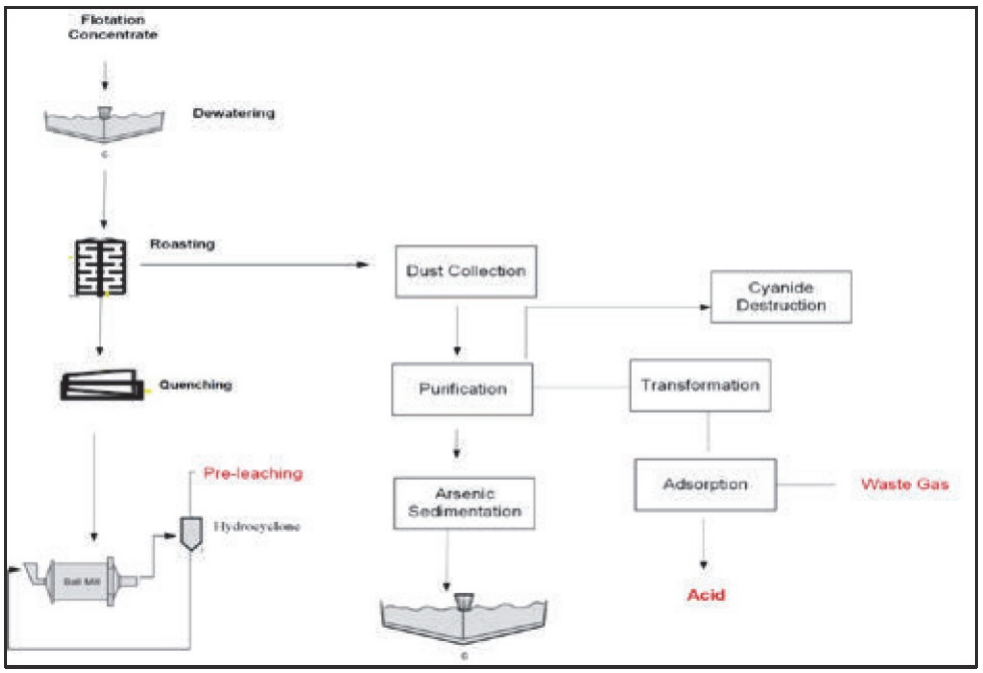


Figure 9–3 Processing Flowsheet of Flotation Concentrate Dewatering and Roasting

Flotation Tailings and Roasted Material Cyanidation, Carbon Stripping and Electrowinning

The treatment process for flotation tailings and roasted sand includes cyanidation, carbon stripping, and electrowinning operations. The detailed flowsheet of CIL 1, CIL 2 (small), CIL 3 (large), and associated carbon stripping and electrowinning systems are shown in Figure 9–4.

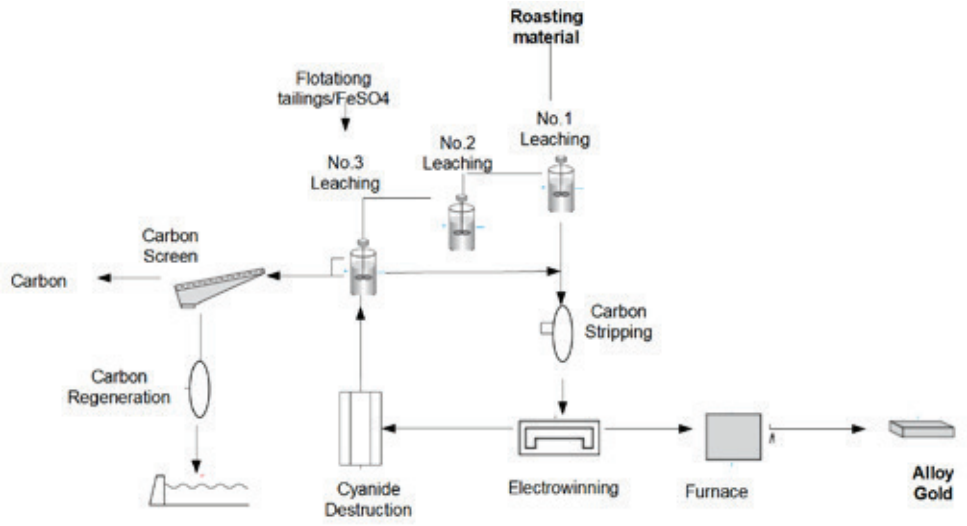


Figure 9–4 Flotation Tailings and Roasted Sand Cyanidation

Flotation tailings undergo thickening, with overflow returning to the water recycling system and underflow advancing to pre-cyanidation in eight $\phi 9{,}000 \times 9{,}500$ leaching tanks. The leach tailings progress sequentially through:

- CIL 2 (small-scale cyanidation): Eight $\phi 5{,}000 \times 5{,}600$ tanks
- CIL 3 (large-scale cyanidation): Eight $\phi 9{,}000 \times 9{,}500$ tanks

Final tailings undergo cyanide destruction before being deposited in the TSF. The primary function of the safety screens is to collect fine carbon. Furthermore, they serve to mitigate incidents by recovering carbon that may be accidentally discharged from the cyanidation process tanks, ensuring its return to the cyanidation system:

1. **High-Pressure Cyanide-Free Desorption**: Gold-loaded carbon is desorbed, followed by:
    - o Electrolysis of the pregnant solution to produce gold sludge for smelting.
    - o Acid washing, neutralization, and thermal reactivation of stripped carbon for reuse.
2. **Cyanide Tailings Destruction and Disposal**: Systems No. 1 and No. 2 utilize identical processes for cyanide tailings destruction and disposal.

Flotation Concentrate Dewatering and Roasting (Non-operational)

The installed flotation concentrates dewatering and roasting facilities remain inactive at present.

Arsenic Precipitation and Acid Neutralization

The arsenic removal process employs the lime-iron salt method, as detailed below and illustrated in Figure 9–5 below:

- pH adjustment to 2.5–4 with ferric sulfate addition, forming iron arsenate precipitate
- Secondary pH adjustment to 8–9 with lime, creating ferric hydroxide coprecipitate
- Final arsenic concentration < 5 ppm (GB5085.3–2007 compliant)

The polyferric sulfate reagent is produced on-site by reacting calcined tailings with sulfuric acid, eliminating the need for external procurement. This cost-effective method effectively removes arsenic, ensuring environmentally compliant treatment of arsenic-bearing waste streams.

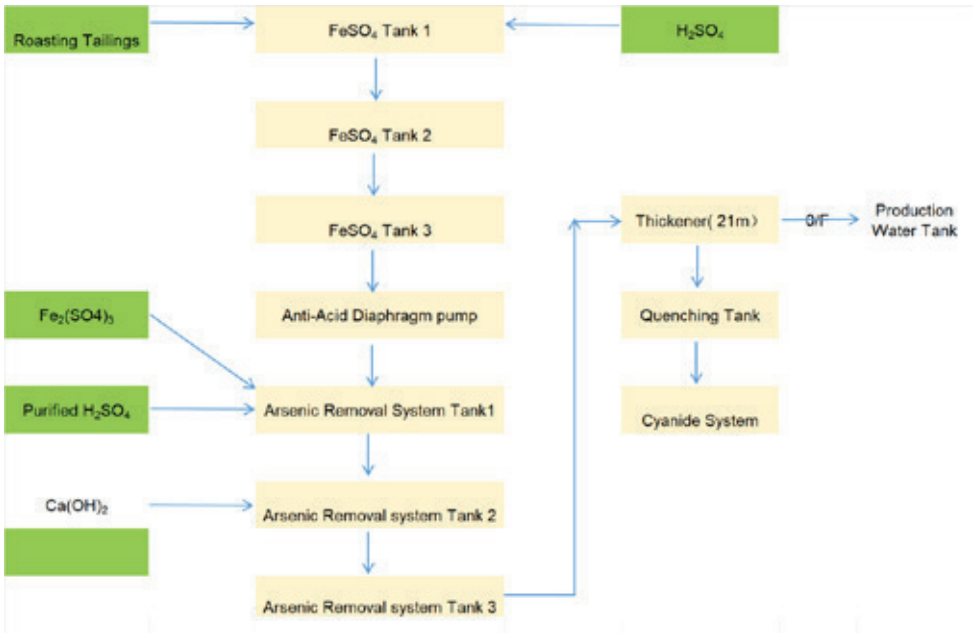


Figure 9–5 Arsenic Precipitation, Acid Neutralization Processing Flowsheet Diagram

9.2.3Processing Equipment

Table 9–**3** presents the core equipment across seven production sections (crushing to smelting), with detailed specifications like the Ø9000 × 9500 cyanidation tank and 80m^2 electrostatic precipitator, demonstrating comprehensive process integration.

Table 9–3 Processing Equipment

Section	No.	Equipment Name	Specifications
Crushing	1	Plate Feeder	800 × 10800 × 8350 mm
	2	Jaw Crusher	C100 Model 10158
	3	Pebble Crusher	PYF-1300 Model
Grinding & Flotation	1	Semi-autogenous (SAG) Mill	Ø4.9 × 11.88 m
	2	Hydrocyclone Cluster	Ø250 × 10
	3	Cyclone Feed Pump	10/8F-AH Model
	4	Mill Discharge Screen	USLG2452 (5.87 × 3.784 × 2.005 m)
Cyanidation	1	Whole-ore Leaching Tank	Ø9000 × 9500 mm
Decyanidation	1	Decyanidation Tank	Ø5000 × 6500 mm
	2	Flotation Thickener	Ø15000 mm
	3	Tailings Thickener	Ø15000 mm
	4	Carbon Safety Screen	USLG1533 (2.8 × 4.13 × 2.956 m)
	5	Tailings Pump	100ZBG-500 Model
	6	Decyanidation Agitator	75Q30 Model
Oxygen Generation .	1	Atlas Air Compressor	GA-160 Model
	2	PSA Oxygen Plant	34-PSA-01 Model
	3	Refrigeration Dryer	J2K-250G (36 m^3/min)
Elution & Acid Washing	1	Elution Column	Ø1300 × 8706 mm
	2	Electrolysis Cell	Ø1700 × 2937 mm
	3	Electric Heater	Ø700 × 1650 mm
	4	Carbon Regeneration Kiln	HK870D Model
Gold Room	1	Car-type Resistance Furnace	RT2–65–9 (950°C)
	2	Thyristor Medium-frequency Furnace	KGPS-100KW/2.5KHz
	3	Gold Room Safe	800 × 900 × 1200 mm

Table 9–4 provides a comprehensive list of equipment across six key mineral processing sections: dewatering, roasting, calcine treatment, gas cleaning, drying/absorption, and conversion. It details critical specifications, including dimensions, capacities, power ratings, and operational configurations. It highlights the plant's integrated systems, from dewatering filter presses to arsenic precipitation units, emphasizing redundancy design and large-scale processing capabilities, such as 3,000m^3 acid storage tanks, reflecting industrial-grade metallurgical operations.

Table 9–4 Roasting Processing Equipment

Processing Section	Equipment	Specifications	Unit	Quantity	Notes
Dewatering	Concentrate Thickener	Φ12m, Φ15m	Unit	1 each	—
	Filter Press	XAZGFQ240/1500-U	Unit	2	—
Roasting & Dust Collection	Fluidized Bed Roaster #1	74m^2	Unit	1	—
	Fluidized Bed Roaster #2	28m^2	Unit	1	—
	Electrostatic Precipitator	80m^2	Set	1	—
	Blower CP001	Y250M-4	Unit	1	55kW
	Blower CP002	YKK355–2	Unit	1	355kW
	Blower CP003	Y280M-2G	Unit	1	90kW
Roasting Material Regrind, Thickening & Cyanidation	Overflow Ball Mill	GZM1500 × 3500	Set	1	80kW
	Hydrocyclone Cluster	Φ150	Unit	6	—
	Thickener	Φ12m	Unit	1	—
	Large Cyanidation Agitator	Φ9000 × 9500	Unit	3	540m^3 per unit
	Small Cyanidation Agitator	Φ5000 × 5600	Unit	8	970m^3 per unit

9.2.4Reagent Consumption

The consumption rates of various reagent and electricity costs from 2022 to 2024 is shown in Table 9–5, revealing notable fluctuations among different items. Specifically, the consumption of sodium cyanide decreased, while materials such as lime and xanthate exhibited significant variations. In contrast, electricity costs showed a consistent upward trend throughout the period.

Table 9–5 Consumption Rates of Reagents and Electricity Costs

Item	Unit	2022	2023	2024
Sodium Cyanide	kg/t	0.47	0.44	0.43
Lime	kg/t	1.46	1.56	0.57
Steel Ball	kg/t	0.88	1.03	0.93
Copper Sulfate	kg/t	0.42	0.15	0.46
Sodium Metabisulfite	kg/t	1.09	0.95	1.16
Xanthate	kg/t	0.16	0.02	0.25
Flocculant	kg/t	0.02	0.02	0.03
Frother	kg/t	0.02	0.0024	0.02
Electricity Cost	RMB/t	16.96	17.32	18.42

9.3 Recovery Rates and Product Quality

9.3.1Jinlonggou and Qinglonggou Mine

The operational efficiency of the processing plant demonstrates consistent improvements (Tables 9–6 and 9–7). Mill utilization rates increased from 76.42% in 2022 to 95.75% in 2024, while maintaining stable grinding fineness above 80% since 2023.

Gold recovery performance also shows a positive trend, with total recovery rising from 90.28% to 93.35% over three years. This includes a temporary dip in cyanidation recovery to 82.28% in 2024, which was offset by significantly higher flotation recovery at 64.49% in the same year.

Production scales substantially, as total gold output grew by 90%, increasing from 2,272 kg in 2022 to 4,323 kg in 2024. This growth was supported by a 40% increase in ore throughput and improved concentrate grades of 11.19 g/t Au in 2024.

Table 9–6 Comprehensive Processing Performance Metrics (2022–2024)

Category	Parameter	Unit	2022	2023	2024
Throughput	Wet Ore Processed	t	664,915	841,684	929,395
Grinding	Mill Operational Rate	%	76.42	93.94	95.75
	Grinding Fineness (–75μm)	%	60.87	83.39	81.49
Cyanidation	Feed Grade	g/t Au	3.79	3.66	4.92
	Tailings Solution Grade	g/t Au	0.01	0.01	0.01
	Gold Production	kg	2,144.56	2,818.38	3,810.48
	Recovery Rate	%	85.22	90.32	82.28
Flotation	Feed Grade	g/t Au	0.75	0.68	0.9
	Concentrate Grade	g/t Au	6.36	5.73	11.19
	Concentrate Production	t	20,851.27	1,850.02	46,632.36
	Gold Production	kg	127.54	9.75	512.9
	Recovery (Flotation Feed Basis)	%	43.64	41.52	64.49
	Recovery (ROM Feed Basis)	%	5.11	0.31	11.36
Overall	Total Recovery	%	90.28	90.63	93.35
	Total Gold Production	kg	2,272.09	2,828.12	4,323.38

Table 9–7 Processing Technical Parameters 2024

Category	Parameter	Value	Unit
Crushing Circuit	Total crushed tonnage	919,654	t
	Equipment availability rate	93.43	%
Grinding Circuit	Processed dry ore	924,730	t
	Mill availability rate	95.96	%
	Mill operating rate	95.75	%
	Product fineness (–75μm)	81.49	%
Feed Characteristics	Head grade	4.92	g/t Au
	Contained metal	4,631.24	kg Au
Cyanidation (CIL)	Feed grade	5.01	g/t Au
	Tailings grade (solid)	0.89	g/t Au
	Gold production	3,810.48	kg Au
	Recovery rate	82.28	%
Flotation Circuit	Feed grade	0.90	g/t Au
	Concentrate grade	11.19	g/t Au
	Tailings grade	0.34	g/t Au
	Concentrate production	46.63	kt
	Gold production	512.90	kg Au
	Recovery (vs flotation feed)	64.49	%
	Recovery (vs ROM ore)	11.36	%
Overall Performance	Total gold recovery	93.35	%
	Total gold production	4,323.38	kg Au

9.3.2Xijinggou Gold Mine

The Xijinggou ore is characterized as a refractory gold ore with high sulfur, arsenic, and carbon content. The selected processing route adopts a combined "flotation + concentrate roasting + cyanidation of both flotation tailings and roasted calcine" flowsheet, which will first utilize System #2 followed by System #1 for comprehensive recovery. The existing auxiliary processes will be maintained, including utilizing SO_2 from roasting off-gas for cyanide destruction and employing roasted tailings to produce ferrous sulfate for arsenic removal from dilute acid solutions.

The mineral processing flowsheet consists of the following stages:

- Ore Preparation: Crushing → Grinding
- Primary Concentration: Flotation
- Refractory Treatment: Oxidative roasting of flotation concentrate → Sulfuric acid production from roasting gas
- Gold Extraction: All-sliming CIP (carbon-in-pulp) for gold/silver recovery → Elution-electrowinning → Smelting
- Tailings Treatment: Cyanide destruction

The projected key technical parameters are presented in Table 9–8:

Table 9–8 Designed Processing Parameters for Xijinggou Gold Mine

Parameters	Value
Annual Ore Processing Capacity	600ktpa
Average Feed Grade (Au)	4.0g/t
Overall Metallurgical Recovery	83.00%
Flotation Recovery Rate	89.00%
Calcine Cyanidation Recovery Rate	93.10%
Cyanidation Recovery Rate of Flotation Tailings	32.25%
Composite Recovery Rate	86.41%
Desorption Rate	98.50%
Electrolysis Rate	98.50%
Smelting Rate	99.00%

9.4 Production Forecast

The recovered gold detailed in Table 9–9 shows a significant increase from 3.05t in 2026 to 3.46t in 2030, supported by rising feed tonnage and substantially improved head grades. The overall recovery rate remains consistently high, increasing from 80% in 2026 to a stable 85% from 2027 onward, reflecting enhanced operational efficiency.

Table 9–9 Processing Production Forecast

Items	Unit	Total	2026	2027	2028	2029	2030
Feed Tonnage	Mt	9.46	1.04	0.93	0.94	0.88	0.92
Head Grade	g/t	4.45	3.68	2.79	2.72	3.72	4.42
Metal Au	t	42.09	3.81	2.60	2.57	3.27	4.06
Overall Recovery Rate	%	84.55	80.00	85.00	85.00	85.00	85.00
Recovered Gold	kg	35.59	3.05	2.21	2.18	2.78	3.46

Items	Unit	2031	2032	2033	2034	2035	2036
Feed Tonnage	Mt	0.88	0.90	0.90	0.88	0.71	0.49
Head Grade	g/t	4.64	3.81	4.84	6.13	7.54	6.45
Metal Au	t	4.07	3.43	4.33	5.42	5.38	3.14
Overall Recovery Rate	%	85.00	85.00	85.00	85.00	85.00	85.00
Recovered Gold	kg	3.46	2.92	3.68	4.61	4.58	2.67

BAW reviews the data, noting that historical performance (2022–2024) showcases operational excellence, with gold recovery improving from 90.28% to 93.35% despite ore variability. This is supported by optimized grinding (81.49% –75μm) and flotation (64.49% staged recovery in 2024). The 2026–2030 forecast, while conservative, aligns recovery rates (80%–85%) with refractory ore constraints and ensures scalable production.

9.5 Tailings Storage Facility ("TSF")

9.5.1 Tailings Dam No.1-No.5

Five tailings dams have been constructed:

- No.1: Completed closure acceptance.
- No.2: Capacity of 150,000 m^3, currently storing flotation gold concentrate.
- No.3: Remaining capacity of 138,200 m^3, planned for closure acceptance.
- No.4: Capacity of 4,816,400 m^3.

As Dam No.4 reached full capacity, the new Dam No.5 has been built southeast of it to ensure production continuity. The feasibility study for Dam No.5 was completed in July 2018. It has just been in operation and has a total capacity of 3,028,000 m^3, enough for 5 years of processing.

Dam No.5's preliminary design was finalized and approved in December 2018. When the crest elevation reaches 3,178 m, the total height will be 21.5 m, with a total capacity of 3 million m^3 and an effective capacity of 2.57 million m^3.

9.5.2 Tailings Dam No.6

Tailings Dam No.6 is designed to reach a height of 36 m, providing a total capacity of 12.98 million m^3. Key components include:

- Starter Dam: An impervious rolled earth-rock dam with a minimum axis elevation of 3,140 m, crest elevation of 3,178 m, height of 38 m, crest width of 8 m, and crest length of 2,925 m.
- Drainage System: Internal drainage with discharge wells and culverts connected to a downstream recycling pond, plus external ditches to prevent water entry.
- Seepage Control: Subsurface drainage trenches with seepage pipes directing water to a collection pond for pumping back to the plant, and under-membrane trenches to manage natural groundwater seepage.
- Pond Lining System:
    - Base liner: composite geomembrane + 0.3 m clay or 4,800 g/m^2 sodium bentonite + leveled foundation.
    - Slope liner: composite geomembrane + 4,800 g/m^2 sodium bentonite + leveled foundation.

9.5.3Comments

Water recycling facilities will extend the existing power supply from Tailings Dam No.5. BAW emphasizes robust operational planning and safety compliance, with phased utilization (Dam No.4: 10 years; Dam No.5: 5 years backup) and advanced seepage control measures to meet long-term environmental standards.

9.6 Comments on Processing

Metallurgical processes show high efficiency, with gold recovery rates increasing from 90.28% in 2022 to 93.35% in 2024, supported by optimized grinding and selective flotation. The parallel CIL and flotation-roasting systems effectively manage both oxide and refractory ores.

The plant's shared crushing and grinding circuits enhance reliability. The planned alkali pre-oxidation upgrade in 2024 and existing roasting-cyanidation flowsheet for refractory ores reflect adaptive optimization.

Projections for 2025–2030 indicate conservative yet improving performance, with peak recovered gold reaching 4.61t in 2034. While external factors such as rising electricity costs may pose challenges, ongoing improvements in reagent efficiency contribute to balanced cost management alongside production growth.

The tailings storage strategy is robust, with Dams No.5 (2.57M m^3, 5-year backup) ensuring continuity. Tailings Dam No.6 (10.05Mm^3) features advanced seepage control and dual drainage systems, meeting environmental standards and extending service life beyond 6 years.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Business License

Details of the business license for the Dachaidan Property issued by the State Administration for Industry and Commerce are presented in Table 10–1 below.

Table 10–1 Details of the Business License for the Dachaidan Property

Property	Business License No.	Issue Date	Permitted Activities
Qinghai Dachaidan Mining Company Ltd.	9163000071040064X4	August 2024	Geological exploration technical services, processing, basic non-ferrous metal metallurgy, precious metal metallurgy, sale of gold and silver products, sale of metal ore etc

10.1.2 Land Use Permit

Details of the land use permit for the Dachaidan Property issued by the Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Land Use Permit for the Dachaidan Property

No.	Land Use	License ID	Area (m^2)	Issued Date
1. . .	East Qinglongtan industrial mining storage	0000184	144,660	June 2017
2. . .	West Qinglongtan industrial mining storage	0000185	403,035	June 2017
3. . .	Jinlonggou explosive industrial storage	0000186	27,774	June 2017
4. . .	Water source industrial land	0000187	6,307	June 2017
5. . .	Jinlonggou tailing storage industrial land	0000188	91,992	June 2017
6. . .	Qinglongtan waste rock industrial storage	0000189	199,544	June 2017
7. . .	Sewage treatment plant industrial storage	0000194	3,892	June 2017
8. . .	Tailing damp industrial mining storage	0000195	358,020	June 2017
9. . .	Living area industrial storage/residential	0000196	53,719	June 2017
10. .	Geology office industrial storage/office	0000197	11,232	June 2017
11. .	Production living area industrial storage	0000198	145,001	June 2017
12. .	Qinglonggou transformer substation industrial land	0000050	2,626	July 2022

*10.1.3 **Mining Licenses***

The Dachaidan Property comprises of two mining licenses. Details of the mining licenses for the Dachaidan Property issued by the Ministry of Natural Resources are presented in Table 10–3 and Table 10–4 below.

Table 10–3 Details of the Mining Licenses for the Dachaidan Tanjianshan Gold Mine

License Holder	Qinghai Dachaidan Mining Company Ltd
Name of Property	Qinghai Dachaidan Mining Company Ltd Tanjianshan Gold Mine
License Type	Mining
License ID	C1000002011104120120032
Area (km^2)	1.0306
Elevation (m)	3,000–3,556
Permitted Production Capacity	600ktpa
Type of Commodities	Gold
Mining Method	Open Pit
Valid Period	June 2023 to January 2036

Table 10–4 Details of the Mining Licenses for the Dachaidan Qinglonggou Gold Mine

License Holder	Qinghai Dachaidan Mining Company Ltd
Name of Property	Qinghai Dachaidan Mining Company Ltd Qinglonggou Gold Mine
License Type	Mining
License ID	C1000002010044120060797
Area (km^2)	6.7851
Elevation (m)	3,102–3,710
Permitted Production Capacity	600ktpa
Type of Commodities	Gold, Silver
Mining Method	Open Pit/Underground
Valid Period	February 2024 to September 2028

10.1.4 Exploration License

Details of the exploration licenses for the Dachaidan Property issued by the Ministry of Natural Resources are presented in Table 10–5 below.

Table 10–5 Details of the Exploration Licenses for the Dachaidan Property

No.	Name of Property	License ID	Area (km^2)	Valid Period
1 . . .	Qinghai Dachaidan Qingshan Gold Exploration	T6300002008044010000384	17.74	August 2021 to June 2026
2 . . .	Qinghai Dachaidan Xijinggou Gold Periphery Exploration	T630000202108401005648 2	6.4246	October 2025 to October 2030
3 . . .	Qinghai Dachaidan Qinglonggou Below 3300m	T630000202203405005674 5	3.89	March 2022 to March 2027
4 . . .	Qinghai Dachaidan Jinlonggou Gold Periphery Exploration	T630000202202401005671 8	63.05	February 2022 to June 2026
5 . . .	Qinghai Dachaidan Qinglongshan Gold Exploration	T630000201801401005458 4	10.2229	October 2025 to October 2030
6 . . .	Qinghai Dachaidan Jinlonggou Detailed Gold Exploration	T6300002008044010000385	1.1994	August 2023 to August 2028

10.1.5 Safety Production Permit

Details of the Safety Production Permits for the Dachaidan Property issued by the Ministry of Emergency Management are presented in Table 10–6 and Table 10–7 below.

Table 10–6 Details of the Safety Production Permits for the Dachaidan Tanjianshan Gold Mine

No.	License Holder	License ID	Type	Mining Method	Valid Period
1 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) FMSP (2007) No.026	Gold	Open Pit	November 2024 to November 2027
2 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) FMSP (2008) No.021	Tailing	Open-Pit	August 2023 to July 2026
3 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) HFMSP (2014) No.001	Tailing	Open-Pit	January 2023 to January 2026
4 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) FMSP (2024) No.004	Tailing	Open-Pit	February 2024 to February 2027

Table 10–7 Details of the Safety Production Permits for the Dachaidan Qinglonggou Gold Mine

No.	License Holder	License ID	Type	Mining Method	Valid Period
1 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) FMSP (2023) No.008	Gold	Open Pit	February 2023 to February 2026
2 . . .	Qinghai Dachaidan Mining Company Ltd	(Qing) FMSP (2019) No.014	Gold	Underground	August 2022 to August 2025

10.1.6 Waste Discharge Permits

Details of the Waste Discharge Permit for the Dachaidan Property issued by the Ministry of Ecology and Environment are presented in Table 10–8 below.

Table 10–8 Details of the Waste Discharge Permit for the Dachaidan Property

License Holder	Qinghai Dachaidan Mining Company Ltd
License Type	Processing, Cement Production, Gold Smelting, Retail of Vehicle Fuel, Boiler
License ID	9163000071040064X4001V
Valid Period	April 2025 to April 2030

10.2 Environmental Management

10.2.1 Ecological Impact

The Dachaidan Property lies in a high-altitude alpine desert, characterized by harsh climatic conditions and a sparse population. The landscape remains largely pristine, with little soil cover, sparse vegetation, and limited biodiversity. Current mining activities are dominated by underground operations with only minor open-pit workings, and therefore the overall environmental impact is relatively limited.

At present, no endangered or vulnerable plant species have been identified within the mining area. Biodiversity assessments indicate relatively low species diversity, with limited plant variety, uneven distribution, low vegetation productivity, and a fragile ecological balance. Evaluations of ecosystem types, integrity, and habitat conditions show that mining activities, being predominantly underground with only minor open-pit operations, have a relatively limited impact on the ecological environment.

In addition, the mine has significantly reduced the environmental impact of its operations by implementing strict pollution control measures, preventing secondary geological hazards, and carrying out a range of environmental protection, ecological restoration, and conservation strategies.

10.2.2 Solid Waste

Throughout the operation, the primary solid waste generated comprises waste rocks and domestic garbage. As the goaf forms in the later stages of operation, the waste rocks are backfilled into the goaf and abandoned tunnels, effectively managing the waste within the mine site.

Domestic waste from the residential areas is collected in designated trash bins and routinely transported to landfills by garbage trucks for proper disposal, ensuring compliance with waste management regulations and standards.

10.2.3 Water Conservation

As per the current design specifications, the management of mine water inflow at the Dachaidan Property includes the following processes:

1. Water Collection and Treatment

   - Mine water inflow is collected in a sedimentation tank.
   - After sedimentation treatment, a portion of the water is reused for underground production.
   - The remaining water is transported to a high-level water tank via water trucks for reuse in the processing plant.

2. Treatment of Cyanide Pulp

   - Cyanide pulp from the roasting sand is derived from the water quenching tank in the roasting section.
   - Following regrinding, concentration, cyanidation, and activated carbon adsorption, the gold-loaded carbon is directed to the desorption section.
   - Cyanide tailings are discharged into the disinfection section for treatment and eventual discharge.
   - All pulp post-roasting and cyanidation undergoes disinfection.

3. Disinfection Process

   - The disinfection system employs sulphur dioxide and oxygen to oxidize cyanide into non-toxic cyanate oxides, ammonia, and carbon dioxide within specific pH parameters.

   - Sulphur dioxide used for disinfection is sourced from the return water of the arsenic washing section, meeting disinfection requirements.

   - After disinfection, the treated water is directed to the return water thickener. The overflow returns to the high-level return water tank for recycling in flotation production, while the concentrated low-flow is sent to the tailings pond, ensuring no processing wastewater discharge.

4. Water Conservation and Recycling

   - The design at the Dachaidan Property emphasizes water conservation and achieves a 100% reuse rate.

   - All domestic wastewater generated is collected, treated, and once meeting discharge standards, is directed to the tailings pond for disposal.

BAW understands that the water conservation design at the Dachaidan Property aligns with the requirements set by relevant government agencies, ensuring efficient water management and environmental compliance.

10.2.4 Soil Conservation

During the operational period, the primary soil impacts include vegetation destruction, surface subsidence, and soil erosion. To mitigate these effects, a range of ecological restoration and management measures are planned, such as land reclamation, site leveling, and slope stabilization. Key soil and water conservation strategies include the temporary covering and containment of piled soil, as well as comprehensive site preparation and vegetation restoration in all affected areas following construction. These measures are designed to deliver significant soil and water conservation and social benefits. The interventions aim to restore soil quality and ecological balance, ensuring compliance with regulatory requirements and supporting sustainable land use.

10.2.5 Tailing Storage Facility

All tailings from the processing plant will be directed to the tailings storage facility ("**TSF**"). It has been verified that the leaching values of toxic substances in the tailings remain below hazardous waste standards, thereby confirming that the tailings do not contain hazardous waste materials.

By implementing effective pollution prevention and control measures, ecological protection and restoration initiatives, as well as risk prevention strategies, all wastewater generated by the project has been fully utilized. The dust emissions from the dry beach surface have a minor impact on the atmospheric environment. Additionally, the ecological environment has shown signs of improvement following reclamation efforts.

*10.2.6 **Rehabilitation***

The mining operation has transitioned from open-pit to underground. The rehabilitation program for the area previously disturbed by the open-pit operation commenced in 2018 and was successfully completed in 2023, comprising two years of rehabilitation work followed by three years of monitoring and management.

In the mining area, the groundwater type is categorized as fissure water in the bedrock, with the shallow quaternary system devoid of water. The groundwater level resides deeper than the pit's bottom, ensuring that no groundwater has been exposed within the pit. The underground aquifer experiences minimal impact from the mining operation, resulting in minor pollution to the water and soil environment.

Since the open-pit mining operation has concluded, it is anticipated that the surface environment will remain unaffected moving forward. Considering the natural conditions encompassing climate, soil, and water resources within the mining vicinity, the period allocated for environmental restoration and land reclamation following the mining operation's termination is designated as one year, while the management and protection phase encompasses an additional year.

The comprehensive rehabilitation plan is set to commence by 2027. The incurred cost for rehabilitation up to the present date amounts to RMB816,630, with an estimated future rehabilitation program cost projected at approximately RMB700,362.

10.3 Occupational Health and Safety

The mine management places a high value on the health and safety of all personnel. In response to the occupational hazard characteristics present at the mine, effective preventive measures have been implemented to combat pollution factors like dust and noise, as well as risks related to fire, explosions, natural disasters, and other unsafe conditions.

Advanced and rational production techniques are adopted in the property, alongside the use of safe and reliable equipment to maximize mechanization in the production process, thereby reducing or eliminating unsafe factors that could jeopardize human health. These measures ensure compliance with labor safety and hygiene standards, safeguarding the well-being of workers at the worksite.

Within each production section of the underground work face, two safety exits are provided for workers. One exit is linked to the No. 1 air shaft, equipped with a ladder and lighting for direct surface access. The other exit connects to a ramp leading directly to the surface, ensuring redundancy in safety measures. The distance between these two safety exits exceeds 30 m. Safety precautions are rigorously enforced across the main shaft system, transportation, mining operations, electrical safety, fire control facilities, and work face cleanliness.

The mine-site boasts a Safety and Environmental Protection Department comprising dedicated staff members responsible for environmental management, monitoring, safety, and hygiene within the mine. Additionally, several part-time safety officers are appointed in the workplace to support safety supervision and daily safety production management efforts. A comprehensive record of all on-site injuries and fatalities are summarized as below.

Table 10–9 Details of Injuries and Fatalities for the Dachaidan Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	2	4	1
Lost Days due to Injury at Work	109	822	367

10.4 Social and Community Contributions

Social responsibility and community building are integral components of the Dachaidan Property's culture. Starting from 2022, the Dachaidan Property has allocated over RMB1.4 million towards its charity and community support initiatives. These endeavors encompass various facets such as education donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.

The Dachaidan Property has been recognized and honored by both the local community and governmental bodies for its commitment to community development and its substantial financial contributions. The accolades received serve as a testament to the Dachaidan Property's dedication to making a positive impact on the community and fostering social welfare.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Dachaidan Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of gold. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do no incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable metal for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable metal sold before transportation charges.

Our economic analysis adopted the recent forecasted metal prices. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Metal Prices

USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	3,250	3,000			2,500
Berenberg	3,300	3,200	3,000	2,200	
BMO Capital	3,500	2,988	2,700	2,575	2,200
BoA — Merrill Lynch	3,659	3,141	2,761	2,380	2,000
BNP Exane	2,750	2,500			1,750
Canaccord	3,196	3,279			3,478
CIBC	3,600	3,300			
Citi	2,750				2,200
Cormark	3,000				
Deutsche Bank	3,069				3,000
Goldman Sachs	3,492	3,562			2,850
Hannam	2,700	2,400			2,100
Haywood	3,000	2,800	2,800	2,800	
HSBC	3,125	2,925	2,878	2,802	2,350
Intesa	2,800	2,900			
JP Morgan	2,900	3,020			
Jefferies	3,400	3,200	3,000	2,700	2,500
Liberum	2,463	2,175	2,023	1,975	1,740
Macquarie	2,850	2,550	2,650	2,775	
Morgan Stanley	3,313	2,625	2,500	2,200	2,129
National bank of Canada	3,500	3,200	3,000	2,800	2,600
Raymond James	3,000				2,500
RBC	3,489	3,300	3,000	3,000	2,600
TD Securities	3,400				3,000
Scotiabank	3,200	2,800	2,300		2,300
Societe Generale	4,130				
UBS	3,500	3,250	3,000	3,100	2,800
Average	3,198	2,958	2,739	2,609	2,452

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX for further shaft development for the Qinglonggou Mine, stripping for the Xijinggou Mine, TSF expansion, Sustaining CAPEX for mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program and environmental work. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, underground drilling, sampling, sample prep and geochemical analysis. BAW considers that the overall CAPEX budgeting practice is reasonable and conformable with the industry practice.

According to the rehabilitation study, the incurred cost for rehabilitation up to the present date amounts to RMB816,630, with an estimated future rehabilitation program cost projected at approximately RMB700,362.

The CAPEX projected for the Dachaidan Property is summarized Table 11–2 for the period from 2026 till the end of LOM.

Table 11–2 Projected CAPEX for the Dachaidan Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	195.4	195.6	195.5	154.4	1080.7
Development and Expansion CAPEX. . .	478.4	516.7	516.9	73.7	516.1
Rehabilitation CAPEX .	0.0	0.0	0.0	0.0	0.7
Exploration CAPEX . . .	40.0	30.0	30.0	24.0	168.0
Total.	713.8	742.3	742.4	252.1	1,765.5

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in RMB.

Based on the information provided by the management, the forecasted operating cash costs and production costs for the Dachaidan Property for the period from 2026 till the end of the LOM are summarised in Table 11–3 and Table 11–4 below.

Table 11–3 Operating Unit Cash Costs for the Dachaidan Property

Operating Cash Costs	Unit	2022	2023	2024	2025	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Total Mining Costs	RMB/t ore	108.2	162.3	303.0	421.1	191.2	191.2	191.2	191.2	191.2
Total Processing Costs	RMB/t ore	106.6	87.5	98.8	142.0	97.6	97.6	97.6	97.6	97.6
Total Selling, General & Admin (G&A) Costs	RMB/t ore	119.9	221.8	239	189.3	107.2	84.7	75.9	96.7	73.1
Total Operating Cash Costs	RMB/t ore	334.7	471.6	640.8	752.4	396	373.5	364.7	385.5	361.9

Table 11–4 Total Operating Cash Costs for the Dachaidan Property (RMB in Million)

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	18.4	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	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
Transportation of workforce	1.73	1.33	1.23	1.51	1.79	1.81	1.55	1.97	2.5	2.51	1.48
Product marketing and transport.	1.82	1.4	1.29	1.59	1.88	1.9	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	10.9	8.96	8.15	4.99	3.45

All-In Sustaining Cost (AISC) is a key performance metric used in the mining industry, especially in precious metals mining, to provide a comprehensive view of the true cost of producing a unit of metal (commonly expressed as cost per ounce or per pound), introduced in 2013 by the World Gold Council. BAW has estimated the AISC for the Dachaidan Property, which includes, in addition to the direct operating cash costs, sustaining costs and rehabilitation costs of ongoing operations as shown below.

Table 11–5 All-In Sustaining Cost ("AISC") for the Dachaidan Property

	Unit	2026	2027	2028	2029	2030 till the end of LOM
AISC	RMB in Million	473.1	587.5	565.3	515.8	3,855.1
LOM Average AISC	RMB/kg	167,280.0				
LOM Average AISC	USD/oz	743.7				

11.5 Taxation

BAW understands that the application for the favourable corporate income tax rate was not initiated yet and therefore, the ordinary corporate income tax rate of 25% is used throughout the rest of the LOM in our economic analysis.

11.6 Discounted Cashflow Projection

In order to assess the overall economic feasibility of the Dachaidan Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as *Net Operating Profit After Tax + Depreciation — Change in Net Working Capital — Capital Expenditure*. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated.

Weighted Average Cost of Capital ("**WACC**") is adopted as the basis for determining the discount rate, representing the average rate of return expected to pay the capital providers through both equity and debt holders. It is calculated by weighting the cost of equity and the after-tax cost of debt according to the proportion of the capital structure.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in previous sections together with the abovementioned discount rate, the NPV for the Dachaidan Property is estimated to be RMB5,933,000,000 at a discount rate of 6% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified with economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal price, OPEX and CAPEX at a discount rate of 6%. The resulted changes of after-tax NPV are summarized in Table 11–6 and plotted in Figure 11–1 below.

Table 11–6 Sensitivity Analysis of After-Tax NPV (RMB in million)

Parameters	–15%	–10%	–5%	Base Case	5%	10%	15%
Gold Price . . .	4,362	4,886	5,410	5,933	6,457	6,981	7,505
OPEX	6,272	6,159	6,046	5,933	5,821	5,708	5,595
CAPEX	6,466	6,289	6,111	5,933	5,756	5,578	5,401

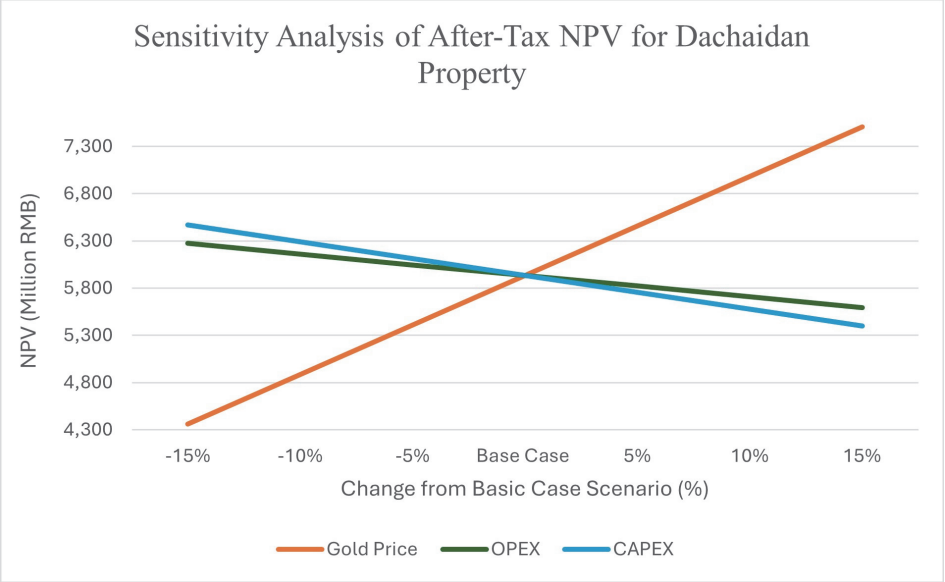


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Dachaidan Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Dachaidan Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

Table 11–7 Key metrics of the Dachaidan Property

Metrics	Unit	Value	
Total Gold Resources	t	84.36	
Total Gold Reserves	t	42.09	
LOM	years	11	from 2026 to 2036
Mining Production Capacity	ktpa	900	
Processing Recovery	%	85	
LOM Average AISC	US $/oz	743.7	
NPV	RMB million	5,933	

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

1. High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (>15%) on the project cash flow and performance and could potentially lead to project failure.

2. Moderate Risk: the factor, if uncorrected, could have a significant impact (>10%) on the project cash flow and performance unless mitigated by some corrective action.

3. Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risks Factors in association with the Dachaidan Property

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.
Resources	Low	The earliest drilling and exploration program were carried out in the 1990s. Further supplemental exploration programs were subsequently undertaken. In addition, the mining operation has been ongoing in the region for years. 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. BAW recommends that additional drilling should be carried out to enhance confidence in mineralization continuity, particularly in the peripheral and deeper extensions of both the Qinglonggou and Tanjianshan areas.
Mining Operation. . .	Low to Moderate	Extraction is planned to be carried out in the way of Avoca mining, Cut and Fill mining and Shrinkage mining which are common mining methods adopted in the mining industry. BAW is of the opinion that this mining method reasonable and appropriate for this type of underground deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly.	For underground mining, The mine management can allocate more financial and human resources to further improve its operation management and skillsets of mining operation to achieve a higher mining recovery. For open pit mining area, the waste stripe shall be organized properly to achieve the mining plan and ore control should be managed with height skill to meet the dilution and mining loss requirements.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Production Targets . .	Low to 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.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones.
		Variation of the mining dilution factor from time to time may cause variation in mining recovery and processing recovery factors, resulting in variation in quantity of the finished products.	A more coordinated production scheduling may be necessary in order to achieve maintain the production target when mining activities proceed to those relatively lower grade zone.
		The faults encountered as mining advances may also cause some production short fall in some short periods.	
Geotechnical and hydrogeological Status	Low to Moderate	Geotechnical and hydrogeological risks primarily stem from rock mass instability due to faults, fractures, and weak structural planes, leading to potential collapses, landslides, and unstable slopes, exacerbated by blasting vibrations and atmospheric precipitation, with water inflow into tunnels from groundwater and precipitation also being a key concern.	The strategies primarily involve strengthening geological and hydrogeological investigation and monitoring, implementing rigorous safety and environmental management measures, optimizing mining methods and processes (including backfilling mining), and establishing a sound emergency response system to address potential risks.
Metallurgy and Processing	Moderate	Inconsistent gold recovery due to variable ore types (oxide vs. refractory sulfide), especially with increasing arsenic and carbon content.	Optimize alkali pre-oxidation process; consider pressure oxidation for high-arsenic concentrates; improve process control and monitoring.
		Operational complexity and potential downtime due to aging equipment and reliance on dual processing systems (CIL and flotation-roasting).	Implement preventive maintenance programs; upgrade key equipment; enhance operator training and spare parts inventory.
Infrastructure.	Low	The Dachaidan 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.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Environment	Low	Increasing concern of environmental protection by the PRC Government may have negative impact on the mining activities. The mine-site is not located in an environmentally sensitive area and is expected to have a minimal adverse impact on the environment.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.
Occupational Health and Safety	Low	Realizing the importance to improve its production safety record and therefore, the mine management has been placing emphasize and allocating resources to ensure its planned operation is conducted in accordance with the national safety regulations. 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. Their endeavors encompass various facets, including educational donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.	Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects.
Community	Low	Potential miscommunication with minority groups may lead to conflicts with local residents.	Cultural aspects should be taken into account. Ensure community support funding meets local needs; conduct research to avoid unnecessary charity projects.

13 REFERENCE

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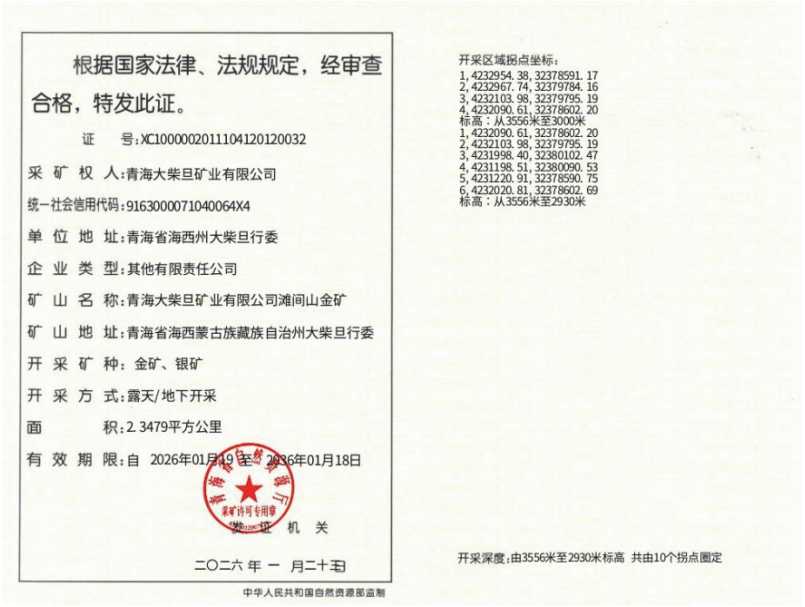
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14 APPENDIX A — EXPLORATION AND MINING LICENSES

Tanjianshan Gold Mining Licence



根据国家法律、法规规定，经审查合格，特发此证。

证　　号:XC1000002011104120120032

采 矿 权 人:青海大柴旦矿业有限公司

统一社会信用代码:91630000710400064X4

单 位 地 址:青海省海西州大柴旦行委

企 业 类 型:其他有限责任公司

矿 山 名 称:青海大柴旦矿业有限公司滩间山金矿

矿 山 地 址:青海省海西蒙古族藏族自治州大柴旦行委

开 采 矿 种:金矿、银矿

开 采 方 式:露天/地下开采

面　　积:2.3479平方公里

有 效 期 限:自 2026年01月19日至 2036年01月18日

发证机关

二〇二六 年 一 月二十日

中华人民共和国自然资源部监制

开采区域拐点坐标:

1, 4232954.38, 32378591.17
2, 4232967.74, 32379784.16
3, 4232103.98, 32379795.19
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标高：从3556米至3000米
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4, 4231198.51, 32380090.53
5, 4231220.91, 32378590.75
6, 4232020.81, 32378602.69
标高：从3556米至2930米

开采深度:由3556米至2930米标高 共由10个拐点圈定

Qinglonggou Gold Mining Licence



中华人民共和国

采 矿 许 可 证

（正本）

证号:C1000002010041120060797

采矿权人:青海大柴旦矿业有限公司

地　　址:青海省海西州大柴旦行委

矿山名称:青海大柴旦矿业有限公司青龙沟金矿

经济类型:其他有限责任公司

有效期限:肆年零陆月　自2024年02月05日　至2028年09月05日

开采矿种:金矿、银

开采方式:露天/地下开采

生产规模:60.00　万吨/年

矿区面积:6.7851平方公里

矿区范围:（见副本）

发证机关

（采矿登记专用章）

二〇二四年二月六日

中华人民共和国自然资源部印制

Jinlonggou Gold Periphery Exploration Licence



根据国家法律、法规规定，经审查合格，特发此证。

证　　号:XT6300002022024010056718

探 矿 权 人:青海大柴旦矿业有限公司

统一社会信用代码:91630000710400 64X4

探矿权人地址:青海省海西州大柴旦行委

勘查项目名称:青海省大柴旦镇金龙沟金矿外围详查

地 理 位 置:青海省海西州大柴旦行委

勘 查 矿 种:金矿

面　　积:62.984平方公里

有 效 期 限:2026年01月23日 至 2026年06月19日

发证机关

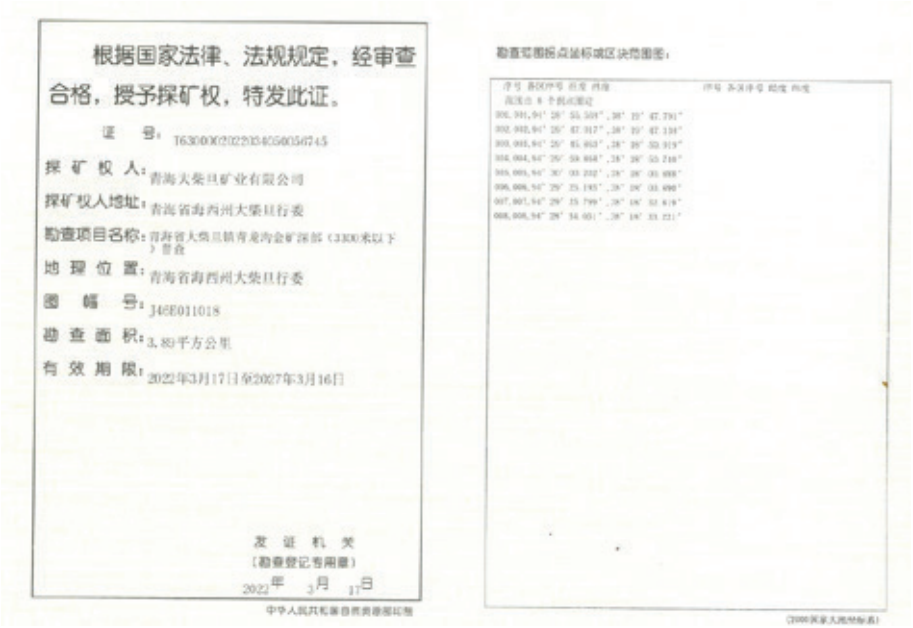
二〇二六年一月二十三日

中华人民共和国自然资源部监制

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Qinglonggou Gold Below 3300 m Exploration Licence



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号:T6300002022030050057 45

探 矿 权 人:青海大柴旦矿业有限公司

探矿权人地址:青海省海西州大柴旦行委

勘查项目名称:青海省大柴旦镇青龙沟金矿深部（3300米以下）普查

地 理 位 置:青海省海西州大柴旦行委

图　　幅　号:J46E011018

勘 查 面 积:3.80平方公里

有 效 期 限:2022年3月17日至2027年3月16日

发 证 机 关

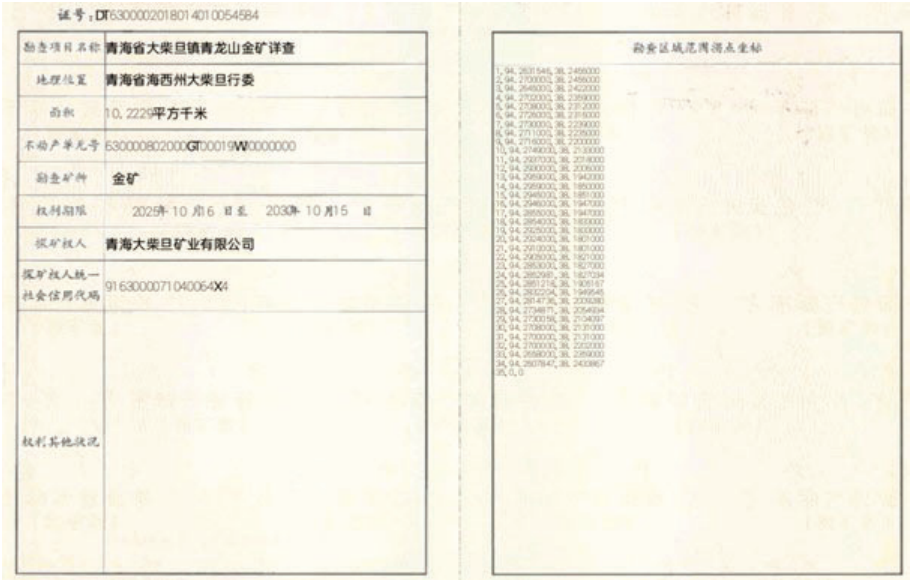
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2022年3月17日

中华人民共和国自然资源部监制

勘查范围拐点坐标或区块范围图:

Qinglongshan Gold Exploration Licence



证号：T6300002018014010054584

勘查项目名称	青海省大柴旦镇青龙山金矿详查
地理位置	青海省海西州大柴旦行委
面积	10.2229平方千米
不动产单元号	630000802000GT00019W0000000
勘查矿种	金矿
权利期限	2029年10月6日至2030年10月15日
探矿权人	青海大柴旦矿业有限公司
探矿权人统一社会信用代码	91630000710400 64X4
权利其他状况	

勘查区域范围拐点坐标

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Qingshan Gold Exploration Licence



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号：T6300002009044010000384

探 矿 权 人：青海大柴旦矿业有限公司

探矿权人地址：青海省海西州大柴旦行委

勘查项目名称：青海省大柴旦镇青山金矿详查

地 理 位 置：青海省海西州大柴旦行委

图　幅　号：J46E011019

勘 查 面 积：17.74平方公里

有 效 期 限：2021年8月19日至2026年8月23日

注：下次延续期时需按自然资规〔2019〕7号文规定缩减面积。

发 证 机 关
（勘查登记专用章）
2021年 8月 18日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

序号	各区序号	经度	纬度	序号	各区序号	经度	纬度
范围由 13 个拐点圈定							
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002	002,94°	31'	27.000"	,38°	18'	55.000"	
003	003,94°	32'	07.000"	,38°	18'	55.000"	
004	004,94°	33'	30.000"	,38°	17'	38.000"	
005	005,94°	35'	21.000"	,38°	17'	35.000"	
006	006,94°	36'	00.000"	,38°	17'	11.000"	
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（2000国家大地坐标系）

Xijinggou Gold Periphery Exploration Licence



根据国家法律、法规规定，经审查合格，特发此证。

证　　号:XT6300002021084010056482

探 矿 权 人:青海大柴旦矿业有限公司

统一社会信用代码:916300007104006 4X4

探矿权人地址:青海省海西州大柴旦行委

勘查项目名称:青海省大柴旦镇细晶沟金矿外围详查

地 理 位 置:青海省海西州大柴旦行委

勘 查 矿 种:金矿

面　　积:6.4246平方公里

有 效 期 限:2025年10月16日 至　2030年10月15日

发证机关

二〇二六年二月三日

中华人民共和国自然资源部监制

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15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques.	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• *Sampling included diamond drill core, RC chips, trenches, and underground channels. Intervals were typically 1 m, cut by diamond saw or chisel for core/channel samples, and riffle-split for RC chips. Each sample weighed > 4 kg and was suitable for fire assay analysis.* • *Samples were oriented perpendicular to mineralisation where possible. Certified reference materials (CRMs), blanks, and duplicates were inserted routinely. Crushing and pulverising equipment were cleaned between runs. Survey instruments (RTK/GPS, total stations) and laboratory balances were regularly calibrated.* • *Sampling underpins Mineral Resource and Ore Reserve estimation, metallurgical testwork, and mine planning. High recoveries (> 90%) and systematic QAQC confirm the data are reliable for public disclosure.* • *Protocols followed industry standards: RC chips riffle-split, drill core halved, samples pulverised to 90% passing –200 mesh, with 50 g charges assayed by fire assay/AAS. No unusual mineralisation types were observed; coarse-gold effect is minor.*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Diamond drilling (HQ and NQ core) and reverse circulation (RC) drilling were employed. Diamond core was oriented and downhole surveys were conducted every 30–50 m using inclinometers or downhole cameras. RC drilling used face-sampling hammers with vertical holes up to 150 m depth, and recoveries commonly exceeded 90%.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery was measured per run against drilled length and recorded in logging sheets; RC chip recovery was calculated volumetrically by comparing sample weight to theoretical yield. Results were reviewed for consistency.* • *Triple-tube core barrels and controlled drilling fluids were used in broken ground; experienced crews ensured careful handling. RC drilling used face-sampling hammers and dry conditions where possible. Core was promptly oriented, boxed, and transported to minimise loss.* • *Overall recoveries exceeded 90% with no systematic correlation between recovery and grade. No material bias from preferential loss or gain of fine/coarse material has been detected.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All core and RC chips were logged for lithology, alteration, mineralisation, and structure; geotechnical logging (RQD, fracture density, strength) was undertaken. The detail is sufficient for Mineral Resource estimation, mining and metallurgical studies.* • *Logging included both qualitative (lithology, alteration style) and quantitative (mineral percentages, geotechnical metrics) data. All core was photographed (wet and dry) before sampling; trenches and channels were systematically photographed.* • *More than 95% of drilled intervals and trench/channel exposures were geologically and geotechnically logged in full.*

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Diamond core was cut longitudinally with a diamond saw; half-core was submitted for assay, with the remaining half retained in core trays for reference.* • *RC chips were riffle-split under dry conditions to obtain representative subsamples; trenches and channels were sampled as continuous cuts.* • *All samples were dried at 105 °C, crushed to < 3 mm, then pulverised to 90% passing –200 mesh. Subsamples of ~180 g were split and bagged for assay. Procedures are industry standard and appropriate.* • *Jaw crushers and disc mills were cleaned with barren quartz between runs; blanks and duplicates were inserted routinely.* • *Field duplicates (coarse and pulp) and half-core retention ensured representativity. Duplicate results confirm acceptable reproducibility.* • *Sample weights (>4 kg per interval) are considered adequate for the fine to medium-grained nature of the mineralisation.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Gold was analysed by 50 g fire assay with AAS finish. This is an industry-standard, total digestion method, appropriate for orogenic gold deposits.* • *No geophysical or handheld XRF data were used for resource estimation; only fire assay results were employed.* • *QAQC protocols included CRMs (~10%), blanks, coarse and pulp duplicates, plus umpire checks at accredited external labs (SGS, ALS, Intertek). Results confirm acceptable precision, though some CRM data indicate a slight negative bias in on-site assays.*

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Significant mineralised intersections were independently reviewed by BAW geologists during site visits, with selected re-sampling confirming reported grades.* • *A limited number of twin holes were drilled historically to validate earlier results; outcomes showed good consistency. No twin holes were conducted by BAW for this project.* • *Primary data were recorded on digital logging systems, verified by supervisors, and stored in central databases with backup. Core and chips are archived on-site.* • *No grade adjustments were applied other than replacement of below-detection results with half the detection limit.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill collars and trenches were surveyed using RTK GPS and total stations; downhole surveys employed inclinometers and cameras at regular intervals. Accuracy is within acceptable limits for Mineral Resource estimation.* • *Surveys were conducted in CGCS2000 national grid; local mine grids were also applied for modelling consistency.* • *Digital terrain models updated to December 2025 were used; topographic control is considered adequate.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Drill spacing generally ranged from 40 × 40 m to 80 × 80 m, tightened locally to 20 × 20 m in key zones, and expanded to 120 × 120 m in peripheral areas.* • *Spacing and distribution are sufficient to demonstrate geological and grade continuity, supporting classification into Measured, Indicated, and Inferred categories.* • *Samples were composited to 1 m (Qinglonggou, Xijinggou) and 2 m (Tanjianshan) intervals to standardise input for estimation.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Most drill holes were oriented near perpendicular to mineralised zones, ensuring unbiased sampling of the orogenic lode structures.* • *Minor local deviations occur where cross-faults offset ore zones, but no material bias in grade distribution has been identified.*

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• *Samples were sealed, tagged, and stored in secure facilities before transport. Chain-of-custody records were maintained from site to laboratory. No breaches of sample security have been reported.* • *During the site visit, BAW observed that part of the historical drill core was stored outdoors under rain covers due to land-use approval constraints and limited core storage capacity. A small portion of older core showed minor mixing caused by relocation and handling.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *BAW reviewed sampling, QAQC, and database procedures during the 2025 site visit. Results were deemed reliable, though CRM data indicated minor negative bias at the on-site laboratory. Independent re-sampling at ALS Guangzhou confirmed overall data integrity.*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The Dachaidan Property comprises two valid mining licences (Tanjianshan and Qinglonggou) and six exploration licences (Jinlonggou Periphery, Qinglonggou Deep, Qinglongshan, Qingshan, Xijinggou, and Xijinggou Periphery). All licences are current and in good standing as of December 2025, with no known legal or social impediments to mining operations.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Initial exploration was conducted by Qinghai provincial geological brigades in the late 1980s and 1990s, followed by Sino Mining and Eldorado during the 2000s, and Yintai Gold from 2016 onwards. These historical programs included mapping, trenching, geophysics, geochemistry, drilling, and early production trials, providing the foundation for the current Mineral Resource base.*

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The project hosts orogenic gold deposits controlled by NW-trending shear zones. Mineralisation occurs in carbonaceous phyllite, dolomitic marble, and dioritic/granitic porphyrite, with gold associated with pyrite and arsenopyrite. The style is typical of alteration-type lode gold systems in the North Qaidam-Qilian metallogenic belt.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *o easting and northing of the drill hole collar* *o elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar* *o dip and azimuth of the hole* *o down hole length and interception depth* *o hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Over 11,800 holes (totalling ~1.09 million m) have been completed since 1993, including diamond core, RC, trenches, and underground channels. Collar locations, azimuths, dips, depths, and assay intervals are recorded in validated databases. Only significant intercepts are reported in public disclosures.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Assay intervals were composited to 1 m (Qinglonggou, Xijinggou) or 2 m (Tanjianshan). Weighted averages were applied without arbitrary grade truncations; high-grade outliers were capped statistically to avoid bias. No metal equivalents were reported.*

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Not applicable.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Not applicable.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Not applicable.*
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Future work will focus on step-out and deep drilling in Qinglonggou and Tanjianshan, testing blind lodes at Xijinggou, and systematic verification of assay bias identified in CRM analyses.*

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *All primary data were digitally captured at source using logging software, verified by supervisors, and uploaded to a central database with backup. Manual transcription was minimised to reduce error risk.* • *Routine validation included checks of collar positions, downhole survey consistency, sample intervals, and assay ranges. Cross-checks between logs, assay certificates, and database entries were performed, with errors corrected prior to estimation.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *The Competent Person visited the Dachaidan Project in June 2025, inspecting drilling operations, core logging and storage, sampling facilities, and the processing plant. Independent check samples were collected and results confirmed consistency with the project database. No material issues were identified.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The mineralisation is controlled by NW-trending shear zones and hosted in phyllite, marble, and porphyry. Drilling confirms strong continuity along strike and dip. Confidence is high in main zones, with moderate uncertainty in peripheral/deep areas.* • *Interpretation is based on drilling, trenching, channel sampling, and surface mapping. Domains were constructed using a 1.0 g/t Au threshold and minimum width of 1 m, assuming continuity consistent with observed geology.* • *Alternative interpretations have been tested but show no material difference to the overall geometry or resource tonnage/grade.* • *Wireframes were guided by lithology, alteration, and structural controls; geological interpretation constrained block modelling and ensured realistic resource boundaries.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The mineralised corridor extends ~20 km along strike, with individual ore zones typically 1–5 m wide (locally >20 m). Mineralisation persists from near surface to depths exceeding 1,000 m. Continuity is strong in major lodes, with local variability due to faulting and folding.*

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Ordinary Kriging was the primary interpolation method, supported by IDW^3 and nearest-neighbour checks. Mineralised domains were wireframed at 1.0 g/t Au cut-off, with high-grade values capped (19–66 g/t Au) per domain. Maximum extrapolation limited to one drill spacing beyond data support.* • *Estimation used Datamine/Surpac software with $5 \times 5 \times 2$ m parent blocks, sub-blocking to $1.25 \times 1.25 \times 0.5$ m. Search ellipses defined by variogram ranges aligned with geological strike and dip.* • *Check estimates (IDW^3, NN) were compared to OK, showing close agreement. Historical production reconciled well with model grades. Current estimates incorporate these comparisons.* • *Gold is the only economic product; no by-products were modelled.* • *Sulphur and arsenic were tracked but not modelled, as levels are manageable within existing processing flowsheets.* • *Block size ($5 \times 5 \times 2$ m) is consistent with average drilling density (20–80 m) and supports detailed mine planning.* • *Selective mining unit size was effectively represented by parent block dimensions, with sub-blocking applied to honour ore boundaries.* • *No significant variable correlations were modelled beyond gold grade and density.* • *Wireframes based on geology, alteration, and structure were applied as hard boundaries for estimation.* • *Grade capping was applied to reduce the influence of outliers; thresholds determined per domain through statistical analysis.* • *Validation included visual checks, swath plots, and comparison of block vs. composite grades. Results reconciled with production records, confirming model reliability.*

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *All Mineral Resource tonnages are reported on a dry basis. No adjustments for natural moisture were applied, as bulk density measurements were made on dry samples using the wax-coating and water-displacement method.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *0.42 g/t Au for in-pit resources of the Tanjianshan Open-pit and Xijinggou Open-pit.* • *1.0 g/t Au for underground mineral resources, based on an underground mining break-even cut-off grade (BCOG).*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *Minimum Mining Width: A minimum mining width of 1.0 meter was used in delineating mineralization domains.* • *Open-Pit Scenarios: Open-pit scenarios were evaluated for the Tanjianshan and Xijinggou resources. An optimized pit shell was developed based on mining, processing, and management costs, recoveries, and other modifying factors.* • *Underground Extraction Potential: Out-pit resources were assessed for underground extraction potential using an appropriate underground break-even cut-off grade and considering the current cost budget.* • *Mining Operating Cost: Estimated at RMB11/tonne for open-pit operations and RMB238.91/tonne for underground operations.* • *Dilution: Assumed at 10.0% for both open-pit and underground operations when calculating cut-off grades for resource estimation.* • *Mining Recovery: Assumed at 95.0% for open-pit operations and 90.0% for underground operations when calculating cut-off grades for resource estimation*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *Extensive metallurgical testwork, supported by long-term operating data, demonstrates that the Dachaidan ores are amenable to conventional flotation-roasting-cyanidation circuits. Test results and plant performance consistently achieve 85–93% gold recovery. These assumptions form the basis of the Mineral Resource reporting. No novel or untested processes are required.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rock from the Dachaidan Property, mainly generated during mining operations, is primarily used for underground stope backfilling to reduce surface disposal and prevent goaf subsidence; surplus non-backfillable waste rock is transported to designated surface dumps (e.g., the expanded 323 South Waste Dump with ~780,000 m^3 capacity), with no hazardous pollutant issues meeting relevant standards.* • *Tailings from the Dachaidan Property's ore processing (via flotation-cyanidation or roasting-cyanidation) undergo treatment like filter-press dewatering (for dry stacking in some cases) and are mainly stored in tailings storage facilities (TSFs) such as No.4 (6.05 million m^3 capacity) and newly commissioned No.5 (3.028 million m^3 capacity); TSF wastewater is fully recycled to the concentrator for zero discharge, and advanced seepage control (e.g., HDPE geomembrane lining) is applied to TSFs.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density was determined from >6,000 samples collected across mineralised domains using the wax-coating and water-displacement method on dry core. Samples were representative in size and spatial coverage, and measurements have been routinely performed since 2005.* • *The wax-coating method accounts for porosity and voids. Measurements distinguished between mineralised and non-mineralised zones; no material bias from moisture was identified.* • *Domain-specific mean values (2.72–2.82 t/m^3) were applied directly without interpolation. This conservative approach is appropriate for resource estimation.*

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Classification was based on drill spacing, geological continuity, grade variability, and estimation quality. Blocks within 40 m of ≥3 drillholes with strong continuity were classified as Measured; within 80 m of ≥2 drillholes as Indicated; and supported by limited drilling (≤120 m) as Inferred.* • *All relevant geological, assay, density, and QAQC factors were considered. The classification reflects both data quality and geological confidence.* • *The classification appropriately reflects the Competent Person's assessment of data quality, geological confidence, and estimation reliability.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *The 2025 Mineral Resource estimate was internally reviewed by BAW, with methods and outcomes consistent with industry standards and previous estimates. No external audit has yet been undertaken, but internal checks confirmed the robustness of the model.*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Mineral Resource estimate is considered robust at a global scale, with relative accuracy supported by geostatistical validation, swath plots, and reconciliation with production data. Confidence is highest in Qinglonggou and Xijinggou, moderate in Tanjianshan, and lower in peripheral zones.* • *The confidence statements relate to global estimates. Local tonnage reliability has been demonstrated through reconciliation with historical production, showing good agreement with model grades.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves .	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Mineral Resources for the Dachaidan Property were estimated by BAW as of December 31, 2025, considering factors such as a gold price of USD2,600/oz, pre-feasibility study cost parameters, and a metallurgical recovery of 88.55%. The estimation followed a structured procedure including database compilation and verification, geological modelling, data conditioning (compositing and grade capping), block modelling and interpolation, bulk density assignment, resource classification, and RPEEE assessment. For the Dachaidan Property, the Mineral Resource estimate includes Measured, Indicated, and Inferred categories across various mining constraints (Underground, In-pit) and areas (Qinglonggou, Qinglonggou Deep, Qingshan, Tanjianshan, Xijinggou, and Stockpile). Only the Measured and Indicated portions of these resources are eligible for conversion to Ore Reserves.* • *All of the Ore Reserves reported are included within the Mineral Resources.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *The site visit was conducted to the Dachaidan Project from June 25 to 28, 2025.*

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	*Main technical studies are available to review:* ***Open Pit Operation*** ***Tanjiangshan Open Pit*** • *Feasibility Study Report for the Tanjiangshan Gold Mine Project of Qinghai Dachaidan Mining Co., Ltd. Beijing General Research Institute of Mining and Metallurgy, April 2006.* • *Development and Utilization Plan for Jinlongou Mine Section, Tanjianshan Gold mine, Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute, February 2006* ***Xijinggou Open Pit*** • *Feasibility Study Report for Xijinggou Gold Mine Mining Project Qinghai Dachaidan Mining Co., Ltd. Lanzhou Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. February 2021* • *Mineral Resource Development and Utilization Plan for Xijinggou Gold Mine Qinghai Dachaidan Mining Co., Ltd. Lanzhou Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. April 2022* ***The Integration of Tanjianshan Gold Mine*** • *The Mineral Resources Development and Utilization Plan for the Resource Integration of Tanjianshan Gold Mine of Qinghai Dachaidan Mining Co., Ltd., Qinghai Coal Mine Design and Research Institute Co., Ltd. November 2024* • *In accordance with the mine's development plan, the future boundary of the Tanjianshan pit will be integrated with the Xijin'gou pit to form a unified mining concession. This integration will enable two separate open-pits, Xijin'gou and Tanjianshan, to operate as one single system. Consequently, the integration and feasibility studies will serve as the basis for Ore Reserves estimation and production scheduling.*

Criteria	JORC Code explanation	Commentary
		Underground Operation ***Section 323 (South) of the Qinglonggou Gold mine*** • *Development and Utilization Plan for Qinglonggou Gold Mine, Dachaidan Town, Qinghai Province" Changchun Gold Design Institute Co., Ltd, June 2022* • *"Feasibility Study on Mining Project of Section 323 (South) of Qinglonggou Gold Mine", Changchun Gold Design Institute Co., Ltd, June 2022* • *"Preliminary Design for Mining Project of Section 323 (South) of Qinglonggou Gold Mine", Changchun Gold Design Institute Co., Ltd, December 2022* ***Qinglonggou Gold Mine*** • *Preliminary Design for Mining Engineering at 3589–3360m of Qinglonggou Gold Mine. Qinghai Dachaidan Mining Co., Ltd." August 2019* • *Feasibility Study Report on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. January 2018* • *Development and Utilization Plan on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, October 2018* • *Feasibility Study Report on the Reconstruction and Expansion Project of Qinglonggou Gold Mine of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, August 2021 ("**2021 FS**")* • *Preliminary Design of Mining Works for Qinglonggou Gold Mine (3589 — 3360m Section) of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, January 2024 ("**2024 Preliminary Design**")* • *Pre-feasibility Study Report on Qinglonggou Gold Mine Mining Project of Qinghai Dachaidan Mining Co., Ltd. Changchun Gold Design Institute Co., Ltd, June 2025 ("**2025 PFS**")*

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *Table 7–1 and Table 7–4 listed the parameters used in estimation of the COG for Underground Mining of Dachaidan Property.* • *For open-pit Ore Reserves, the cut-off grade was derived from technical studies and mine plans using a gold price of US$2,000/oz (RMB450.11/g), an exchange rate of RMB7.00/USD, and specific costs including mining (RMB11.00/t ROM) and processing (RMB175.00/t ROM), which also covered G&A and royalty tax. Mining dilution was 10% and processing recovery was 88.55%.The adopted cut-off grade for both open-pit operations (Xijinggou and Tanjianshan) is 0.5 g/t Au, adjusted slightly upward from the break-even grade to account for profit risk from lower grades due to reduced recovery rates.* • *For underground Ore Reserves, the cut-off grade calculation used a gold price of US$2,000/oz (RMB450.11/g) and an exchange rate of RMB/USD7.000, based on average unit costs from 2024 and 2025Q2 (including mining cost RMB238.91/t, processing cost RMB103.51/t, and G&A cost RMB191.02/t). Other factors considered were offsite costs (USD0.09/oz), refining, selling/transport costs, mineral extraction tax, and a processing recovery of 80.0%. Mining dilution was determined to be 12% and mining loss 10% after a comprehensive analysis. The adopted cut-off grade for underground operations is 1.6 g/t Au, which reflects these economic and technical modifying factors.*

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions.	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	***Open Pit Mine (Xijinggou and Tanjian Mines)*** • *The conversion for open-pit Ore Reserves (Tanjianshan and Xijinggou) was achieved through pit optimization using the Pseudoflow algorithm, which identified the most economic pit shells, followed by detailed mine design. This process incorporated geological and economic parameters from technical studies, accounting for modifying factors to define a practical mine.* • *The chosen open-pit mining method is considered realistic and appropriate for these resources. Mine design includes access ramps and specific bench configurations, with Xijinggou being the initial pit and Tanjianshan following, ultimately to be operated as a unified system.* • *Pit slope design parameters were based on optimization studies, with bench heights varying (e.g., 12m, 24m merged) and overall slope angles ranging from 40° to 43° for rock. Details on grade control and pre-production drilling specifically for open-pit are not extensively elaborated in the provided sources.* • *Pit optimization exclusively used Measured and Indicated Mineral Resources as input, with major assumptions including a gold price of US$2,000/oz (RMB450.11/g) and a total processing recovery of 88.55%.* • *A mining dilution factor of 10% was applied.* • *A mining recovery factor of 90% was applied.*

Criteria	JORC Code explanation	Commentary
		• *Inferred Mineral Resources were explicitly treated as waste in the Ore Reserve estimations, meaning their mining costs were covered but no revenue was assumed from them. This approach limits their direct impact on the economic outcome of the Ore Reserve.* • *Open-pit operations utilize existing access roads, require a dedicated 35/10 kV substation for Tanjianshan, and rely on 40-tonne and 91-tonne dump trucks for material transport. Waste rock is either backfilled or transported to designated surface dumps.* ***Underground Mining (Qinglonggou Mine)*** • *The conversion process for underground Ore Reserves involved optimizing stope shapes based on geological and economic parameters, followed by mine design and development review to ensure compliance with cut-off grades. This procedure integrated various "Modifying Factors" from technical studies and historical production data.* • *Four main underground mining methods are employed: Overhand Horizontal Cut-and-Fill, Overhand Stope Cut-and-Fill, Continuous Cut-and-Fill, and Sublevel Open Stoping with subsequent backfill. The method choice is based on orebody morphology and rock mass stability, with current sections gradually merging into a single production system.* • *Geotechnical conditions are of medium complexity. Stope optimization parameters for underground included heights of 3m (short hole) and 15m (long hole), minimum widths of 1m, and minimum stope pillars of 2m. Specific grade control and pre-production drilling procedures beyond general exploration are not detailed in the sources.* • *Stope optimization utilized the Mineral Resource model, specifically focusing on Measured and Indicated Mineral Resources, with key economic assumptions including a gold price of US$2,000/oz (RMB450.11/g) and a processing recovery of 80.0%.*

Criteria	JORC Code explanation	Commentary
		• *A mining dilution factor of 12% was determined for underground Ore Reserves after a comprehensive analysis, which involved expanding stope shapes by 0.5 m to account for waste rock dilution.* • *A mining loss of 10% was applied for underground Ore Reserves, resulting in an effective mining recovery of 90%.* • *A minimum mining width of 1.0 m was applied during the delineation of mineralized domains for Mineral Resources, and a minimum width of 1m was also specified for stope optimization.* • *Similar to open pit, Inferred Mineral Resources are treated as waste in underground Ore Reserve estimations, with mining costs covered but no revenue assumed. This means they do not contribute to the economic viability calculations of the Ore Reserve.* • *Underground operations require main ramp systems (4.4m × 4.2m), vertical shafts (5.0m diameter), 20-tonne trackless trucks, diesel LHDs, and battery locomotives. Power is supplied via substations with diesel generator backups, water management includes recovering mine inflow and trucked water, and a diagonal exhaust ventilation system is proposed for deep resources. Waste rock is primarily backfilled into excavated stopes.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The proposed metallurgical flowsheets (whole-ore CIL for oxide|low-sulfur ore; flotation-roasting-cyanidation for refractory ore) are well-matched to the deposit's mineralization styles.* • *The "flotation + tailings cyanidation" hybrid process for transitional ores demonstrates adaptability to variable carbonaceous matter (0.10–0.85% organic carbon).* • *The applied processes are industry-standard:* o *CIL|cyanidation: Widely used for free-milling gold (e.g., Qinglonggou's 90.71% recovery).* o *Flotation-roasting: Proven for refractory ores (e.g., Tanjianshan's 86.76% recovery benchmark).* o *The only novel element — alkali pre-oxidation (2024 trials) — is undergoing validation but builds on established pressure oxidation (BGRIMM's 98.5% recovery).* • *Metallurgical domaining aligns with ore types:* o *Oxidized vs. sulfide phyllite: 11 samples for Jinlonggou's 81% primary phyllite reserves.* o *Spatial coverage: 46 samples across Qinglonggou's 2850–3150m zone (85.46% metal content).* o *Recovery factors are zone-specific (e.g., 93.35% for Qinglonggou vs. 83% for Jinggou's high-As ore).*

Criteria	JORC Code explanation	Commentary
		• *Explicit allowances are made for:* o *Carbonaceous matter: Preg-robbing mitigated by CMI (Carbonaceous Matter Index) monitoring (10% in oxidized ore).* o *Sulfur: Roasting gases converted to sulfuric acid, minimizing SO_2 emissions.* • *Representative scaling is confirmed by:* o *Pilot roasting-cyanidation (BGRIMM, 2024: 98.5% recovery under pressure leaching).* o *Bulk flotation tests (2018: 89.80% recovery for Qinglonggou's 501.95kg composite).* o *Operational benchmarks: Tanjianshan's plant data validates Jinggou's analog assumptions.*
Environmental.	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	*Six EIA reports have been completed and approved, covering mining, processing plant, tailing storage, and the expansion of two mining areas.*

Criteria	JORC Code explanation	Commentary
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	*Open Pit Mine Infrastructure* • *Open pit operations are well-supported by existing land use permits for plant development, a reliable power supply from dedicated and shared substations with backup generators, and industrial water sourced from the Aolao River and mine inflow, although small-scale reservoirs are recommended for dry seasons. Extensive road networks facilitate internal and external transportation, while on-site living facilities and the region's mining-focused economy ensure labor and accommodation are available.* *Underground Mine Infrastructure* • *Underground mining relies on established land use permits and a robust power infrastructure comprising existing and planned substations with diesel generator backups for critical loads. Water is primarily from recovered underground mine inflow and the Aolao River (with recommendations for dry season reservoirs), while main ramp systems, vertical shafts, and trackless trucks provide efficient internal transport, complemented by regional road/rail access and on-site accommodation for the local workforce.*

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The mine site has been in steady production for years. The projected CAPEX were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were estimated based on the actual costs aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated based on the historic financials provided by the management, taking into account the necessary receivables, inventories and payables required for operations.. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*

Criteria	JORC Code explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.* • *The currency exchange rate of USD to RMB is used for conversion for RMB pricing demonstration.*
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The mine-site has been in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is derived from the Weighted Average Cost of Capital (WACC). A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*

Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *Since 2022, the Dachaidan Property has invested over RMB1.4 million in social and community initiatives, including education donations, disaster and epidemic relief, support for vulnerable minority groups, and targeted poverty alleviation for rural revitalization, earning recognition from local communities and government authorities.* • *The property has also implemented effective occupational health and safety measures (with no fatalities and minimal injuries from 2022 to 2024) and ecological rehabilitation efforts (completing open-pit rehabilitation in 2023 and planning further restoration by 2027), contributing to sustainable local development without major adverse social impacts.*
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• *There is no material risk for operation.* • *Risk assessment for Dachaidan Property is included in this CPR.* • *The project is located within the current mining licenses, which are valid until 5 September 2028. The end of the LoM is projected to be in 2036.*
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *There is no Measured Mineral Resources classified as Probable Ore Reserves.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Ore Reserves estimates are based on technical studies and ongoing operations. The Ore Reserves estimates are at a PFS level.* • *All modifying factors have been applied for Ore Reserves estimates on a global estimate.*

15.5 Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• *Not applicable.*
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• *Not applicable.*
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• *Not applicable.*
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• *Not applicable.*
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• *Not applicable.*
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• *Not applicable.*
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* *o diamonds quantities by appropriate screen size per facies or depth.* *o details of parcel valued.* *o number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (e.g. dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	• *Not applicable.*
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• *Not applicable.*
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• *Not applicable.*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			Appendix E
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch.11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			Not applicable
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

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	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Ch 11, Sect 4
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		

Chapter 18			Sections in BAW's CPR
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		
18.14–18.17	**CONTINUING OBLIGATIONS**		**Not applicable**
18.14	**Disclosure in reports**		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		

Chapter 18			Sections in BAW's CPR
18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	

Chapter 18			Sections in BAW's CPR
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bilateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.		
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1

Chapter 18			Sections in BAW's CPR
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and	Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.	
18.25–18.26	**Disclaimers and Indemnities**		**Disclaimer section**
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.		Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.		Ch 1 Sect 8
18.27	**Obligations of sponsor**		**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.		
18.28–18.34	**REPORTING STANDARD**		
18.28–18.30	**Mineral reporting standard**		
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.		
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —		
	(1)	under:	
		(a) the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b) NI 43–101; or	
		(c) the SAMREC Code,	
		as modified by this Chapter; or	
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.	Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.		

Chapter 18				Sections in BAW's CPR
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		
	Note: A Reporting Standard applied to specific assets must be used consistently.			
18.33	A Mineral Company must ensure that: —			
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;		

Chapter 18			Sections in BAW's CPR
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP) . . . . . A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.

Element . . . . . Chemical symbols used in this report
Al — Aluminium
Au — Gold
Ag — Silver
As — Arsenic
Ba — Barium
Cu — Copper
Fe — Iron
K — Potassium
Mg — Magnesium
Mn — Manganese
Na — Sodium
O — Oxygen
Pb — Lead
S — Sulphur
Si — Silicon
Sr — Strontium
Ti — Titanium
Zn — Zinc

Exploration Target/Results. . . . . includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves.

In-situ	means rock or mineralisation in place in the ground.
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials.
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions.

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock.
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals.
Yuan	stands for the currency of People's Republic of China.

COMPETENT PERSONS' REPORT OF THE BANMIAOZI PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China, 100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

EXECUTIVE SUMMARY

The Banmiaozi Property is located in Hunjiang District, Baishan City, Jilin Province, approximately 6.3 km northwest of the city center, with convenient access to highways and railways. The property comprises one mining license and three exploration licenses, held mainly by Jilin Banmiaozi Mining Ltd., in which Shanjin International indirectly holds a 95% interest. Mineralization occurs within silicified tectonic breccia controlled by thrust faults and is classified as an orogenic gold deposit.

Since 2000, continuous exploration and mining have established a well-developed system of underground operations and processing. Mining uses sublevel open stoping with cemented backfill at 800 ktpa capacity, while processing is whole-ore cyanidation with carbon adsorption, achieving ~87.5% recovery over the past three years and a projected 89%. Tailings are managed through dry stacking with a zero-discharge water recycling system.

The Banmiaozi Project offers several advantages. Situated in a mature metallogenic belt, it benefits from favorable geological conditions and strong mineral continuity, with ore bodies remaining open along strike and at depth, supporting ongoing resource growth. The mine has been in production since 2009, with more than 15 years of operational experience, well-established infrastructure, and mature mining and processing systems. The processing flowsheet is stable and reliable, while the dry-stacked tailings facility and closed water recycling system mitigate environmental risks and ensure compliance with regulatory standards. Furthermore, its strategic location near Baishan City and regional industrial hubs provides strong logistical support, supply chain access, and abundant skilled labor.

As of 31 December 2025, BAW re-estimated Mineral Resources and Ore Reserves based on drilling, sampling, QA/QC verification, and 3D modelling. The results are summarized below:

Table 1 Mineral Resource Summary (JORC 2012, as of 31 December 2025)

Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t Au)
Measured	4,990	3.46	17.27
Indicated	922	2.82	2.60
M + I	5,912	3.36	19.87
Inferred	625	2.32	1.45
Total	6,537	3.26	21.32

Table 2 Ore Reserve Summary (JORC 2012, as of 31 December 2025)

Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t Au)
Proved	2,721	3.15	8.59
Probable	362	2.96	1.07
Total	3,083	3.13	9.66

The property shows significant exploration potential. At Banmiaozi (Jinying Mine), ore bodies remain open along strike and at depth, with drilling confirming thick, high-grade zones. At Banshigou, mineralized zones display strong continuity and scope for lateral and depth extensions. At Nancha, favorable stratigraphy and fault structures suggest further discovery potential.

From an economic perspective, based on recent mainstream gold price forecasts, the project delivers an after-tax NPV of approximately RMB3.09 billion. The life-of-mine (LOM) average AISC is estimated at ~US$941/oz, confirming robust economic viability. Commodity price volatility remains the primary risk, while other risks are low to moderate.

In conclusion, the Banmiaozi Gold Project, with JORC (2012)-compliant resources and reserves, established infrastructure, and proven operations, demonstrates stable production capability, strong growth potential, and sound long-term investment value.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Banmiaozi Property ("**Banmiaozi Project**" or the "**Property**") is situated in Hunjiang District, Baishan City, Jilin Province, northeastern China. The center of the principal mining area is located at 41°58'52" N latitude and 126°20'49" E longitude (Chinese Geodetic Coordinate System 2000 — CGCS2000). The Banmiaozi Property lies approximately 6.3 kilometers ("**km**") northwest of Baishan City and about 40 km northwest of the international border between China and the Democratic People's Republic of Korea. Changchun, the provincial capital, is roughly 220 km to the northwest of the Project site.

1.2 Property Ownership

The Banmiaozi Property is held through one mining license and two exploration licenses. Jilin Banmiaozi Mining Ltd. ("**Jilin Banmiaozi**"), a company indirectly 95% owned by Shanjin International Gold Co., Ltd. ("**Shanjin International" or the "Client**"), holds the Jinying Gold Mining License and the Nancha Village Exploration License, which include all mineral resources, ore reserves, and related mining operations.

The Banshigou Gold-and-Polymetallic Exploration License, is registered to Jilin Jincheng Shengxin Mining Co., Ltd. ("**Jincheng Shengxin**"), formerly Jilin Yintai Shengxin Mining Co., Ltd., renamed in December 2023. Jincheng Shengxin is indirectly 85% owned by Shanjin International.

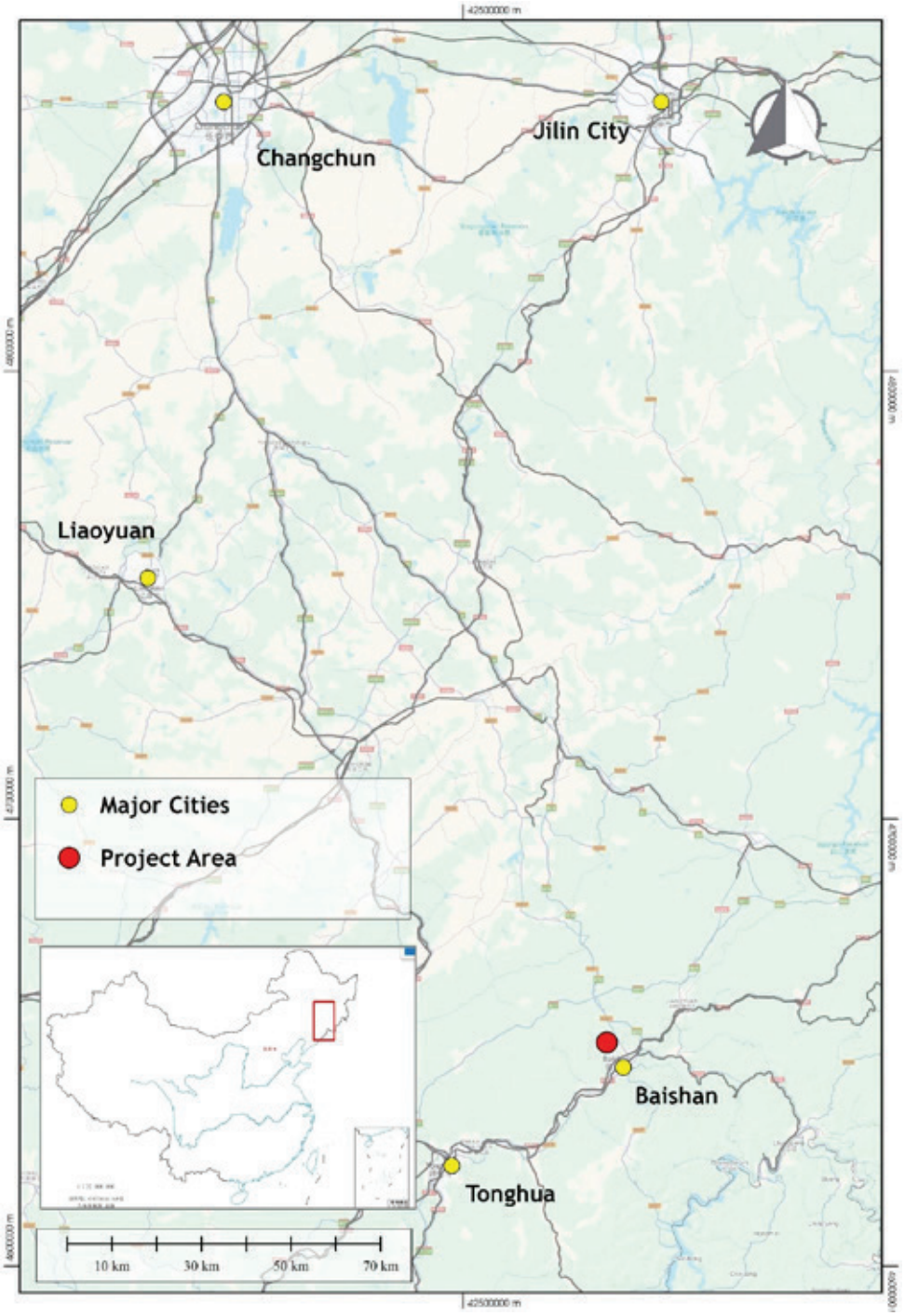


Figure 1–1 Location of the Banmiaozi Property

1.3 Mineral Rights and Licensing

Pursuant to the Mineral Resources Law of the PRC, all subsurface mineral resources are State-owned. Any exploration or mining activity therefore requires a government-issued exploration or mining license that defines both the geographic boundaries and the period of validity for the work. Licenses are generally renewable, provided that the application is filed with the competent provincial or State authority before expiry and all statutory obligations have been fulfilled. For an exploration license, the holder must have paid all exploration fees and satisfied the minimum expenditure requirements for the licensed area. Renewal of a mining license further requires payment of all license fees, resource taxes, and resource compensation levies.

As of the effective date of this report, all licenses remain in good standing, with the exception of the Banshigou exploration license, which is currently under renewal. Key license particulars — such as license numbers, expiry dates, and surface areas — are presented in Table 1–1, with vertex coordinates listed in Tables 1–2 through 1–5.

Table 1–1 Details of the Mining and Exploration Licenses of the Banmiaozi Property

Property	License Number	Expiry Date	Area (km^2)	Elevation (m)	Capacity (kt/a)
	Mining License				
Jinying Gold Mining Area	C1000002011044110112056	17/01/2034	2.1325	754~–242	800
	Exploration License				
Nancha Village Exploration Area	T2200002024114040058240	17/11/2029	15.106	/	/
Banshigou Gold and Polymetallic Exploration Area	T2200002008064010008497	24/07/2025	7.15	/	/

Before the licence expired on July 24, 2025, the Client submitted a Retention Registration Application for the Baimiaozi Property detailed exploration permit on June 23, 2025. Multi-department joint reviews conducted by the Baishan Natural Resources Bureau, Forestry Bureau, Agriculture and Rural Affairs Bureau, Culture and Tourism Bureau, and Ecology and Environment Bureau all confirmed that the licence area does not overlap with ecological red-line zones, protected natural areas, drinking water protection zones or cultural heritage sites, and that there are no tenure disputes or violations. All departments issued opinions approving the retention. According to the PRC retention rules, the licence remains legally valid throughout the retention period. We understand that the Banmiaozi concession does not fall within any ecological red-line zones or protected natural areas, nor are there any tenure disputes or violations. Accordingly, there are no substantive impediments to the approval of the licence renewal.

Table 1–2 Vertex Coordinates of the Jinying Gold Mining License of the Banmiaozi Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	4650105.96	42530809.53
2	4651097.67	42531794.94
3	4650913.27	42531956.94
4	4651626.17	42532667.24
5	4651104.07	42533198.95
6	4651104.07	42533215.89
7	4650626.00	42533218.12
8	4650626.00	42532822.22
9	4649957.76	42532168.44
10	4649955.46	42531661.94
11	4649614.56	42531318.14

Table 1–3 Corner Coordinates of the Banmiaozi Gold Exploration License of the Banmiaozi Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	4651104.07	42533198.95
2	4651011.57	42533199.45
3	4650626.00	42532822.22
4	4650626.00	42533218.12
5	4651104.07	42533215.89

Table 1–4 Vertex Coordinates of the Nancha Village Exploration License of the Banmiaozi Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Longitude ° E	Latitude ° N
1	126°19'05"	41°35'59"
2	126°21'18"	41°35'59"
3	126°22'30"	41°34'57"
4	126°22'30"	41°34'05"
5	126°19'05"	41°34'05"

Table 1–5 Vertex Coordinates of the Banshigou Gold and Polymetallic Exploration License of the Banmiaozi Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Longitude ° E	Latitude ° N
1	126°26'04"	42°01'31"
2	126°27'29"	41°59'42"
3	126°25'58"	41°59'42"
4	126°25'25"	42°00'32"
5	126°24'33"	42°00'32"
6	126°24'33"	42°00'56"
7	126°25'35"	42°01'32"

BAW understands that the renewal applications were filed in accordance with applicable PRC laws and regulations, including the Administrative Measures for the Registration of Mineral Resources Exploration Blocks, and have been formally accepted by the competent natural resources authorities. According to the Client's PRC legal advisor, the holding companies of those licenses have fulfilled all obligations during the permit term — including payment of exploration right usage fees and completion of minimum exploration investment — and have commenced exploration activities. There have been no material changes to the conditions under which the original permits were granted, nor any significant violations of relevant laws. As such, according to the Client's PRC legal advisor, renewal criteria set out in the relevant provincial guidelines has been met and there are no material legal impediments to the renewal of the such permits.

BAW has not undertaken an independent legal due-diligence review of these titles; instead, it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

The Banmiaozi Gold Project is reached by a paved access road approximately 2 kilometers long that joins the Baishan-Changchun Highway (S103). The highway lies roughly 1–2 kilometers east of the property and provides year-round vehicle connections to Baishan City, Changchun, Tonghua, and other regional centers.

Rail transport is available on the Baishan-Tonghua line, which passes just south of the project area. Baishan Railway Station, the main passenger and freight terminal, is reported to be 7 kilometers from the site by road.

The nearest commercial airport is in Tonghua City, about 53 kilometers from the project. Daily domestic flights link Tonghua to major hubs such as Beijing, ensuring reliable air access for personnel and light freight.



Figure 2–1 Banmiaozi Property

2.2 Climate

The Banmiaozi Gold Project lies in the north-temperate continental-monsoon zone. Climatic conditions are markedly seasonal: springs are typically dry and windy; summers are hot with concentrated rainfall; autumns remain dry; and winters are long, cold, and snowy. Recorded extreme temperatures range from –36.5 °C to 35 °C, while the mean annual temperature is approximately 3.8 °C. Average yearly precipitation is about 860 mm, roughly 70% of which falls during the June-August rainy season. Average annual evaporation is estimated at 1,100 mm. Ground freezing generally sets in by early November and persists until April, with a maximum frost depth of roughly 1.6 m. These climatic and hydrologic conditions allow year-round exploration and mining activities, although winter operations must account for frozen ground and low temperatures.

2.3 Physiography

The Banmiaozi Property occupies the southwestern foothills of the Changbai Mountains, immediately south of the Longgang range and northwest of the Hunjiang Valley. Local ridgelines trend predominantly northeast-southwest and form a middle- to low-mountain landscape. Relief descends from the southwestern ridges toward the Hunjiang Valley in the northeast, producing a strongly dissected terrain marked by steep (30–40°) slopes and narrow, "V"-shaped valleys. Elevations within the license area range from approximately 545 meters ("**m**") along the valley floor to 904 m along a ridge crest, giving a total relief of 359 m.

Vegetation cover is generally intact, and historical records report no major floods, landslides, or debris-flow events. Surface runoff drains through two small tributaries of the Hun River system: the Diaoshuiku River to the west, with an average upstream discharge of about 0.74 m^3/s, and the Banshigou River to the east, which flows southeastward to join the Hun River; no large lakes or reservoirs occur within the project area. These physiographic conditions allow year-round exploration and mining with appropriate slope-stability and drainage control measures.

2.4 Local Resources and Infrastructure

The mining area features favorable runoff conditions and lacks any large bodies of water, with only two tributaries of the Hun River — the Diaoshui River to the west and the Banshigou River to the east — flowing from northwest to southeast before joining the Hun River, which is part of the Yalu River system. In this Project, a portion of the mine inflow water is treated and reused in production, while the remaining water is discharged to the local river. The domestic water supply is sourced from the municipal tap water system of Baishan City.

Power is supplied from the Jiangbei substation, located 4 km from the mine, via a 66 kilovolts ("**kV**") overhead transmission line. On site, a step-down substation uses an SZ10–6300/66 kV transformer with a 66/10.5 kV ratio. The 66 kV equipment is installed outdoors, while the 10 kV distribution cabinet is housed indoors.

The surrounding economy is largely agricultural, but mining forms the most significant industrial activity. Notable operations include the Banshigou Iron Mine which is Jilin Province's largest iron-ore producer — situated roughly 3 km north of the Property, as well as several diatomite workings to the south near Linjiang and Changbai, and coal and industrial-mineral mines within the Hunjiang Basin. These operations, together with nearby population centers, ensure an ample pool of skilled and unskilled labor, established supply chains, and well-developed infrastructure.

3 HISTORY

3.1 Ownership History

The Banmiaozi Property was first delineated in 2000, when the Jilin Province Tonghua Geological and Mineral Exploration Development Institute ("**Tonghua Institute**") obtained the initial exploration right. In 2004 the exploration license was transferred to Jilin Banmiaozi Mining Ltd. ("**Jilin Banmiaozi**"), a joint venture established by the Tonghua Institute and Sino Gold Mining Limited ("**Sino Gold**").

Jilin Banmiaozi secured a mining license from the Ministry of Land and Resources in April 2008. The license, which originally authorized underground production of 660,000 tons per annum ("**tpa**") from an area of 2.0514 km^2, was later renewed several times and extended to January 2034 with an approved capacity of 800,000 tpa.

Corporate control of the Project has changed several times. Sino Gold was wholly acquired by Eldorado Gold Corporation in 2009. In 2016 Yintai Gold Co., Ltd. ("**Yintai**") acquired Jilin Banmiaozi together with the Banmiaozi mineral rights. Shandong Gold Mining Co., Ltd. acquired an interest in Yintai in July 2023. In July 2024, Yintai changed its name to Shanjin International Gold Co., Ltd. ("**Shanjin International**"), which is now the indirect majority owner of Jilin Banmiaozi and the Banmiaozi Property.

3.2 Exploration History

Gold mineralization at Banmiaozi was first identified in 1998, when the Jilin Province Tonghua Geological and Mineral Exploration Development Institute ("**Tonghua Institute**") completed a reconnaissance survey in the district. Follow-up work in 2001–2002 included a 1 : 50 000 geochemical program that outlined two multi-element anomalies (Au, As, Sb, Hg). Trenching, audit sampling, and preliminary drilling beneath these anomalies confirmed two discrete gold ore bodies.

In 2003 the Tonghua Institute and Sino Gold Mining Limited ("**Sino Gold**") formed the joint-venture company Jilin Banmiaozi to advance the Project. Between 2003 and 2007 the venture completed 50 555 m of diamond drilling together with detailed geological, geophysical, and geochemical surveys, discovering four major underground ore bodies designated I, II, III, and IV. Results were presented in the "2007 Exploration Report of Jinying Gold Mine, Baishan City, Jilin Province" ("**Exploration Report 2007**").

Verification drilling resumed in 2015 and culminated in the "2015 Resource/Reserve Verification Report of Jinying Gold Mine, Baishan City, Jilin Province" ("**Verification Report 2015**"), which delineated five additional ore bodies — II-1, II-2, IV-1, V, and VI.

During 2017–2018 exploration focused on extending the No. V ore body from the mining-license area into the adjacent exploration-license area. Underground drilling confirmed significant down-dip and along-strike extensions and revealed a series of subsidiary structures (ore bodies V-1 through V-5 and V-1′ through V-6′). Findings were compiled in the "2018 Resource/Reserve Verification Report of Jinying Gold Mine, Baishan City, Jilin Province" ("**Verification Report 2018**").

Beginning in 2019 the Project adopted a production-exploration program — underground drilling and sampling — to support mining operations and expand resources. Work completed in 2019 was summarized in the "2019 Detailed Exploration Report of Banmiaozi Gold Mine, Baishan City, Jilin Province" ("**Detailed Exploration Report 2019**"). Using data collected from 2019 to 2024, Jilin Banmiaozi issued the "2024 Resource/Reserve Verification Report of Jinying Gold Mine, Baishan City, Jilin Province" ("**Verification Report 2024**").

Separate exploration has been undertaken on the Banshigou Gold-and-Polymetallic Exploration License. After acquiring the license in 2020, Jincheng Shengxin and Jilin Banmiaozi conducted systematic drilling that outlined several concealed gold ore bodies; an intensive drill program in 2024 refined these discoveries and evaluated their potential.

3.3 Historic Resource/Reserve Estimation

Mineral Resource and Ore Reserve estimates for the Jinying Gold Mine (covered by the Jinying Gold Mining License) have been completed on four occasions — 2007, 2015, 2019, and 2024 in accordance with the PRC reporting framework. Each estimate was prepared in accordance with the applicable Chinese technical codes and subsequently approved by the Ministry of Land and Resources. While those national codes are rigorous, their classification criteria and reporting protocols do not always align with the JORC Code 2012. Consequently, the figures contained in the Chinese reports should not be considered JORC-compliant without independent verification and, where necessary, re-classification.

At the request of Shandong Gold Mining Co., Ltd, BAW issued an Independent Technical Report that presented a JORC-compliant Mineral Resource and Ore Reserve estimate for the Banmiaozi Project in 2023. BAW updated that estimate at the end of 2024 to incorporate results from the 2023–2024 production-exploration program and the ongoing drilling programs.

3.4 Development and Production History

Site development at the Jinying Gold Mine began in 2007 and was completed in approximately eighteen months. Trial production commenced in November 2008, with commercial underground mining following in December 2009. From start-up through 2018, the mine's permitted production capacity was 660,000 tons per annum ("**tpa**"). In 2019 the licensed capacity was raised to 800,000 tpa, and the corresponding expansion project was fully commissioned and approved in 2020. Historic annual production is summarized in Table 3–1.

Table 3–1 Annual Production of the Banmiaozi Property

Year	Production (t)	Contained Gold (t)
2009	275,343	1.008
2010	592,494	2.472
2011	709,318	3.239
2012	793,269	3.090
2013	823,658	2.939
2014	658,500	2.636
2015	645,314	2.568
2016	654,945	2.187
2017	573,034	2.701
2018	568,076	2.442
2019	365,696	1.210
2020	607,693	2.327
2021	459,942	1.907
2022	650,114	1.920
2023	718,921	1.805
2024	843,714	2.303
2025Q2	378,356	1.067

Note: Data extracted from Annual Reserve Reports of the Jinying Gold Mine, 2009–2024

4 GEOLOGICAL SETTING

4.1 Regional Geology

The Banmiaozi Property lies on the eastern margin of the North China Craton, adjacent to the Longgang Block, within the Liaoning-Jilin orogenic belt and the Laoling uplift zone (Figure 4–1). This belt, bounded by major faults against the Langlin Block to the southeast and the Longgang Block to the northwest, records a complex tectono-magmatic-metamorphic history. Key events include Palaeoproterozoic rifting and orogenesis, the superposition of Neoproterozoic-Paleozoic basin development, the late-Paleozoic to early-Mesozoic collision between the Siberian Plate and the North China Craton, and subsequent Mesozoic subduction of the Paleo-Pacific Plate beneath the craton. These successive episodes created favorable conditions for ore formation, and the Liaoning-Jilin orogenic belt consequently hosts numerous deposits rich in both metallic and non-metallic minerals.

Archean, Proterozoic, and Phanerozoic successions dominate the stratigraphic framework of the Banmiaozi Property and its surrounding area. In the northwestern portion of the Property area, Archean rocks, principally the Yangjiadian Formation of the Anshan Group, occur as xenoliths within Mesoarchean tonalite-trondhjemite-granodiorite ("**TTG**") gneiss. These xenoliths comprise amphibolite, biotite-plagioclase gneiss, mica schist, garnet-biotite granulite, siliceous garnet-biotite-plagioclase gneiss, and magnetite quartzite. The entire assemblage represents ferro-siliceous volcanic and sedimentary sequences metamorphosed to amphibolite facies, with localized granulite-facies overprinting.

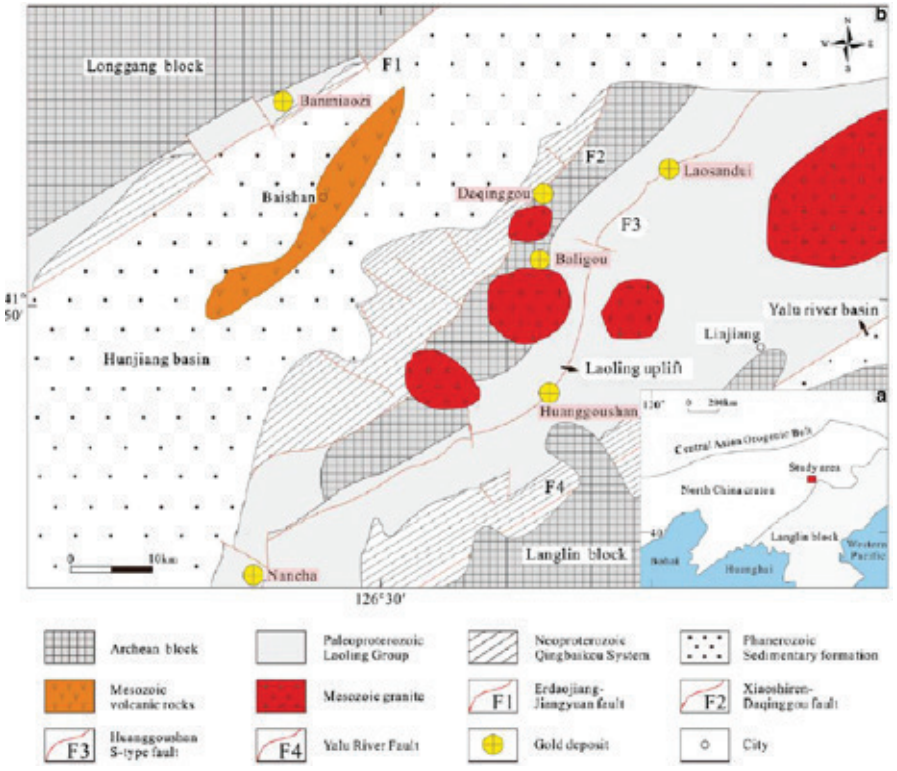


Figure 4–1 Regional Geological Map (Source: modified from Li et al., 2020)

Paleoproterozoic strata assigned to the Ji'an Group unconformably overlie the Archean basement and form a volcanic-sedimentary package characterized by marble-bearing, silica-rich, high-alumina and high-iron lithologies. Mesoproterozoic rocks of the Laoling Group constitute the principal outcrops across the central and western parts of the Property area. Within this group, the Linjiagou and Zhenzhumen formations display a diverse lithologic spectrum that includes feldspathic quartzite, quartzite, leptite, granulite, calcsilicate rock, carbonaceous slate, marble, and dolomitic marble.

Neoproterozoic cover is represented by the Qingbaikou and Sinian systems. In the central and southeastern sectors, the Diaoyutai and Nanfen formations of the Qingbaikou System are widely exposed as medium-grained gray-white quartz sandstone, siltstone, and shale. The principal gold mineralization is localized within a silicified tectonic-breccia belt developed along the contact between the Diaoyutai Formation and the underlying Zhenzhumen Formation. South-central exposures of the Sinian System include the Qiaotou Formation, composed mainly of medium- to fine-grained quartz sandstone and siltstone, the Wanlong Formation, which consists of laminated and micritic limestone, and the Badaojiang Formation, distinguished by stromatolitic and algal limestone.

Cambrian strata are confined to the southeastern margin of the Property area, where sandstone, siltstone, shale, tuff, and limestone rest unconformably upon the Neoproterozoic sequence.

Archean metamorphic plutonic rocks of the TTG series dominate the igneous architecture of the Banmiaozi district, constituting more than 80% of the Archean exposures. Post-Archean magmatism was comparatively minor and is represented only by sporadic veins of granodiorite porphyry, granite porphyry, and diorite porphyry emplaced during the Proterozoic.

Regionally, northwest-directed compression produced a fold-and-thrust system that includes northeast-striking thrust faults and northwest-trending compressional-torsional faults, together with large-scale northwest-vergent nappes generated within the same stress regime. The principal gold mineralization at Banmiaozi is hosted in a silicified tectonic-breccia belt that is spatially superimposed on the northeast-trending thrust faults.

4.2 Property Geology

Within the mining license area, Mesoproterozoic to Sinian strata form a coherent, northeast-striking sequence that dips 35–40 ° southeast. The lowermost exposed unit is the Zhenzhumen Formation (Laoling Group), which comprises of magnesium-rich dolomitic marble that locally displays quartz banding and brecciation; silicified brecciated marble along faults contains zones of economic gold mineralization. The Zhenzhumen Formation is overlain at a pronounced angular unconformity — or, locally, a fault contact — by the Diaoyutai Formation (Qingbaikou Group), which is dominated by medium- to thick-bedded quartz sandstone, the basal member of which is a hematite quartz sandstone that has been emplaced over the underlying marble during earlier uplift-slip movement and later northwest-directed thrusting. This tectonic juxtaposition produced a thick silicified tectonic-breccia zone that constitutes the principal ore host at Banmiaozi.

The Diaoyutai Formation is conformably succeeded by the Nanfen Formation, which crops out on both flanks of the sandstone belt. The Nanfen sequence consists of purple and yellow-green calcareous shale, thin-bedded micritic limestone, and green-gray shale with subordinate silty interbeds; thin, glauconitic quartz-sandstone lenses commonly mark the basal contact. South of the main ore zone, narrow northeast-trending panels expose the Sinian Qiaotou Formation (medium- to fine-grained quartz sandstone and siltstone) and the Wanlong Formation (laminated to micritic limestone). Farther to the southeast, thin-bedded silty and micritic limestone of the Wanlong Group lies in parallel unconformity on the Qiaotou Formation and is, in turn, unconformably overlain by sparsely exposed Badaojiang Formation and Cambrian strata.

Throughout the stratigraphic column, northwest-directed compression generated a system of imbricate thrusts and attendant brecciation that focused gold deposition along the Diaoyutai-Zhenzhumen contact.

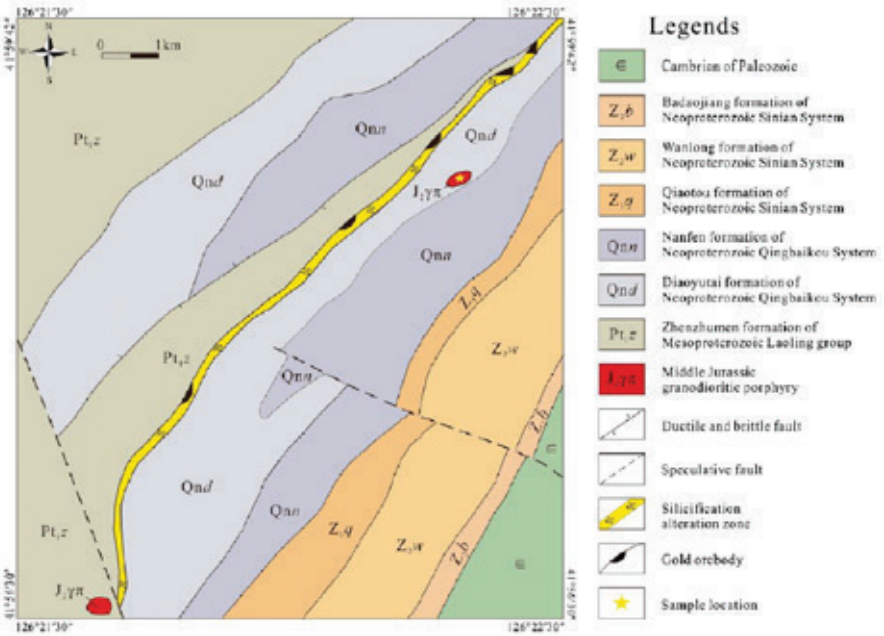


Figure 4–2 Geological Map of the Banmiaozi Gold Deposit

Note: modified from Li et al., 2020

Within the mining license area, bedding dips uniformly southeast, forming a monocline on the north-western limb of the Hunjiang fold-thrust system. Two distinct fault sets dissect this structure.

The first set comprises northeast-striking thrust-detachment faults developed along the unconformable contact between quartz sandstone of the Diaoyutai Formation and dolomitic marble of the Zhenzhumen Formation. Repeated compressional movement along these faults created layer-parallel breccia zones, pervasive cleavage, and localized folding. Subsequent hydrothermal activity silicified and mineralized the breccia, producing the principal gold ore shoots; these northeast-trending structures therefore constitute the dominant ore-controlling framework on the property.

A second, later set of northwest-striking, near-vertical fractures forms a dense array 150–1,000 m long that locally offsets the mineralized breccia by 20–100 m at surface but shows negligible displacement in underground workings. These northwest faults post-date mineralization and exert only minor influence on overall ore continuity.

Intrusive activity within the mining licence area is negligible. No significant intrusive bodies are exposed except for a small Jurassic granodiorite-porphyry stock in the southwestern corner of the property. This intrusion post-dates the gold mineralization and has had no discernible influence on ore distribution.

4.3 Alteration

Hydrothermal alteration is dominated by silicification, barite alteration, pyritization, and hematitization; argillic overprint is subordinate. Silicification is pervasive and most intense within the tectonic-breccia zone along the Diaoyutai-Zhenzhumen contact, where it commonly accompanies barite and hematite. Sulphide minerals, chiefly pyrite and minor chalcopyrite, galena, and sphalerite, occur as fine disseminations or thin stringers; only pyrite form locally dense patches. Gold mineralization correlates closely with the intensity of silicification and barite alteration rather than with base-metal sulfide abundance.

4.4 Mineralization

Six mineralized bodies, designated I through VI, have been delineated within the Banmiaozi deposit. Bodies I, II, III, and IV constitute the principal orebodies; V and VI are subordinate. Except for V, all bodies strike northeast (040°–050°) and dip 48°–61° SE, forming a discontinuous but overall 2 km trend. Orebody V strikes east-west (085°–095°) with an average dip of 54°. True thicknesses of the orebodies range from approximately 5 m to 13 m. Bodies I, II, and VI daylight at surface, whereas III, IV, and V are blind. Structural relations indicate partial coalescence among I-IV down-dip, whereas II, V, and VI remain discrete lenses. Gold mineralization is hosted predominantly within silicified tectonic breccia developed along the Diaoyutai-Zhenzhumen unconformity; sulfide contents are low, and grade distribution correlates with the intensity of silicification and barite alteration.

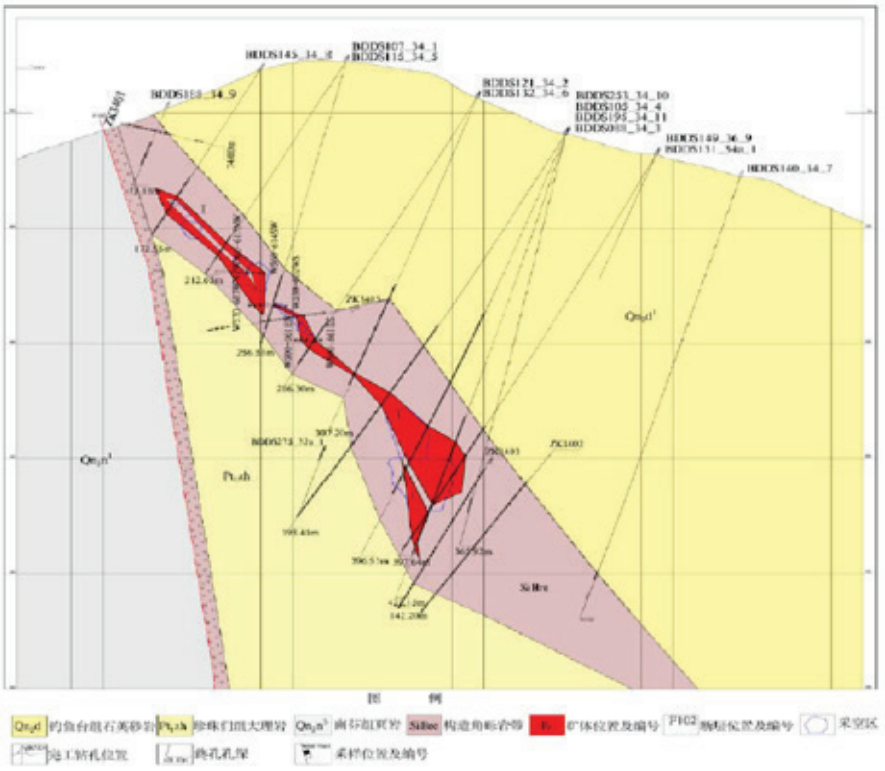


Figure 4–3 Cross-section of No. I Ore Body along Exploration Line No. 34 (Source: Jilin Banmiaozi, 2018)

4.5 Deposit Type

The Banmiaozi deposit is classified as an orogenic-type gold system that formed within the accretionary volcanic-sedimentary complexes of the Liaoning-Jilin orogenic belt, part of the eastern North China Craton. Orogenic deposits are typically emplaced in mid- to shallow-crustal levels (about 5–15 km depth) at or slightly above the brittle-ductile transition zone and are characteristically associated with compressional tectonic settings — such as the pre-arc regions of convergent continental margins — that allow auriferous fluids to migrate upward along major structures. The term "orogenic" reflects their genesis within accretionary and collisional belts, although such deposits may also occur in deformed sequences farther within craton margins.

Gold in orogenic systems is generally attributed to two fluid sources: (1) metamorphic devolatilization of deeper crustal rocks as temperature and pressure increase, and (2) fluids expelled from felsic to intermediate magmas during crystallization. For the Banmiaozi deposit, geologic and geochemical evidence indicates that the first mechanism — metamorphic fluid release — was the dominant contributor.

The Laoling uplift zone, which hosts the Banmiaozi and Huanggoushan deposits along with more than 100 medium- to small-scale occurrences (e.g., Baligou, Nancha, Dasongshu, Taojingou, Wudaoyangcha, Xiaoshiren, Tianqiaogou, Taiyangcha, Nandapo, and Daqinggou), is a key tectono-magmatic corridor linked to Au-polymetallic mineralization. Banmiaozi formed in response to compressional deformation associated with subduction of the Paleo-Pacific Plate beneath the North China Craton, and its structural, lithologic, and alteration features are consistent with those of a collisional orogenic gold deposit.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

All exploration activities for the Banmiaozi Property have been carried out in accordance with the applicable PRC national exploration standards, which prescribe the work scopes, protocols, and procedures required at each evaluation or verification stage. Geological databases compiled for the Mineral Resource estimation were prepared by the Client in compliance with these regulations.

Exploration between 2003 and 2008 emphasized surface work — topographic and geological mapping, ground geophysics, trenching, and a substantial diamond-drilling program supplemented by limited underground channel sampling. Following the start-up of the Jinying Gold Mine in 2009, surface drilling continued on a smaller scale, but systematic work shifted underground and now includes extensive diamond and rotary drilling, development tunneling, and channel sampling. Drill-hole collars are generally spaced on a 40 × 40 m to 80 × 80 m grid, locally tightened to 40 × 30 m and, in selected high-priority zones, to 20 × 15 m. Since 2020 a parallel program of systematic drilling has also been undertaken within the Banshigou exploration license area. Exploration programs completed as of the Effective Date are summarized in Table 5–1.

Table 5–1 Summary of Exploration Programs for the Banmiaozi Property

Type	Amount	Depth/Length (m)	No. of Samples
Jinying Mining and Banmiaozi Gold Exploration License Area			
Surface Diamond Drill Hole	358	111,845.74	15,883
Underground Diamond Drill Hole	3,466	326,431.98	107,722
Underground Rotary Drill Hole	2,711	44,350.28	29,276
Trench	44	1,329.93	695
Underground Channel	19,734	129,541.21	58,461
Sub-Total	26,313	613,499.14	212,037
Banshigou Gold and Polymetallic Exploration License Area			
Diamond Drill Hole	87	31,774.01	13,832
Trench	6	674.5	129
Underground Channel	4	426.2	162
Sub-Total	97	32,874.71	14,123

5.2 Trenching, Tunnelling, and Drilling

Surface and underground survey work was conducted by Jilin Banmiaozi and external surveyors. The survey was performed using various equipment, primarily including total stations such as the Sokkia SET2110 and Leica TS15, as well as RTK/GPS systems like South Polaris 6900 GPS and Huace i60 GPS. Additionally, the survey utilized the Canadian 3D laser scanner CMS V500. The equipment precision meets the required standards. Early coordinates were based on the Beijing Coordinate System (1954), while later surveys used the Chinese Geodetic Coordinate System 2000 ("**CGCS2000**").

5.2.1 Trenching and Tunnelling

Trenching was conducted to expose surface alteration zones, ore-hosting structures, and ore bodies. Owing to dense vegetation and 2–5 m of weathered slope deposits in the Property area, trenching was not adopted as the primary exploration method so as to maintain efficiency and reduce environmental disturbance. Trenches were excavated perpendicular to the strike of the ore bodies, with a top width of 1.5 to 2.0 m, a depth of 1.2 to 1.8 m, and a bottom width of 1.0 to 1.3 m.

Production-exploration and mining adits were driven either parallel or perpendicular to the ore bodies. Each heading measures 4–4.6 × 4.8 m, with a gradient of less than 3 ‰, and the primary layout spacing is 20 × 30 m.

Channel sampling, applied in both underground workings and surface trenches, was oriented as nearly perpendicular to ore-body strike as possible. Sampling intervals were set predominantly at 1 m, although some individual intervals vary slightly above or below this value. Each channel measures 10 × 3–5 centimeters ("**cm**"). Samples were cut with a diamond saw along pre-marked lines and collected using a steel chisel.

5.2.2 Drilling

Surface and underground drilling at the Banmiaozi Property has been executed by independent, third-party contractors. Rotary drilling, introduced in 2017, is employed chiefly in intensely altered horizons and yields chip samples for analysis. Diamond drilling was carried out on surface from 2004 to 2020 and has been conducted underground since 2004.

Diamond drilling utilizes NQ-size core as standard, with HQ-size core employed on a limited basis. All drill-hole collars are surveyed with a total-station instrument. Down-hole deviation is measured with an inclinometer or a down-hole camera at 50 m intervals in surface holes and at 30 m intervals in underground holes, with supplementary readings taken at the roof and floor of each intercepted ore zone. Depth checks are recorded every 100 m, at each ore-zone intersection, and at end-of-hole.

According to the drill-hole database supplied to BAW, the core recovery is satisfactory: more than 95% of surface-hole sample intervals achieve at least 90% recovery, and 80% of underground intervals exceed 85%, notwithstanding structural complexity and alteration intensity. Upon completion of surface drilling, holes are sealed with cement and identified by a permanent cement plinth.

Recovered diamond core is placed directly into plastic core boxes at the drill site and transported to the logging facility. At the logging station, interval lengths are marked in the boxes, wooden markers bearing depth information are inserted, and core boxes are arranged sequentially to verify recovery before geological logging. Core is then logged for lithology, alteration, mineralogy, and geotechnical features.

Sampling intervals are nominally 1 m, but may vary between 0.3 m and 1.5 m to honor changes in core recovery, lithology, alteration, structure, or mineralization. A core saw is used to split the core longitudinally at the logging facility. One half-core is bagged, sealed, and labeled for assay preparation; the remaining half is retained in the original box for reference. Core boxes are stored properly in a core shack, stacked separately by drill hole. Recently recovered underground core is stored at an underground adit facility.

5.3 Sample Preparation, Analysis and Security

5.3.1Density Determination

Based on data supplied to BAW, as of the Effective Date a total of 180 bulk-density determinations had been completed by Changchun Mineral Resources Supervision and Testing Center of the Ministry of Natural Resources (the "**Changchun Laboratory**"). Measurements were performed on drill-core and channel samples using the conventional water-displacement technique on wax-sealed specimens, yielding an average density of 2.70 t/m^3.

5.3.2Sample Preparation

Sample preparation was undertaken at different times by the Jilin Nonferrous Metal Geological Exploration Bureau 606 Brigade Laboratory ("**606 Brigade Laboratory**"), the Jilin Province No. 1 Geological Survey and Testing Center ("**Jilin No. 1 Laboratory**"), and the Jilin Province No. 5 Geological Survey Laboratory ("**Jilin No. 5 Laboratory**"). The procedures employed by these laboratories are essentially identical: each original sample, generally weighing 2–3.5 kg, is first dried for 4–6 hours at approximately 80 °C. The dried material is then crushed with a jaw crusher to a particle size of 20–80 mesh and rifle-split into a coarse duplicate and a primary sub-sample. The primary sub-sample is pulverized in a rod mill to 200 mesh and rifle-split again to produce a fine duplicate and a primary pulp for assay.

5.3.3Sample Analysis

Sample analyses were performed by the Xi'an Nonferrous Geology Research Testing Center ("**Xi'an Laboratory**") before 2007 and by the Ministry of Land and Resources Changchun Mineral Resources Supervision and Inspection Center ("**Changchun Laboratory**") from 2008 to 2015. Since 2016, Jilin No. 1 Laboratory has acted as the principal assay facility, with a limited number of samples sent to Jilin No. 5 Laboratory for inclusion in the Verification Report 2018 and 2024.

Gold content was determined by an activated-carbon adsorption atomic-absorption spectrometric method ("**AAS**"). The procedure comprised aqua-regia digestion, pre-concentration of Au on activated-carbon cloth, calcination of the Au-loaded cloth at 650 - 700 °C, subsequent digestion in hydrochloric and nitric acids, and final measurement on an atomic-absorption spectrometer.

Prior to 2018, external ("**umpire**") checks were conducted by ALS Laboratory, Australia ("**ALS**"), and SGS Laboratory, Tianjin ("**SGS**"), both using the fire-assay-AAS technique. More recent umpire analyses have been carried out by the Liaoning Provincial Geological and Mineral Research Institute Testing Center ("**Liaoning Laboratory**").

Apart from ALS and SGS, there is no information regarding internationally recognized accreditations for the listed laboratories. According to earlier technical reports and certificates supplied by the Client, Xi'an Laboratory, Changchun Laboratory, Jilin No. 1 Laboratory, Jilin No. 5 Laboratory, and Liaoning Laboratory each hold the requisite provincial or national analytical certifications issued by the relevant authorities in the PRC. However, BAW was not involved with the on-site inspections of the sample-preparation or analytical laboratories aforementioned prior to our engagement.

5.3.4Sample Security

During its site visit, BAW reviewed the sample-security procedures and concluded that mine-site personnel exercised appropriate controls to retain samples, maintain accurate chain-of-custody records, and ensure secure transport to the laboratory. BAW is of the opinion that the measures in place are adequate to safeguard the validity and integrity of all samples.

5.4 Quality Assurance and Quality Control ("QA/QC")

Jilin Banmiaozi has maintained the QA/QC protocol in accordance with the relevant PRC exploration standards throughout its exploration activities, routinely submitting internal and external check samples to verify routine assay results. Historic QA/QC practices and results for the Banmiaozi Property were reviewed by BAW in the 2023 JORC Independent Technical Report.

In the context of the current review, the Client provided quality-control sample data generated since 2019, comprising both internal and external checks. Half Absolute Relative Difference ("**HARD**"), scatter, and quantile-quantile ("**Q-Q**") plots are applied to evaluate duplicate precision. The HARD value for each duplicate pair is calculated as$|x_1 — x_2| \diagup (x_1 + x_2)$ and expressed as a percentage, with values ranked from smallest to largest; Q-Q plots are used to compare two distributions and assess their equivalence.

5.4.1Internal Check

Internal check samples, taken as pulp duplicates, are used to evaluate laboratory precision. A total of 1,005 pulp-duplicate samples have been collected, representing a sampling rate of 10.08% for the corresponding period.

Internal check evaluation indicates that 97.6% of duplicate pairs plot within a 20% Half Absolute Relative Difference ("**HARD**") envelope and 84.1% fall within 10%, demonstrating acceptable analytical precision. In the Q-Q plot, results for lower-grade Au samples from the internal checks coincide closely with the original assays, whereas agreement diminishes progressively with increasing grade; the most marked divergence occurs in the very high-grade range, a distribution pattern consistent with a nugget effect that is commonly observed in deposit type like Banmiaozi. Scatter plot analysis reveals a small number of duplicate pairs exhibiting similarly large discrepancies. The limited quantity of such outliers does not affect the overall precision assessment; whether these differences arise solely from the nugget effect or from occasional procedural errors during assaying remains undetermined. Full graphical interpretations are presented in Figures 5–1 through 5–3.

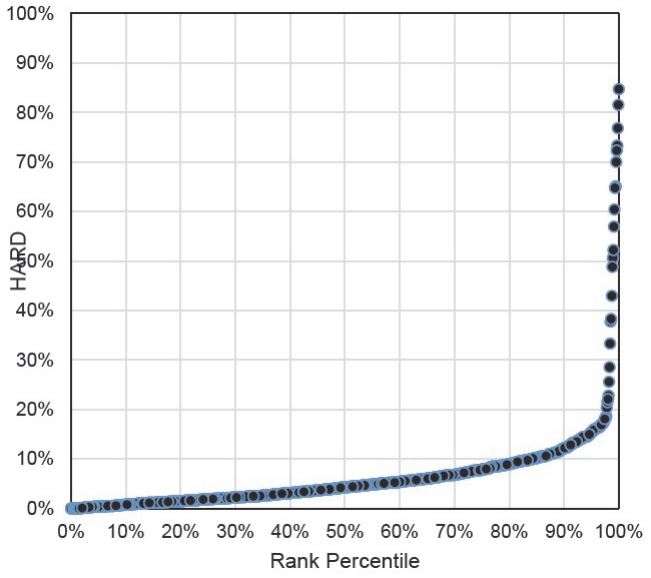


Figure 5–1 HARD Plot for Internal Check Results

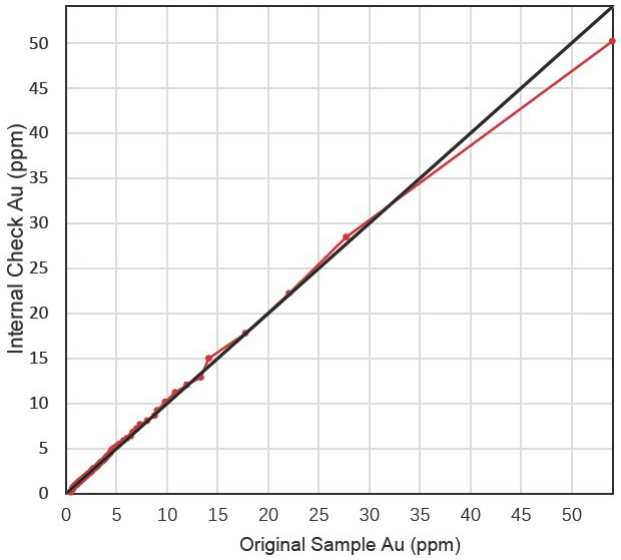


Figure 5–2 Q-Q Plot for Internal Check Results

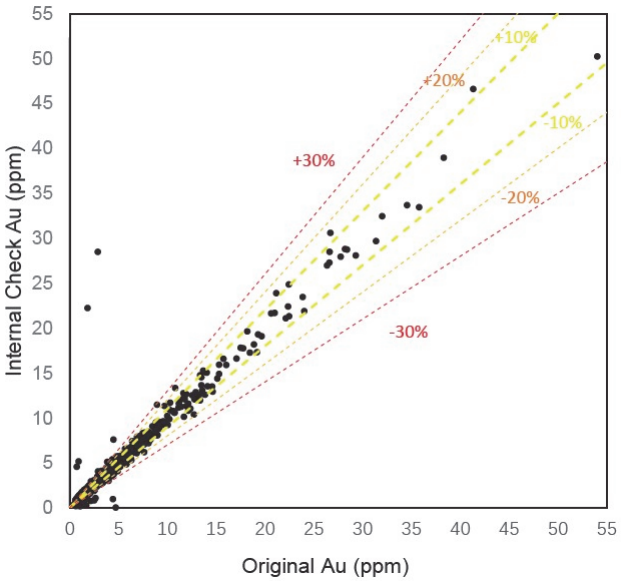


Figure 5–3 Scatter Plot for Internal Check Results

5.4.2External Check

A subset of the pulp duplicates is dispatched to an external laboratory for verification as external control samples. In total, 462 external control samples have been analyzed, corresponding to a sampling rate of 4.63%. External control assays provide an additional check on the analytical quality of the primary laboratory.

External check evaluation shows that 91.8% of duplicate pairs fall within the 20% HARD envelope and 76.4% within 10%, a precision level regarded as acceptable. The Q-Q plot displays a pattern similar to that observed in the internal checks, which may likewise reflect a nugget-effect influence. Scatter-plot comparisons show a high degree of concordance between external assays and the original laboratory results, indicating that the analytical data may be regarded as reasonably reliable. Detailed graphical analysis is provided in Figures 5–4 to 5–6.

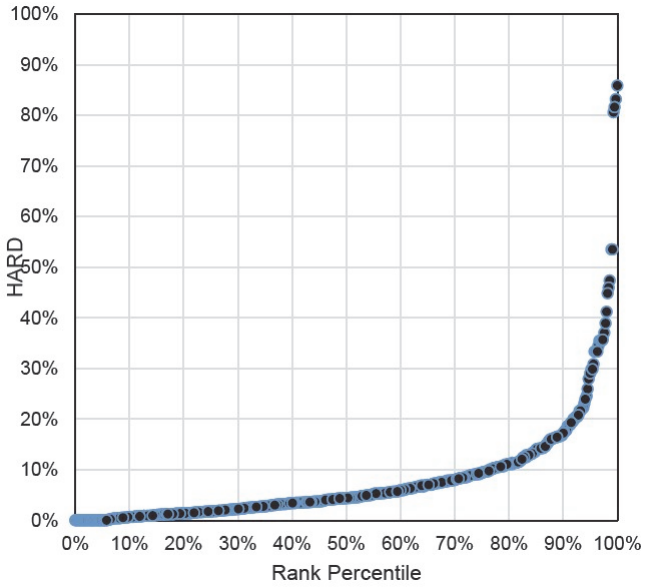


Figure 5–4 HARD Plot for External Check Results

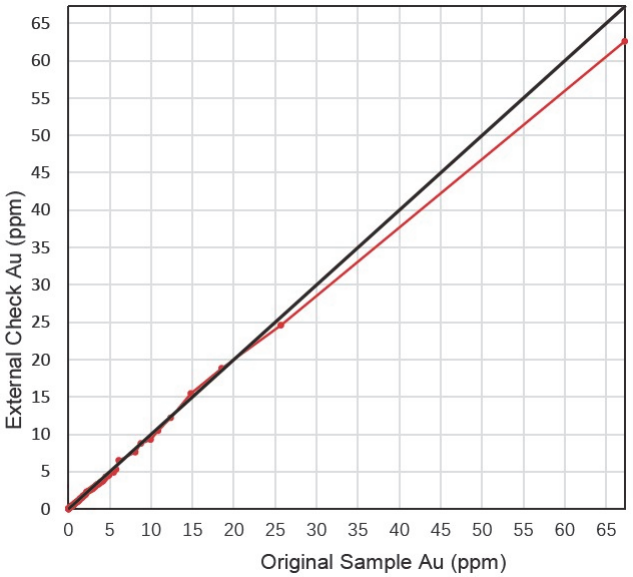


Figure 5–5 Q-Q Plot for External Check Results

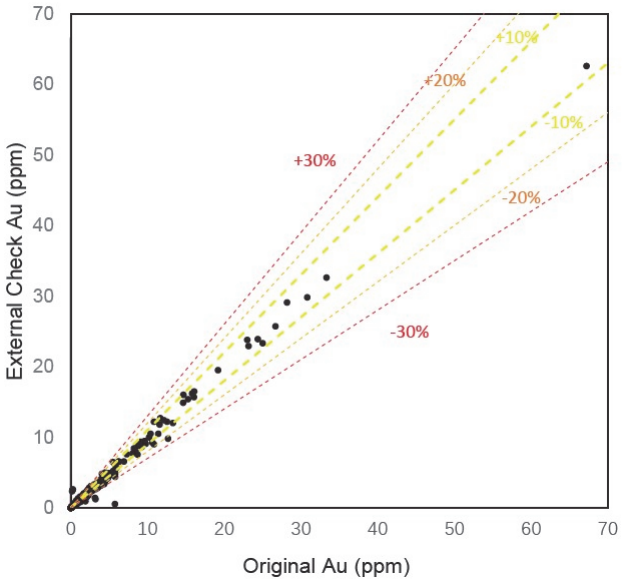


Figure 5–6 Scatter Plot for External Check Results

5.5 Site Visits and Data Verification

A multidisciplinary BAW team comprising specialists in geology, mining, metallurgy, environmental studies, and techno-economic assessment conducted a site visit to the Banmiaozi Project from 3 to 5 July 2025. The objective of the visit was to review the exploration database, verify field information, and inspect the mine infrastructure.

5.5.1 Technical Discussions

During the visit, BAW held detailed technical discussions with the site geology and mining teams. These exchanges enhanced the geological understanding of the deposit and supported a joint review of ongoing exploration strategies.

5.5.2 Verification of Exploration Data

The exploration database provided by the Client was reviewed. In the Banshigou area, a number of historical drillhole collars were randomly selected and verified in the field using handheld GPS. The collar locations were consistent with the database, and drillhole sealing was found to be compliant with industry standards. Considering that much of the current Mineral Resource is constrained by underground drilling, BAW also inspected active underground drill sites and confirmed compliance with logging and sampling protocols.





Figure 5–7 Field verification for drillhole collar at Banshigou

5.5.3Core Shed Inspection and Independent Sampling

Banmiaozi maintains a well-organised core storage facility that houses historical drill core, which is generally in good condition. BAW reviewed core from previous exploration programs and compared observations with the original geological logs. No discrepancies were identified, and the recorded mineralisation descriptions were consistent with direct observations. As part of the verification program, 50 core samples were collected by BAW and submitted to ALS Guangzhou for independent assay analysis.

Banmiaozi recent exploration has been focused primarily on underground drilling, with a dedicated underground core logging and storage facility established to support these activities. BAW inspected this facility during the site visit, confirming that core handling, logging, and storage procedures are systematic and consistent with industry standards.



Figure 5–8 Old Surface Core Storage Facility — Banmiaozi Project

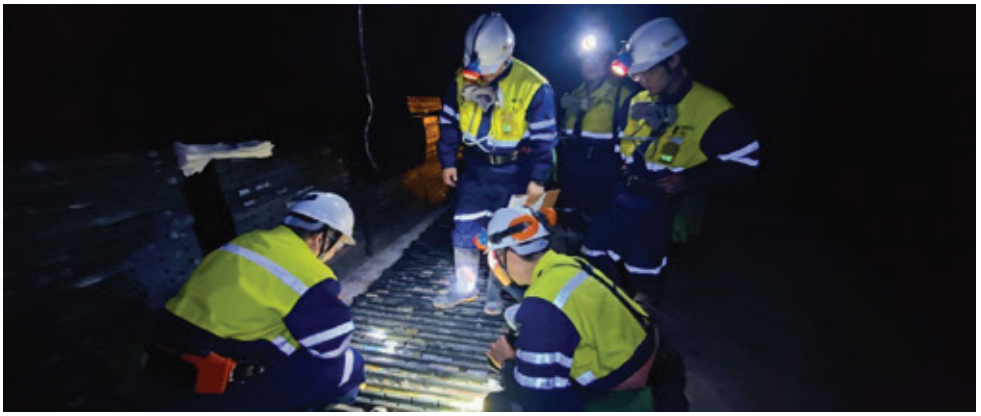


Figure 5–9 BAW Inspection and Sampling of Underground Core Facility



Figure 5–10 BAW Review of Historical Core Logging — Banmiaozi Project



Figure 5–11 BAW Underground Stope Inspection — Banmiaozi Project

Table 5–2 Results of Independent Sampling

Sample ID	Au	RE-Assay Au	DIFF%	Sample ID	Au	RE-Assay Au	DIFF%
BMZ001 .	3.26	5.42	66%	BMZ019	6.3	> 10.0	59%
BMZ002 .	3.56	3.34	–6%	BMZ020	8.94	5.61	–37%
BMZ003 .	4.27	3.42	–20%	BMZ021	22.62	> 10.0	–56%
BMZ004 .	7.3	5.76	–21%	BMZ022	9.63	6.53	–32%
BMZ005 .	2.14	3.62	69%	BMZ023	11.82	> 10.0	–15%
BMZ006 .	3.73	5.87	57%	BMZ024	13.43	6.27	–53%
BMZ007 .	1.02	1.3	27%	BMZ025	20.03	> 10.0	–50%
BMZ008 .	4.02	1.805	–55%	BMZ026	18.48	> 10.0	–46%
BMZ009 .	15.46	> 10.0	–35%	BMZ027	1.83	1.775	–3%
BMZ010 .	19.37	> 10.0	–48%	BMZ028	16.91	> 10.0	–41%
BMZ011 .	17.76	> 10.0	–44%	BMZ029	4.71	4.22	–10%
BMZ012 .	9.1	> 10.0	10%	BMZ030	5.05	> 10.0	98%
BMZ013 .	48.99	> 10.0	–80%	BMZ031	4.38	2.57	–41%
BMZ014 .	47.7	> 10.0	–79%	BMZ032	4.18	2.84	–32%
BMZ015 .	57.16	> 10.0	–83%	BMZ033	8.19	4.63	–43%
BMZ016 .	1.46	1.86	27%	BMZ044	10.08	7.69	–24%
BMZ017 .	2.7	1.875	–31%	BMZ045	7.32	8.29	13%
BMZ018 .	5.98	8.67	45%	BMZ046	4.76	5.37	13%

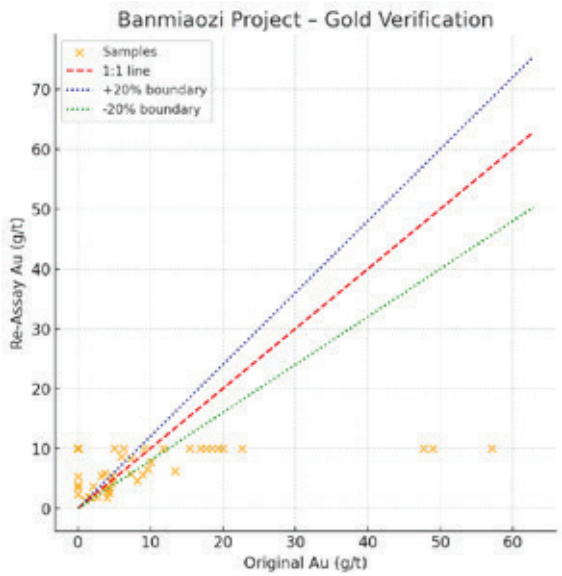


Figure 5–12 Banmiaozi Project — Gold Verification (Original vs. Re-Assay)

The comparison of original assays and BAW's re-assay results at Banmiaozi shows that most samples plot close to the 1:1 line and within the ±20% variance boundaries, indicating reasonable reproducibility. A small number of samples fall outside this range, particularly at higher grades, reflecting the nugget effect, sample heterogeneity, and laboratory preparation factors. It should be noted that the verification program was based on a limited number of quarter-core grab samples, which inherently increases variability. No systematic bias was identified, and overall the verification provides additional confidence in the reliability of the assay database for Mineral Resource estimation.

5.5.4Infrastructure and Operations

The site visit also included inspections of the industrial site, surface infrastructure, tailings storage facility, processing plant, and underground mining operations. These facilities were found to be consistent with the current stage of mine development.

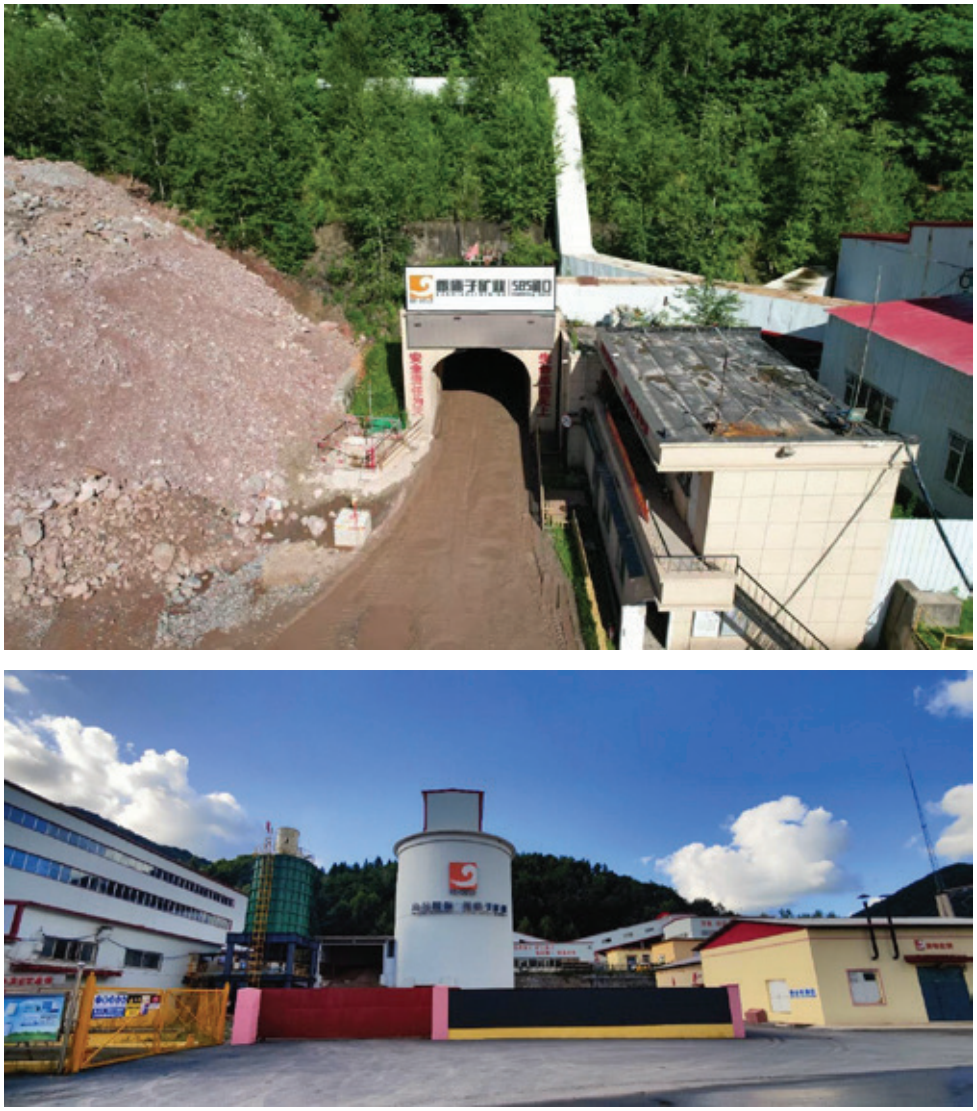


Figure 5–13 BAW Inspection of Surface Industrial Facilities — Banmiaozi Project

The technical discussions, field verifications, database checks, core inspections, and independent check assays conducted by BAW confirm the integrity of the geological data supporting the Banmiaozi Mineral Resource estimate. Overall, the data are considered reliable and suitable for use in the current estimation in accordance with the JORC Code (2012).

5.6 Comments

BAW did not directly witness on-site drilling or sampling operations. All exploration activities conducted for the Banmiaozi Property have been conducted in accordance with the applicable national standards of the PRC, which prescribe systematic drilling, logging, sampling, density determination, and auditable databases for the national Mineral-Resource and Reserve estimation. These requirements largely align with the technical expectations of the JORC Code 2012 and prevailing industry best practice. Field controls such as sample security, duplicate analyses, and external umpire assays prescribed under GB/DZ standards and Ministry of Natural Resources regulations correspond closely to comparable provisions in the JORC framework.

The current quality-control program relies on internal pulp duplicates and external umpire duplicates. Although these measures monitor analytical precision, they do not directly address accuracy or the potential for contamination. Internal checks are recommended to be submitted as blind pulp duplicates inserted randomly in the same analytical stream as primary samples, rather than re-assayed as a separate batch, to permit real-time evaluation of precision for each laboratory run. Supplementing the duplicate suite with field duplicates and coarse duplicates would enable quality monitoring of sampling and preparation stages. QC data should be reviewed on a regular schedule — monthly or quarterly — to allow prompt identification and rectification of any issues.

The laboratories of the Banmiaozi Property have used an activated-carbon adsorption method to preconcentrate gold prior to analysis. Compared with fire assay — the industry-standard technique — this approach may be less efficient at retaining all gold, introducing a risk of grade underestimation. The precise magnitude of any bias requires empirical verification, and, if confirmed, could render the Mineral Resource estimate conservatively biased. A subset of historical samples was cross-checked by fire assay at ALS and SGS, a practice BAW considers adequate. To eliminate remaining uncertainty in recent data, BAW recommends randomly selecting pulp-duplicate samples for re-assay by fire assay and performing a comparative study against the original results.

Current data suggest that nugget-effect variability exerts only a minor influence on Mineral-Resource estimation; even so, further targeted investigation of this effect is advisable to confirm its impact.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The most recent estimation of Mineral Resources for the Banmiaozi Property was conducted in 2024 by BAW in accordance with the JORC Code 2012 requirements. The classification, reporting and estimation of Mineral Resources for the Banmiaozi Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is consistent with the requirements for the natural resource companies listed on the HKEX.

6.2 Resource Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as follows.

- *A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

- *A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in.

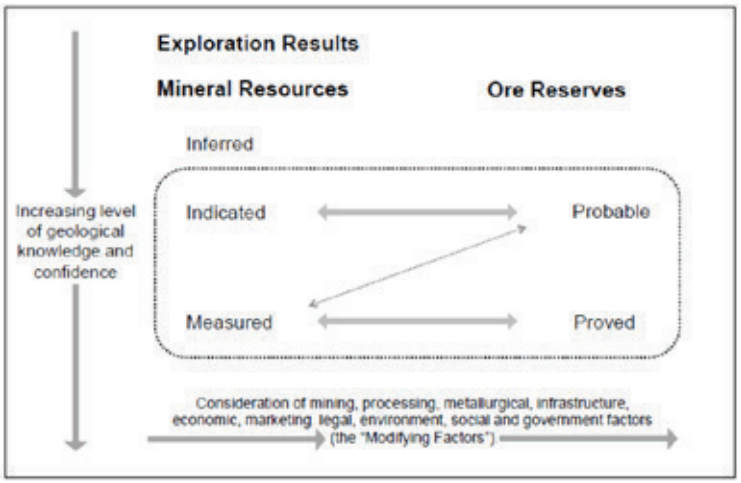


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Banmiaozi Property are reported in a subsequent chapter of this CPR.

6.3 Resource Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as below

- Database Compilation and Verification: Consolidation of drilling data with quality checks for accuracy and completeness.
- Geological Modelling: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- Data Conditioning: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- Block Modelling and Interpolation: Development of a 3D block model and grade estimation using suitable interpolation methods.
- Bulk Density Assignment: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- Resource Classification: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.
- RPEEE Assessment: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.
- Model Validation and Reporting: Visual and statistical validation of the block model, followed by preparation of the Mineral Resources Statement.

6.4 Drillhole Database

Drill hole data were provided by the Client, which were then compiled and validated by BAW for Mineral Resource estimation.

Table 6–1 Summary of the Banmiaozi Drillhole Database

Zone	Type	Description	No. of Holes	Meterage	No. of Samples
Banmiaozi . .	Sdh	Surface Diamond Drill Hole	358	111,845.74	15,883
	Udh	Underground Diamond Drill Hole	3,466	326,431.98	107,722
	Urd	Underground Rotary Drill Hole	2,711	44,350.28	29,276
	Tr	Trench	44	1,329.93	695
	Ch	Underground Channel	19,734	129,541.21	58,461
		Sub-Total	26,313	613,499.14	212,037
Banshigou . .	Ddh	Diamond Drill Hole	87	31,774.01	13,832
	Tr	Trench	6	674.5	129
	Ch	Underground Channel	4	426.2	162
		Sub-Total	97	32,874.71	14,123

The Banmiaozi exploration database comprises a total of 26,313 holes totaling 613,499.14 m, with 212,037 individual samples. Drilling and sampling include:

- Surface Diamond Drill Holes (SDH): 358 holes for 111,845.74 m (15,883 samples)
- Underground Diamond Drill Holes (UDH): 3,466 holes for 326,431.98 m (107,722 samples)
- Underground Rotary Drill Holes (URD): 2,711 holes for 44,350.28 m (29,276 samples)
- Trench (TR): 44 trenches for 1,329.93 m (695 samples)
- Underground Channel (CH): 19,734 channels for 129,541.21 m (58,461 samples)

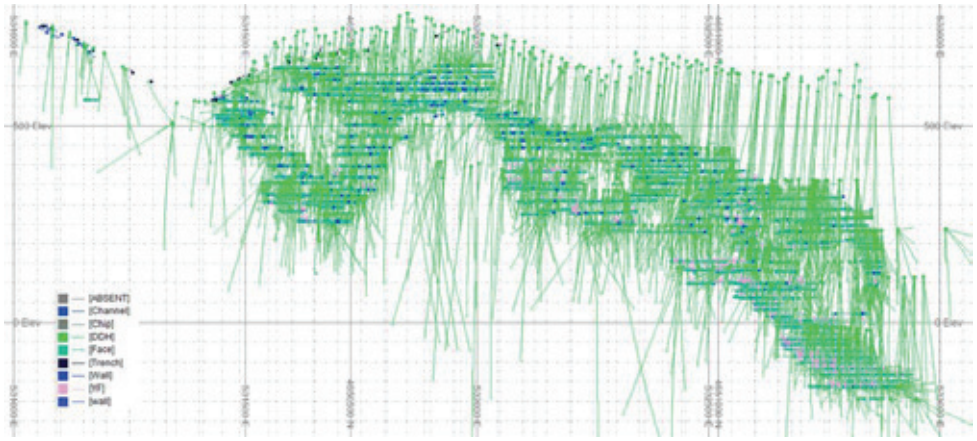


Figure 6–2 Long Section of Drill Hole Distribution of the Banmiaozi Mining Zone

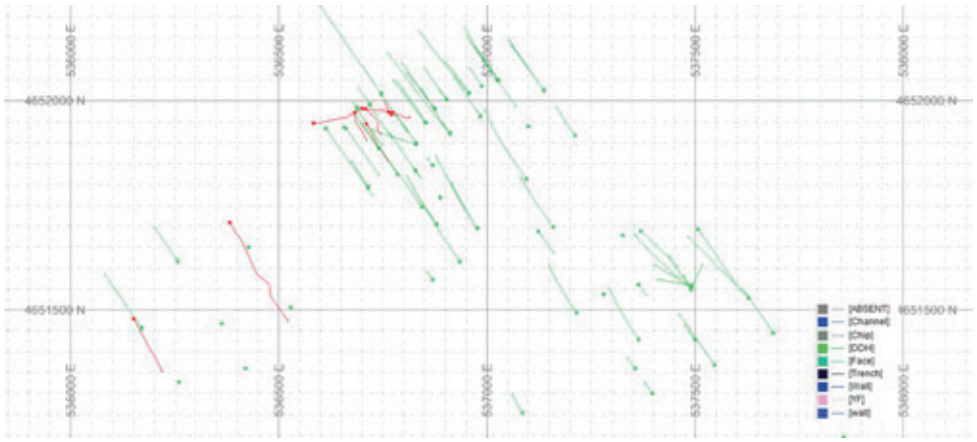


Figure 6–3 Plan Map for Drillhole Plan Map of the Banshigou Mining Zone

The Banshigou exploration database contains 97 drill holes and channel samples, totalling 32,874.71 m of drilling and trenching, with 14,123 individual samples. The breakdown includes:

- Diamond Drill Holes (DDH): 87 holes for 31,774.01 m (13,832 samples)
- Trench (TR): 6 trenches for 674.5 m (129 samples)
- Underground Channel (CH): 4 channels for 426.2 m (162 samples)

BAW compiled a geological database from validated collar, downhole survey, and assay data. Inconsistencies in survey and assay datasets were removed to maintain integrity. All these drilling and sampling dataset forms the basis for the current Mineral Resource estimation. Drillhole collar coordinates were surveyed using RTK in the Coordinate System CGCS000. BAW considers the database to meet the JORC Code (2012) requirements and to support Mineral Resource classification.

6.5 Domain Interpretation

BAW utilised topographic data in the CGCS2000 coordinate system, current as of December 31, 2025, to develop a digital terrain model (DTM), which was used as the reference surface for geological modelling and subsequent Mineral Resource estimation.

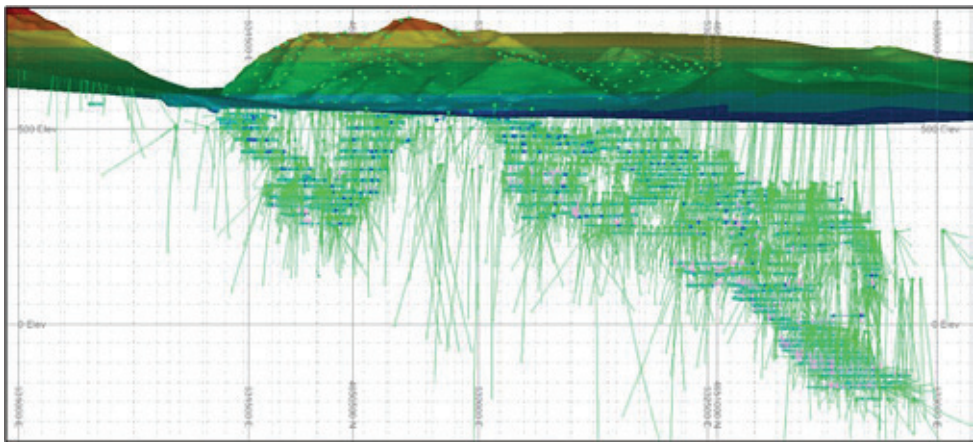


Figure 6–4 Topography of the Banmiaozi Zone as of December 31, 2025

Mineralisation is primarily hosted in tectonic breccia controlled by the regional fault (known as F102) and interlayer detachment fault (known as F100), with mineralization concentrated at fault intersections and flexures.

BAW reviewed the wireframes provided by the mine management on a sectional and plan basis, noting that the Banmiaozi model is relatively conservative, with most mineralisation confined within the defined grade shell (0.6 g/t Au). Minor satellite lenses adjacent to the main lodes were not fully captured. Domains were delineated using lithological and structural boundaries, alteration patterns, and grade shells, applying a minimum mineable thickness of 1.2 m and a maximum internal waste inclusion of 2.0 m, ensuring geological and grade continuity along strike and dip.

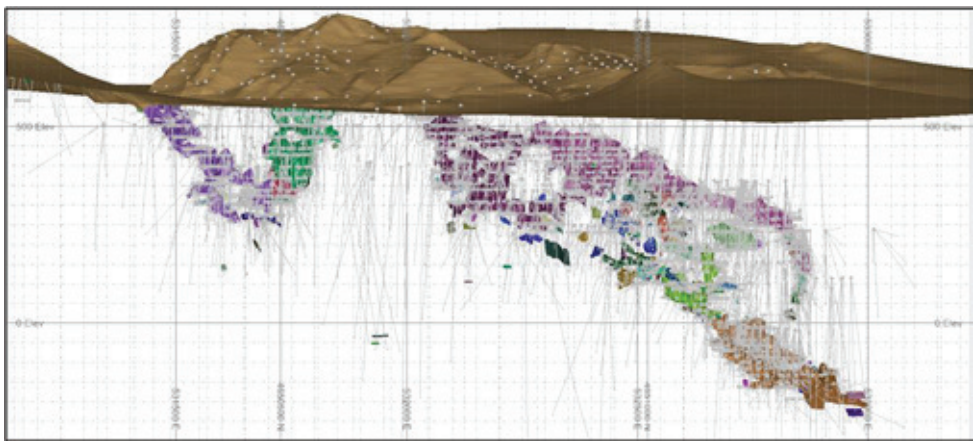


Figure 6–5 Spatial Distribution of Major Mineralised Zones in the Banmiaozi Zone

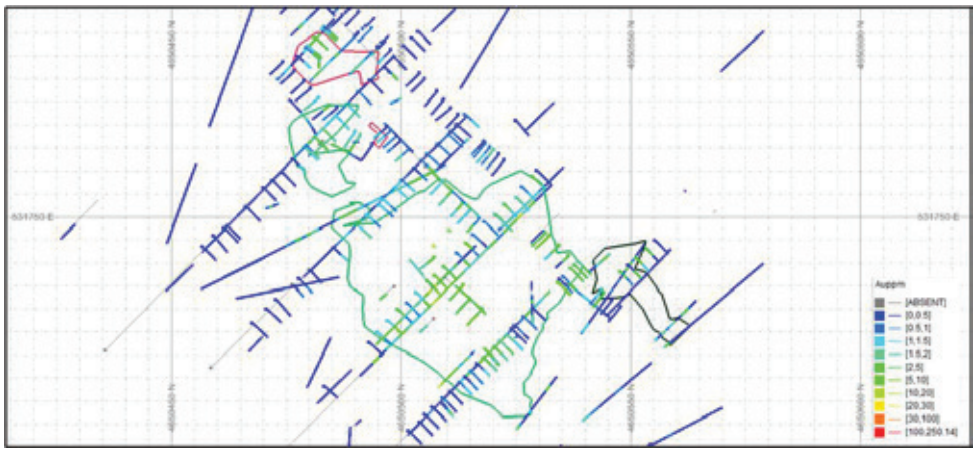


Figure 6–6 Plan section for mineralized domains in the Banmiaozi Zone

Located near the Banmiaozi mining area, the Banshigou licence hosts shallow mineralisation with differing strike and dip. Domains were defined based on lithological and structural boundaries, alteration intensity, and 0.3 g/t Au grade shells, applying a minimum mineable thickness of 1.2 m and a maximum internal waste inclusion of 2.0 m. BAW's review of mine-supplied wireframes found the model broadly consistent with the main lodes.

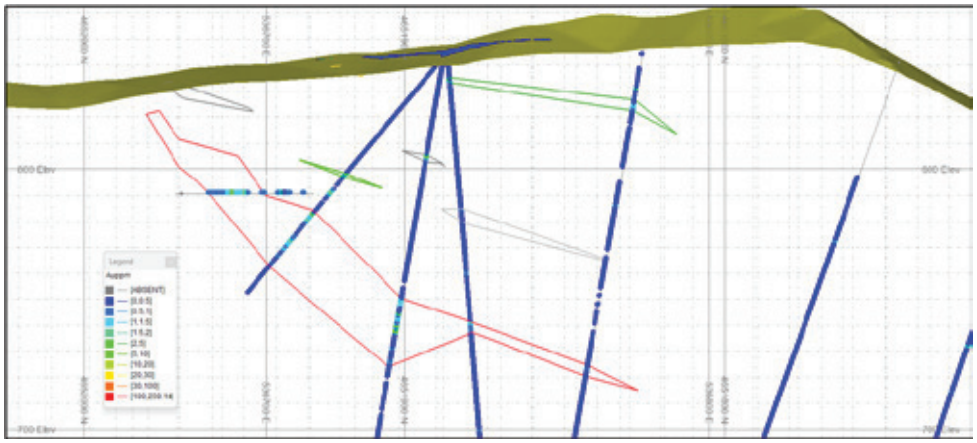


Figure 6–7 Cross-Section of the Mineralized Domains in the Banshigou Zone

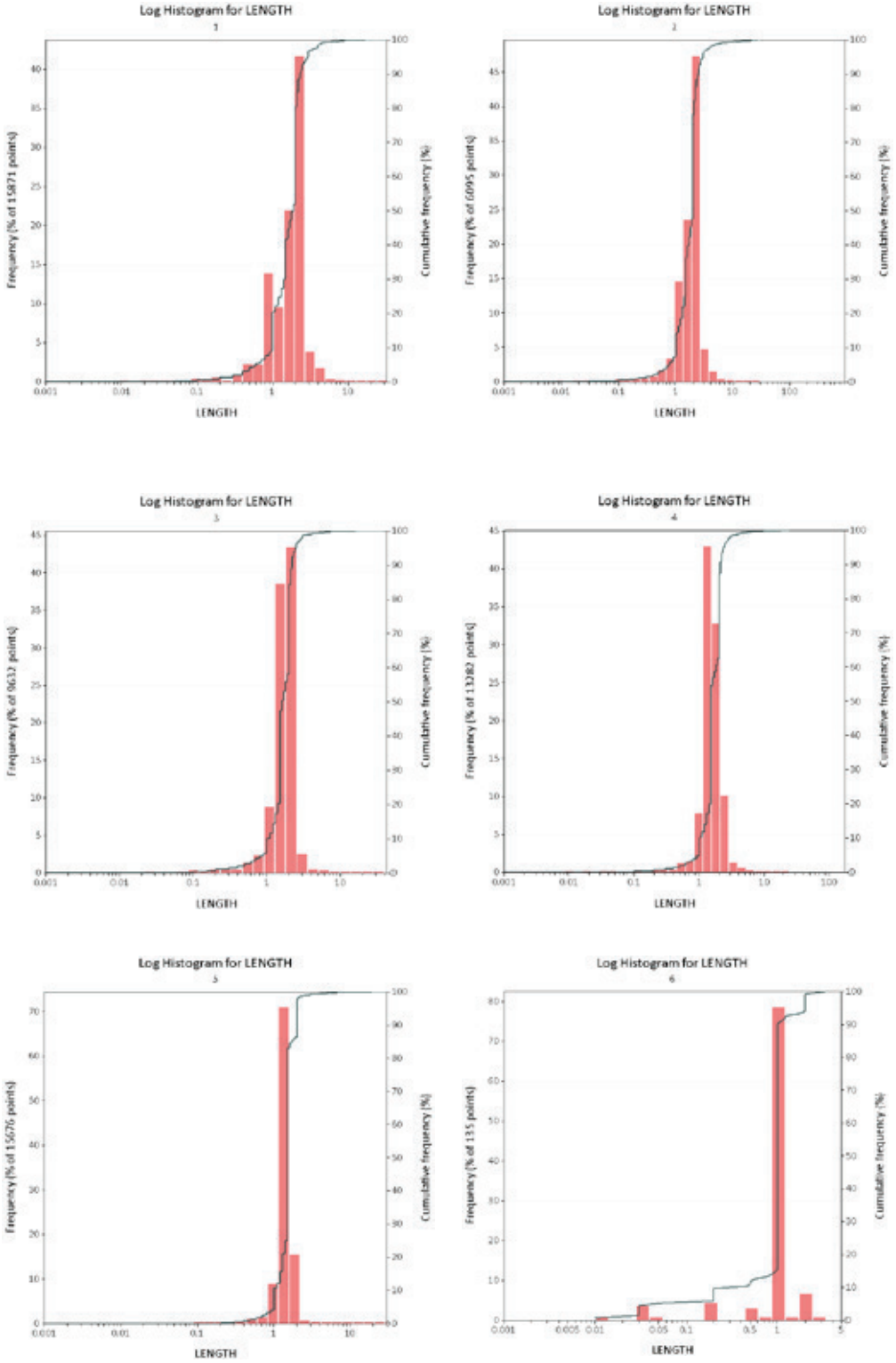
Oxidation and Sulphide zones were not modelled because of the absence of the information. Within the Banmiaozi mining lease, a total of 198 discrete geological domains were delineated across seven zones, each zone characterised by broadly consistent strike and dip orientations. Subsequent compositing, grade capping, and variogram modelling were undertaken on a zone-by-zone basis; however, resource estimation was conducted at the level of the 53 individual domains. Within the Banshigou exploration licence, 21 discrete geological domains were defined and incorporated into subsequent analytical and estimation workflows.

6.6 Compositing

Basic statistics on assays data had been performed in order to better understand grades distribution and take necessary actions before resource estimate. Statistics were calculated for Au grade for samples within each individual mineralized envelopes for main domains.

Table 6–2 Mineralised Domains for the Banmiaozi and Banshigou Zones

Mining Zone	Zone	Domain
Banmiaozi	1	110–119
	2	210–223
	3	310–327
	4	410–469
	5	510–596
	6	610
	7	710–713
Banshigou	8	1–21


Log Histogram for LENGTH
1
Frequency (% of 15871 points)
Cumulative frequency (%)
LENGTH
Log Histogram for LENGTH
2
Frequency (% of 6095 points)
Cumulative frequency (%)
LENGTH
Log Histogram for LENGTH
3
Frequency (% of 9632 points)
Cumulative frequency (%)
LENGTH
Log Histogram for LENGTH
4
Frequency (% of 13982 points)
Cumulative frequency (%)
LENGTH
Log Histogram for LENGTH
5
Frequency (% of 15676 points)
Cumulative frequency (%)
LENGTH
Log Histogram for LENGTH
6
Frequency (% of 135 points)
Cumulative frequency (%)
LENGTH

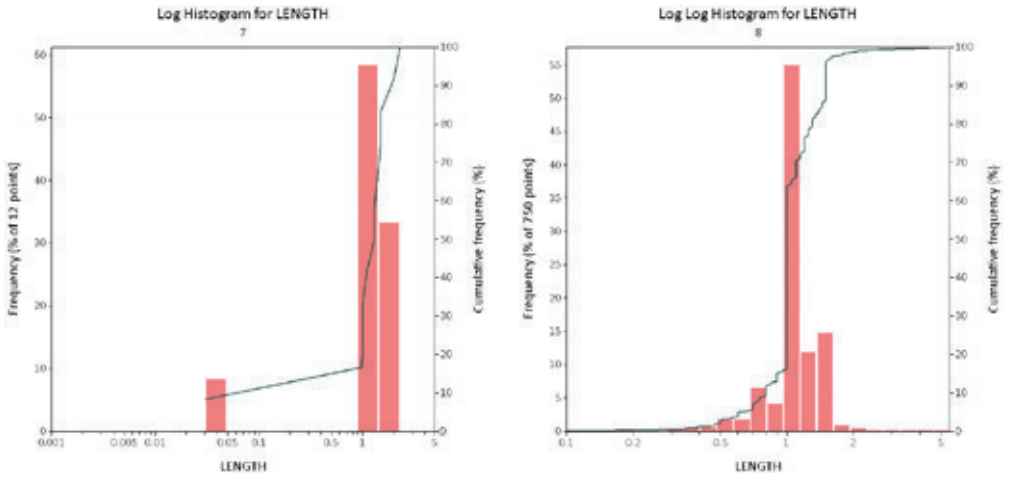


Figure 6–8 Histogram of Sample Length Distribution within Major Geological Domains

BAW analyzed sample lengths within each geological domain, determining that most intervals were 1.5 m in the Banmiaozi zone and 1 m in the Banshigou zone. To ensure consistency with mineralized thickness, minimum mineable width, block size, and sampling distribution, all samples were composited to 1.5 m downhole intervals, with a minimum of 0.75 m per composite in the Banmiaozi zone. For a limited number of samples near domain boundaries, composite lengths were adjusted to approximately 1 m to maintain geological integrity. In the Banshigou zone, 1.0 m downhole intervals were utilized.

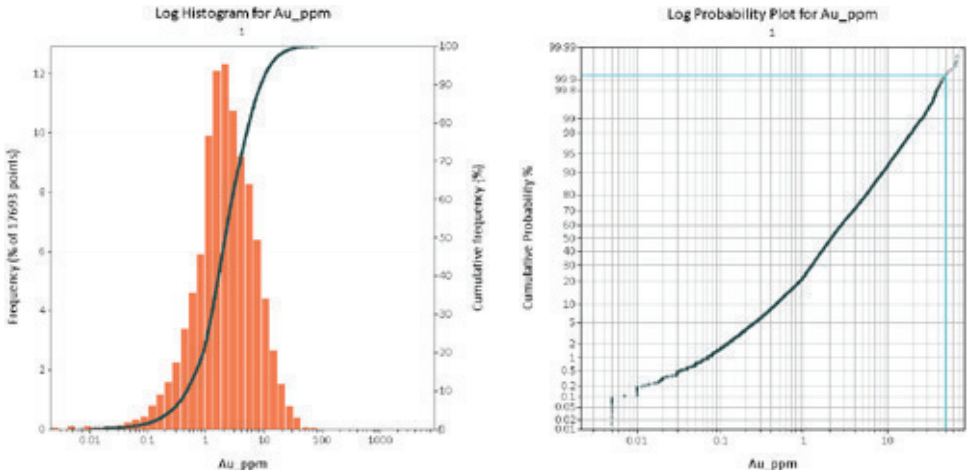
Table 6–3 Assay Length Statistics by Geological Domain

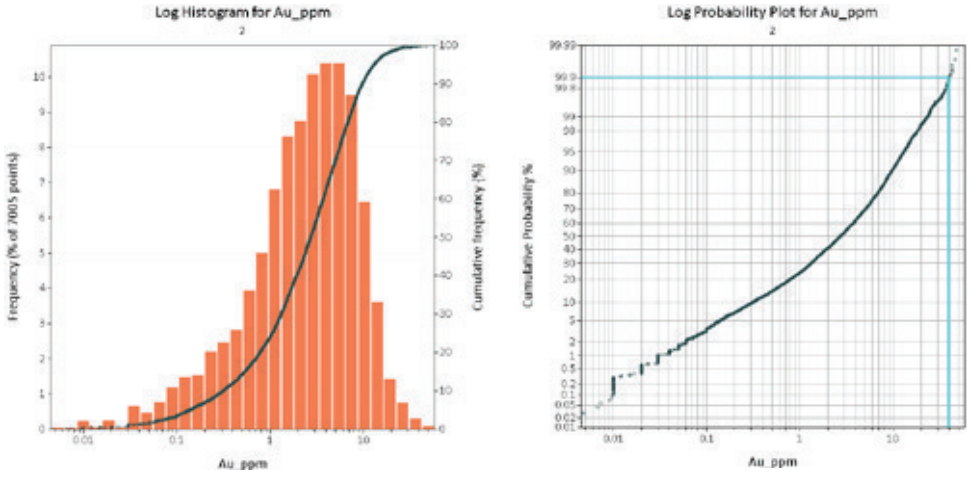
	Zone	Raw	Mean	Sd	Min	Mode	Max
Length. . . .	1	15,872	1.76	0.98	—	1.90	33.00
Length. . . .	2	6,096	1.90	1.51	—	2.00	29.30
Length. . . .	3	9,638	1.73	0.86	—	1.60	38.50
Length. . . .	4	13,285	1.71	0.83	—	1.50	24.00
Length. . . .	5	15,679	1.52	0.76	—	1.50	38.80
Length. . . .	6	135	0.98	0.44	0.01	1.00	3.40
Length. . . .	7	12	1.29	0.56	0.03	1.30	2.30
Length. . . .	8	750	1.10296	0.36	0.10	1.00	5.50

BAW conducted univariate statistical analyses on raw assay data for composites within each geological domain to assess population characteristics. The data exhibit a log-normal distribution, with some extreme high-grade samples occurring within the defined geological domains.

Table 6–4 Summary Statistic of Composites against Raws of Main Domain

	Zone	Raw	Mean	Sd	Min	Mode	Max
Au_ppm . .	1	17,693	3.76	5.03	0.00	2.10	81.74
Au_ppm . .	2	7,005	4.24	4.82	0.00	2.72	57.66
Au_ppm . .	3	10,837	4.03	5.64	0.00	2.11	68.32
Au_ppm . .	4	14,578	3.94	6.39	0.00	1.86	164.99
Au_ppm . .	5	15,453	4.88	8.59	0.00	1.85	250.14
Au_ppm . .	6	89	2.90	3.34	0.01	1.90	17.35
Au_ppm . .	7	10	2.17	0.81	1.15	2.11	3.71
Au_ppm . .	8	745	1.3436	1.95	0.00	0.73	20.00





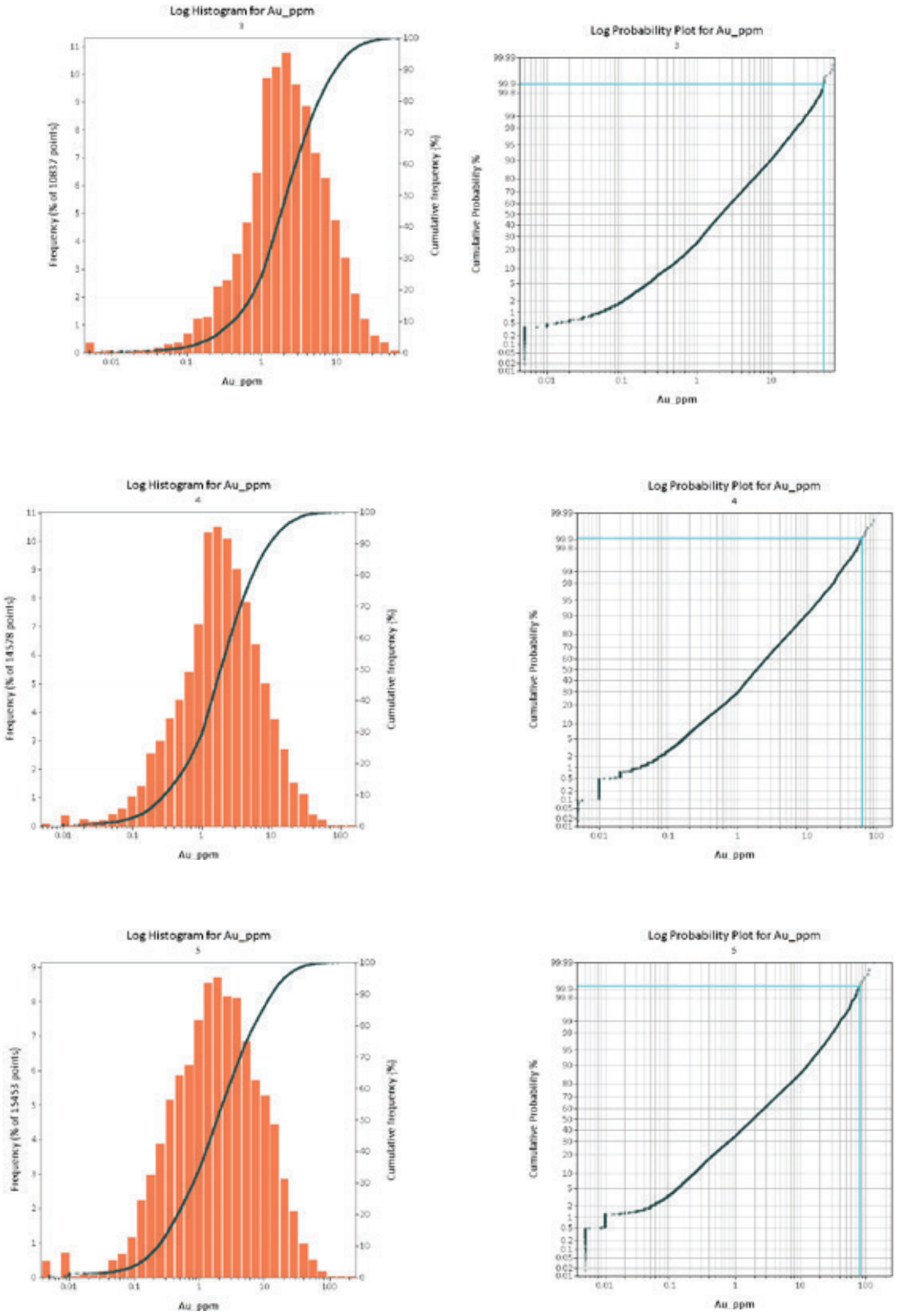


Figure 6–9 Histograms and Cumulative Frequency Plots of Sample Distributions within Major Geological Domains

6.7 Grade Capping

BAW applied grade capping to the 1-m composited assay data on a domain-by-domain basis to mitigate the influence of high-grade outliers. Statistical analysis, including histograms, log-probability plots, and cumulative frequency distributions, was performed to assess grade distribution as figure above. Additionally, visual check for outliers in 3D space was conducted within each domain to identify the capping value. Based on these analyses, domain-specific capping thresholds, ranging from 4.0 g/t to 81.4 g/t Au.

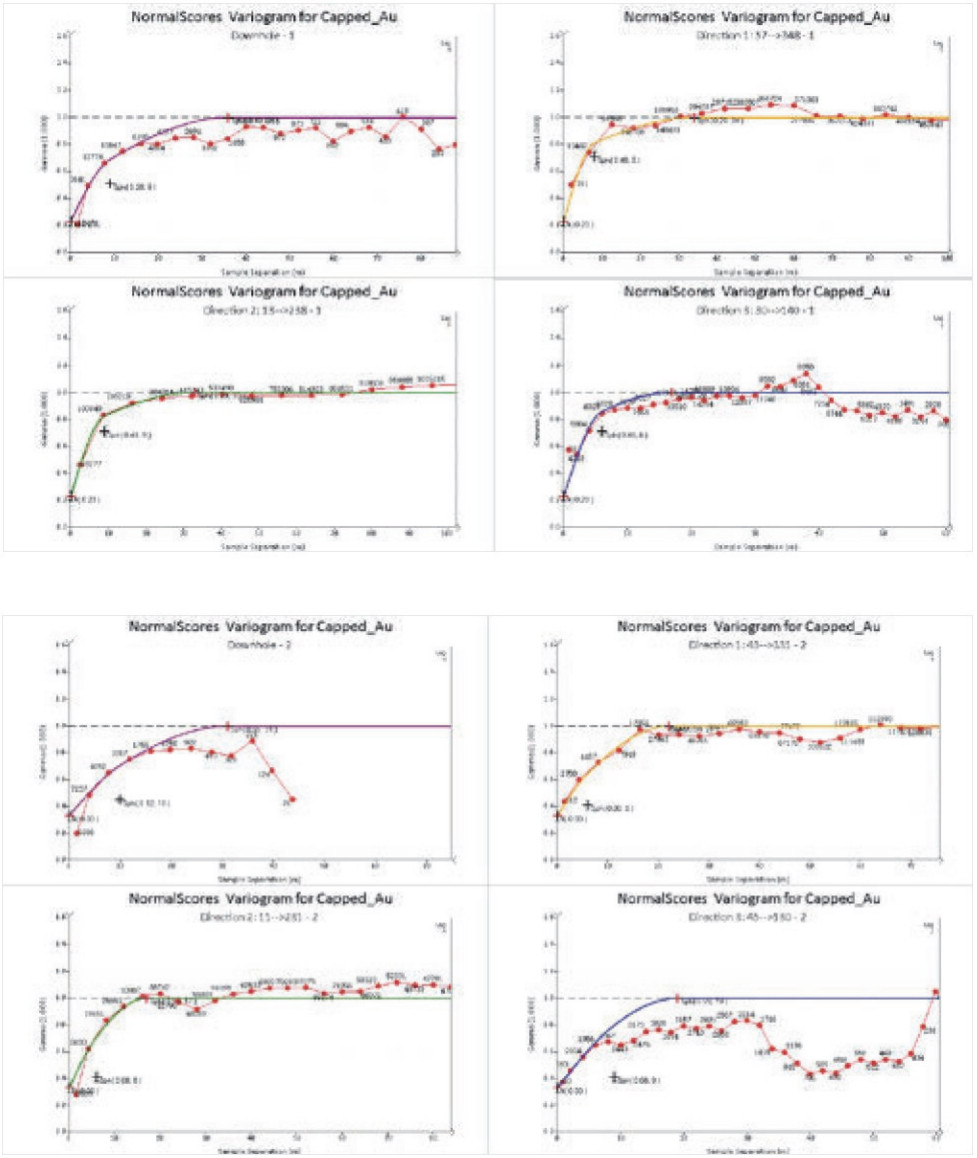
Table 6–5 Statistical Analysis for Capped Composites in Main Domains

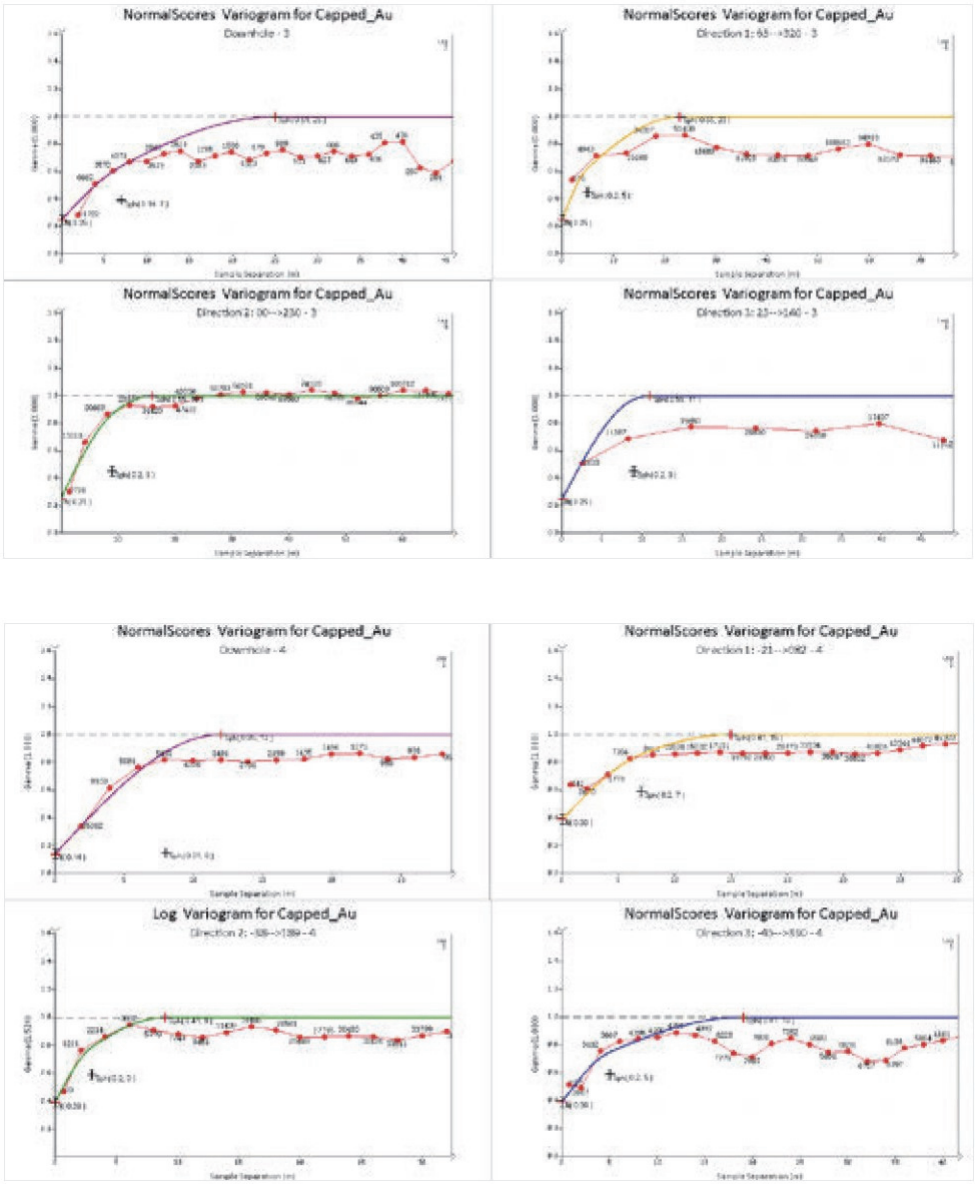
	Domain	Capping Value	No. of Replaced Composites	Capped Ratio	Mean Before Capping	Mean After Capping	Difference
		(g/t)		(%)			(%)
Au	1	48.4	14	0.09%	3.76	3.75	–0.32%
	2	39.4	7	0.11%	4.24	4.23	–0.15%
	3	49.5	11	0.11%	4.03	4.02	–0.21%
	4	61.8	14	0.11%	3.94	3.92	–0.54%
	5	81.4	13	0.08%	4.88	4.86	–0.53%
	6	8	6	4.44%	2.90	2.60	–10.31%
	7	4	0	0.00%	2.17	2.17	0.00%
	8	20.00	—	0.00%	1.34	1.34	0.00%

Grade capping was applied for composites to limit the influence of extreme high-grade outliers on the estimation results.

6.8 Variogram Study

BAW conducted a semi-variogram study to guide the grade interpolation search strategy. The study focused on capped composites within the mineralized domain, preparing downhole variograms and omni-variograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as the spherical search ellipse parameters for Ordinary Kriging ("**OK**") interpolation, ensuring accurate grade estimation based on the spatial variability of gold mineralization.


NormalScores Variogram for Capped_Au
Downhole - 1
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
Downhole - 2
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au


NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
NormalScores Variogram for Capped_Au
Log Variogram for Capped_Au
NormalScores Variogram for Capped_Au

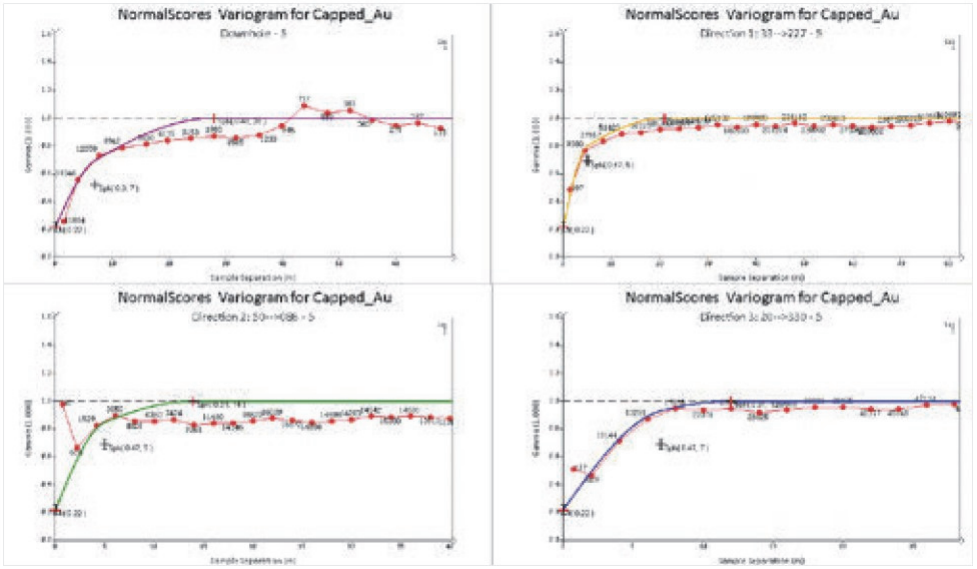
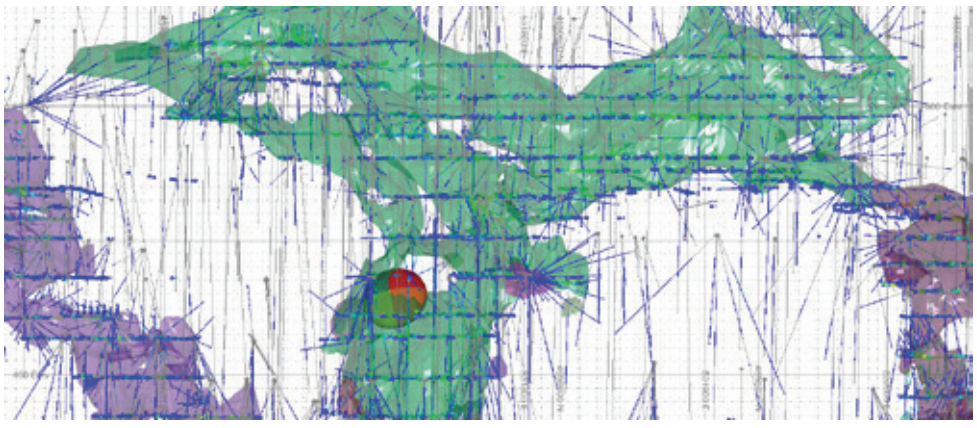


Figure 6–10 Au Variograms of Major Mineralized Domains

BAW conducted a variogram study on the main domains and used the results for OK interpolation. Variogram performs well in most of Mininealized Zones. Directional variogram modelling demonstrated that the orientation of mineralisation, both in strike and dip, was consistent with the geological interpretation and geological assumptions. These provided sufficient confidence for defining the search parameters and informing the estimation strategy applied in the resource model.



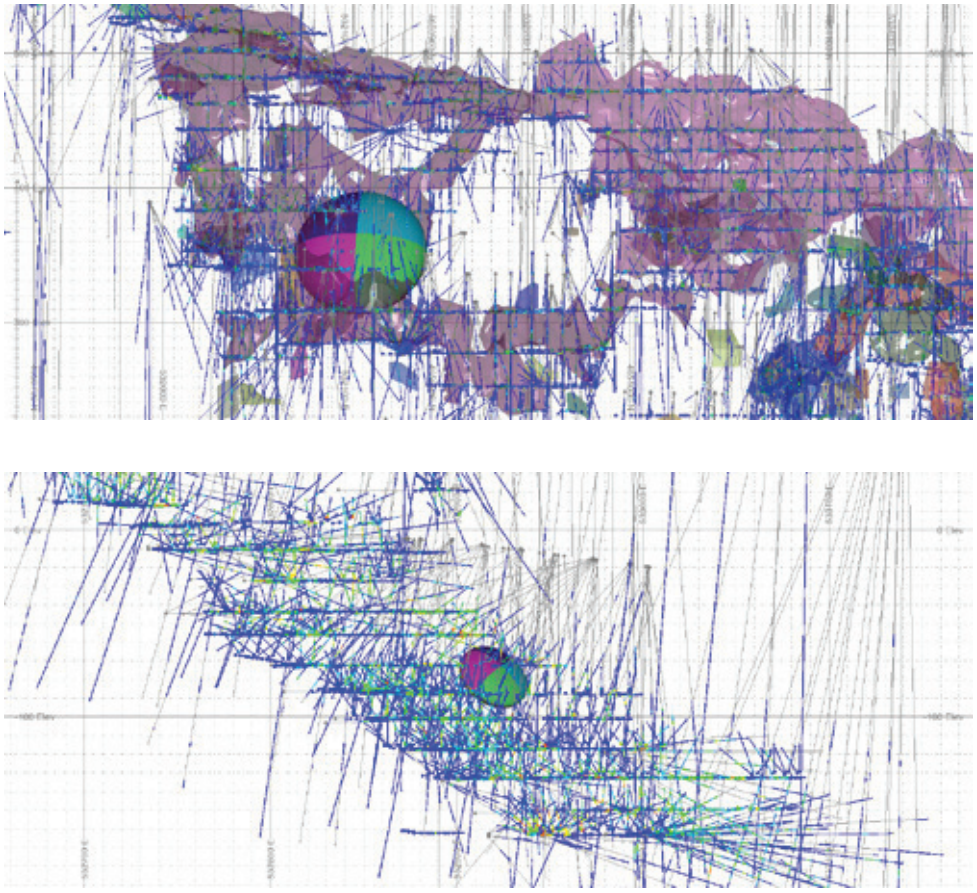


Figure 6–11 Variography search ellipse in 3D Space Long Section

Table 6–6 Variogram Parameters

	Rotation		Spherical 1				Spherical 2			
Zone	ZXY	Nugget	Sill 1	R1	R2	R3	Sill 2	R1	R2	R3
1.	–122.4/–13/59.1	0.23	0.48	8	9	6	0.29	34	33	17
2.	–129.3/–10.5/44	0.25	0.19	6	6	8	0.56	23	19	18
3.	–130/0/65	0.25	0.2	5	9	9	0.55	23	22	11
4.	–120/0/–135	0.39	0.22	7	6	5	0.39	18	30	19
5.	–145.4/22.5/–134.1	0.16	0.53	7	6	6	0.31	22	20	9
6 & 7.	145/60/180	0.11	0.38	15	8	9	0.51	50	49	32

At the Banshigou zone, BAW was unable to establish a robust variogram model; therefore, grade estimation for this area was carried out using Inverse Distance Weighting ("**IDW3**").

6.9 Bulk Density

BAW obtained 180 specific gravity measurements from the Banmiaozi zone and 62 from the Banshigou zone, with samples selected to cover the main domains across multiple elevations. Given the limited dataset, an average bulk density of 2.70 t/m^3 was adopted for Banmiaozi and 2.66 t/m^3 for Banshigou during the course of resource estimation.

6.10 Block Modeling

A 2D rotated block model was constructed for resource estimation in the Banmiaozi zone. To reflect the spatial geometry of the mineralisation, parent block dimensions were set at 5 m along strike, 10 m cross-strike, and 2 m vertically. Variable Sub-blocking was applied to better conform to mineralised domain boundaries. While, un-rotated block model was constructed for the Banshigou zone, parent block dimensions were set at 10 m X by 10m Y, and 2 m vertically. Variable sub-blocking was applied same as the Banmiaozi zone.

Table 6–7 Block Model Definition

Site	Direction	Origin	Extend	# of Blocks	Block Size	Sub-block Size	Rotation
Banmiaozi .	X	530500	1400	280	5	2.5	0
	Y	4650500	2800	280	10	2.5	0
	Z	–250	1100	550	2	0.5	60
Banshigou .	X	536000	1870	187	10	2.5	0
	Y	4651170	1080	105	10	2.5	0
	Z	–220	1100	550	2	0.5	0

Block models for domain code, density, grade and class were created. Domain codes and density values were assigned based on the parameters outlined in the preceding sections. Given the variogram performance and mineralization style, BAW applied OK, IDW^3, and Nearest Neighbour methods to estimate grades into parent blocks using Capped composites. Three interpolation pass were used in the estimation. Pass were implemented in the way that blocks better informed are first interpolated. Informing data refer to search ellipse parameters, minimum and maximum number of composites to interpolate a given block and the maximum number of composites that could be considered per hole. The consideration of a minimum number of composites to interpolate a block for a given pass combined with the maximum number of composites per holes allow implicitly determining the minimum number of drill holes when coding that pass. The estimation parameters are summarized below.

Table 6–8 Estimation Parameters for IDW^3, OK and Nearest Neighbour (NN) Methods

Domain	Pass	Rotation ZXY	Strike Range (m)	Down Dip Range (m)	Across Dip Range (m)	Max # composites per Hole	Optimum # composites per Hole	Min # composites	Max # composites
1.....	I		25	25	13	3	2	12	35
	II	–122.4/–13/59.1	50	50	26	2	2	7	15
	III		100	100	52	2	1	1	7
2.....	I		25	25	12	3	2	12	35
	II	–129.3/–10.5/44	50	50	24	2	2	7	15
	III		100	100	48	2	1	1	7
3.....	I		20	20	10	3	2	12	35
	II	–130/0/65	40	40	20	2	2	7	15
	III		80	80	40	2	1	1	7
4.....	I		25	25	15	3	2	12	35
	II	–120/0/–135	50	50	30	2	2	7	15
	III		100	100	60	2	1	1	7
5.....	I		25	25	13	3	2	12	35
	II	–145.4/22.5/–134.1	50	50	26	2	2	7	15
	III		100	100	52	2	1	1	7
6、7..	I		25	25	13	3	2	12	35
	II	145/60/180	50	50	26	2	2	7	15
	III		100	100	52	2	1	1	7
8.....	I		20	20	10	3	2	12	35
	II	–125/3/–145	40	40	20	2	2	7	15
	III		80	80	40	2	1	1	7

6.11 Resource Classification

The classification of Mineral Resources for the project follows the JORC Code (2012) and industry best practices, incorporating an integrated assessment of geological continuity, drilling density, data quality, variogram performance, and estimation confidence.

BAW adopted a classification strategy that reflects confidence in the geological interpretation and grade continuity, supported by both the spatial configuration of drilling and the results from three-pass OK estimation. The following criteria were applied to define the confidence categories:

- **Measured Mineral Resources**: Assigned to blocks estimated within 40 meters of at least 3 drillholes, using a minimum of **seven** composites for grade estimation, and located within zones showing strong geological continuity and high data density(for Zone 1 to 5 main mineralized domains). No measured resources were defined in areas with poor variogram performance.

- **Indicated Mineral Resources:** Defined as blocks estimated within 60 meters of the master domain, using at least two drillholes and a minimum of four composites for grade estimation.

- **Inferred Mineral Resources:** Assigned to blocks estimated during the second or third search passes, within a maximum distance of 80 meters and supported by at least one drillhole.

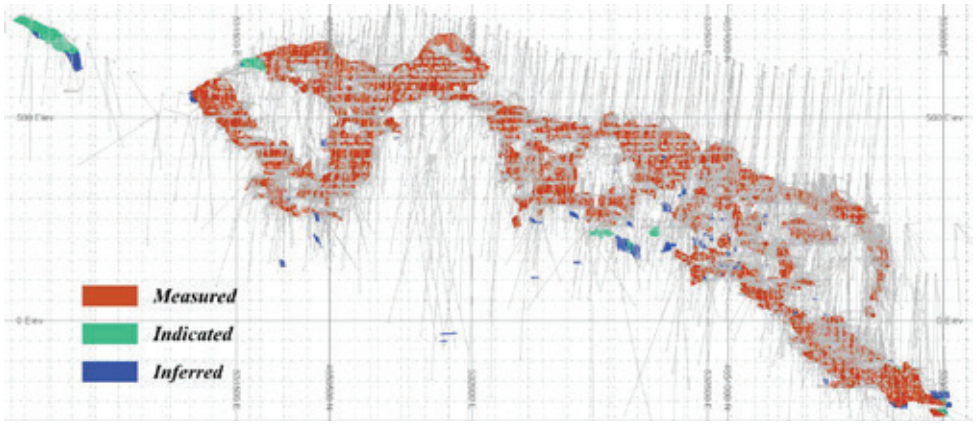
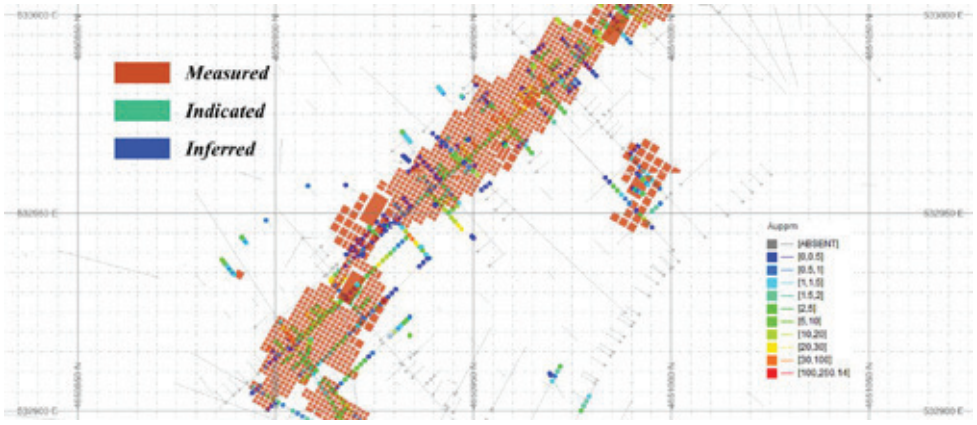


Figure 6–12 Long Section of the Banmiaozi Zone



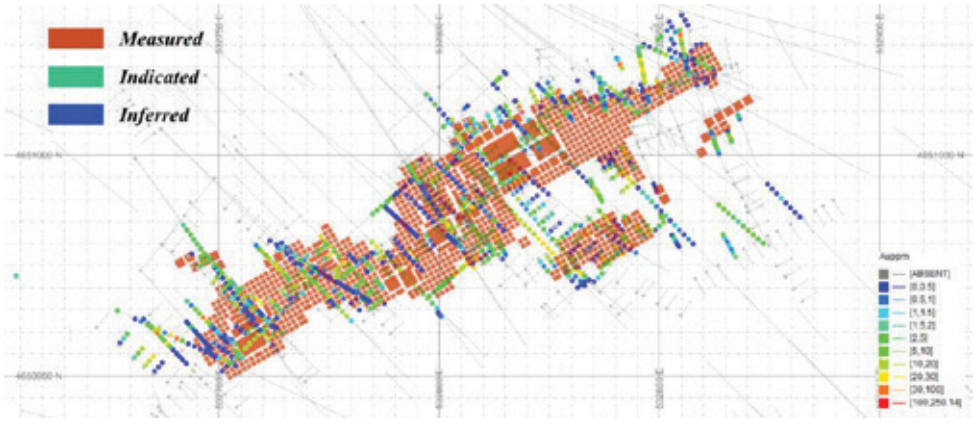


Figure 6–13 Plan view of the Banmiaozi zone

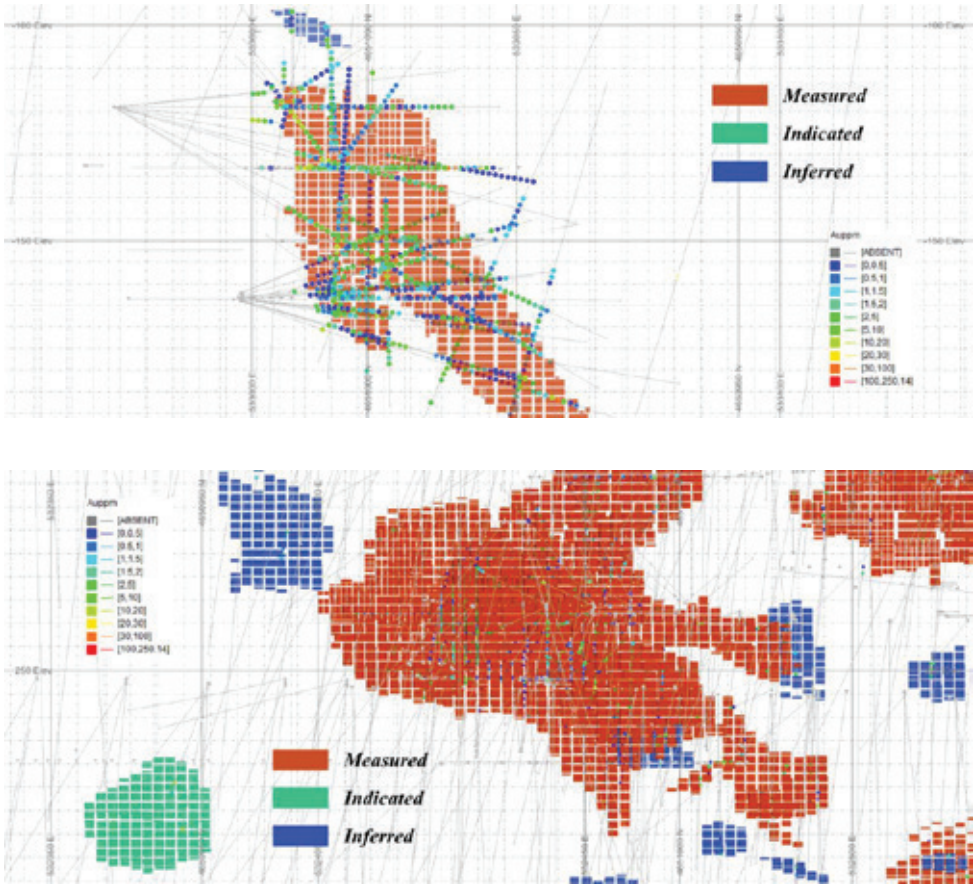


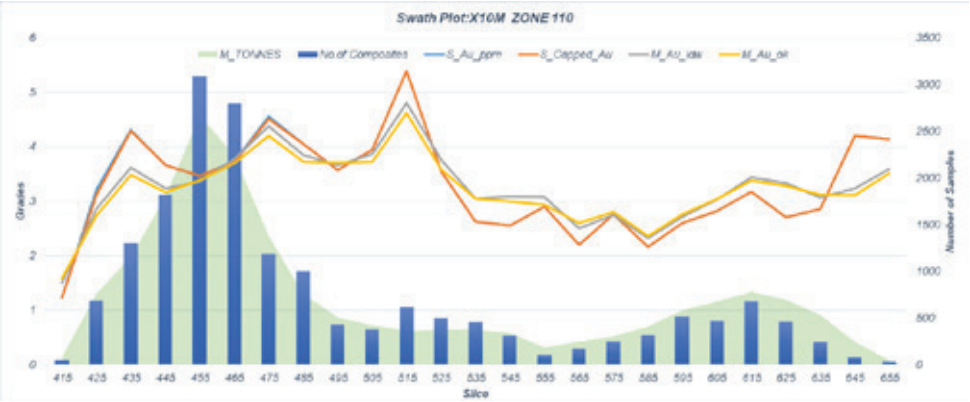
Figure 6–14 Banmiaozi Mineral Resource Distribution

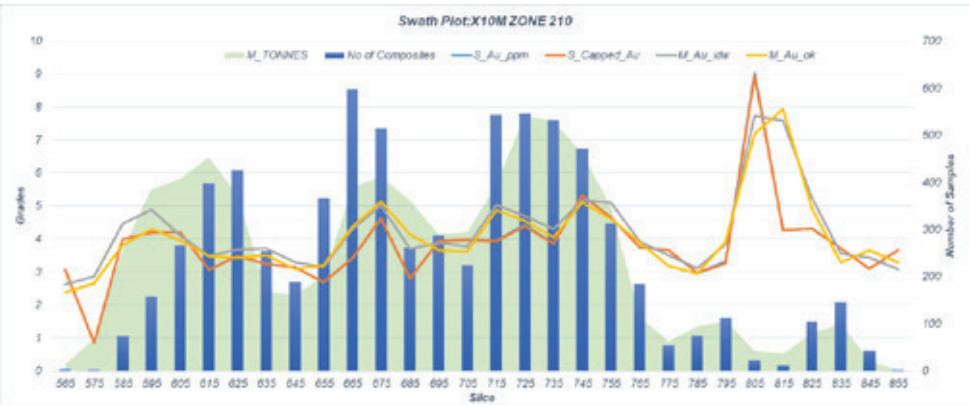
BAW is satisfied that the geological modelling honors the current geological information and knowledge. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding, and meet the requirements for public reporting under the JORC Code (2012).

6.12 Model Validation

BAW conducted a comprehensive validation of the interpolated model, which included visual inspection, comparison of Au grades between IDW3 and OK, and swath plot analysis. BAW concluded that the OK method better reflects the geological characteristics of the deposit.

Swath plots for gold within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals. Due to the number of mineralized domains, BAW selected several representative zones. The block models and composites are well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates.





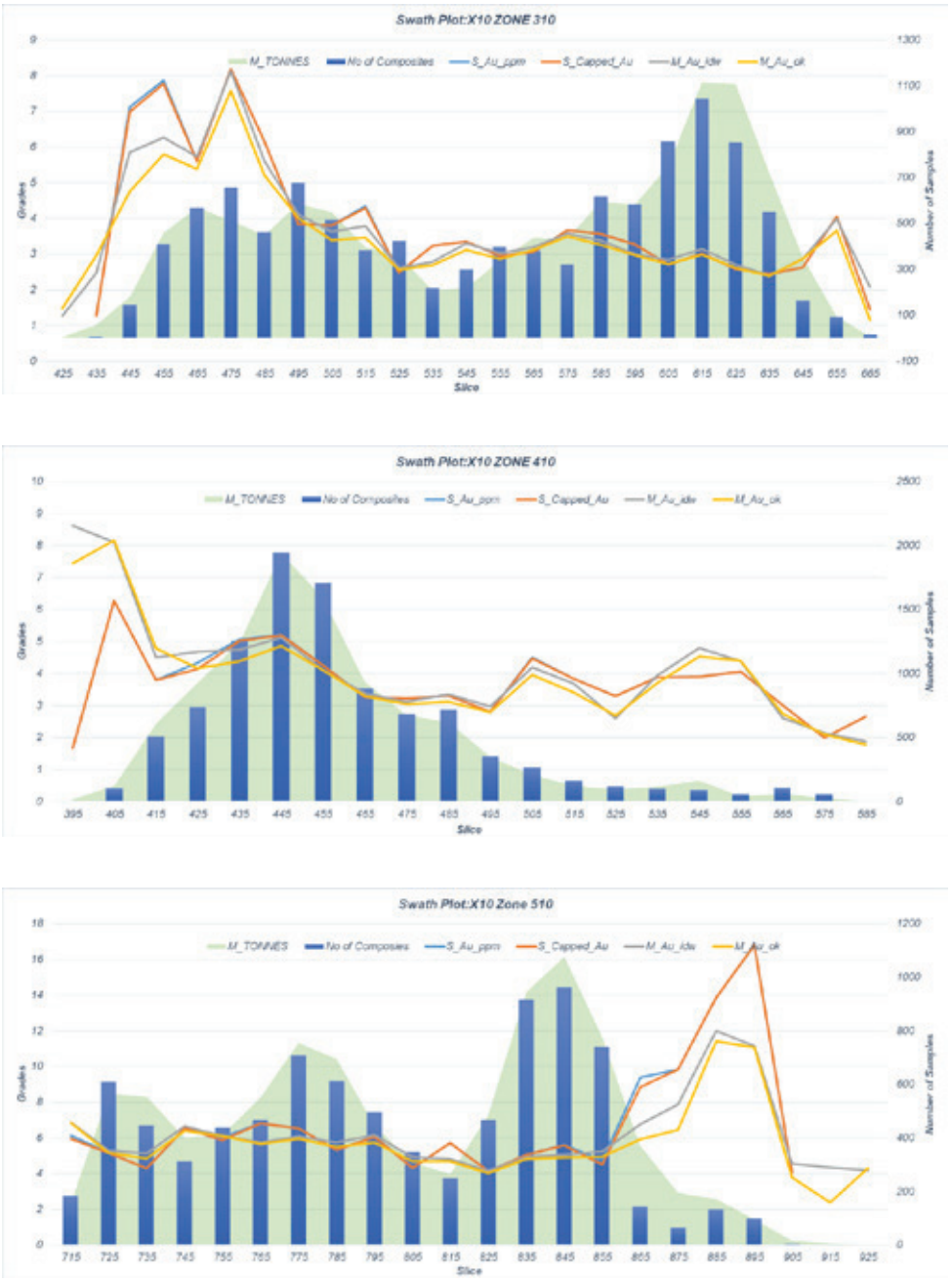
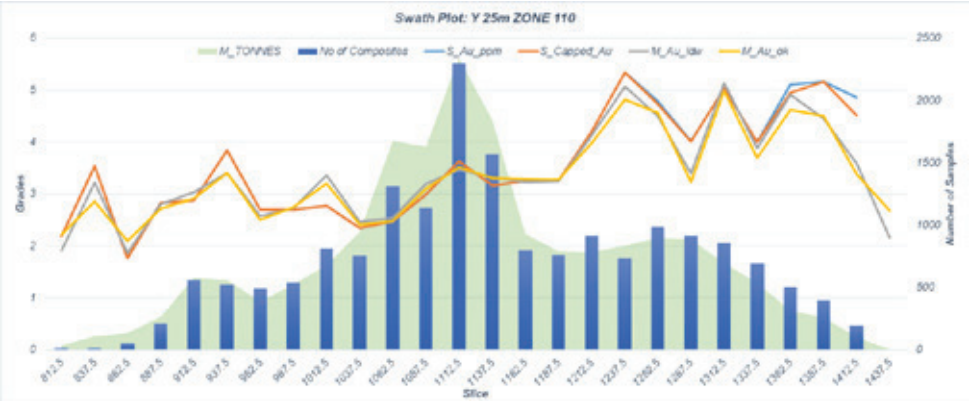
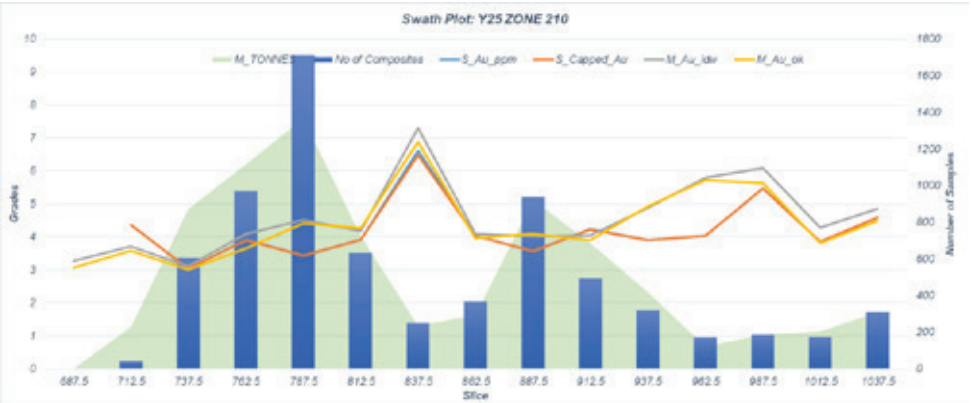
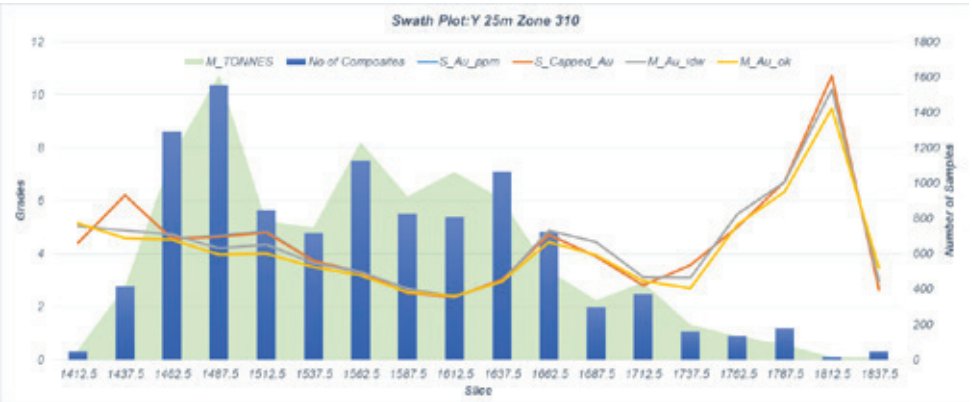


Figure 6–15 Swath Plot Cross-strike for Au Grade within the Mineralised Zone


Swath Plot: Y 25m ZONE 110
M_TONNES
No of Composites
S_Au_ppm
S_Capped_Au
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice


Swath Plot: Y25 ZONE 210
M_TONNES
No of Composites
S_Au_ppm
S_Capped_Au
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice


Swath Plot:Y 25m Zone 310
M_TONNES
No of Composites
S_Au_ppm
S_Capped_Au
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice

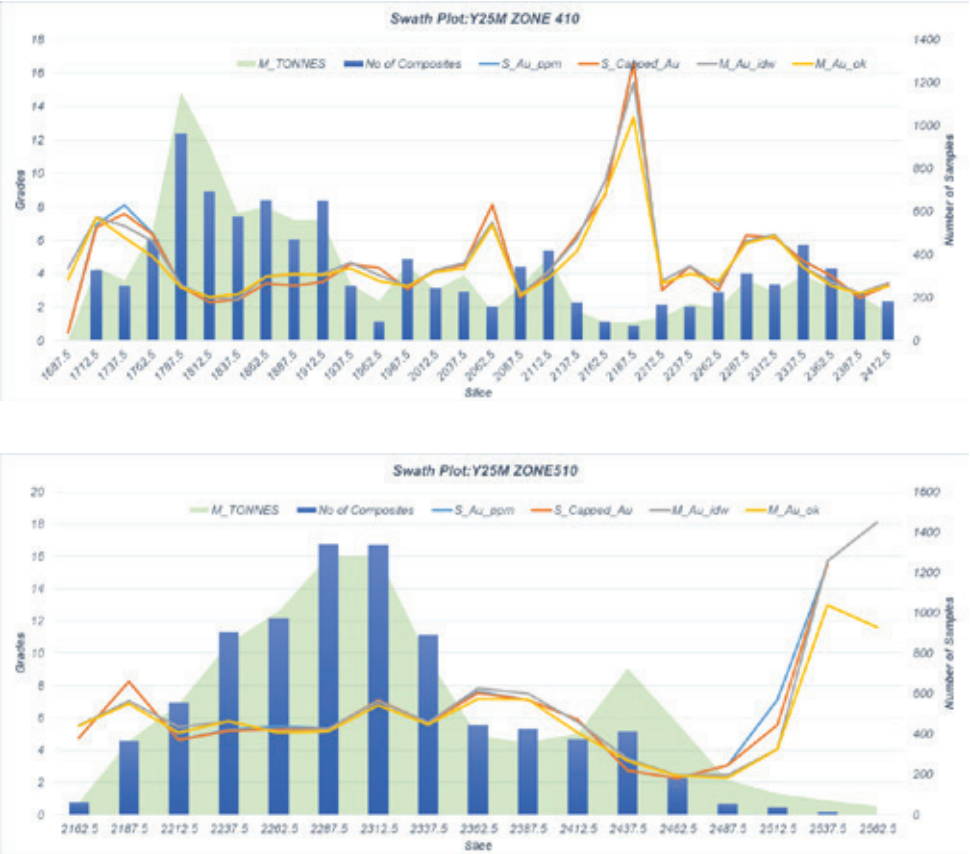
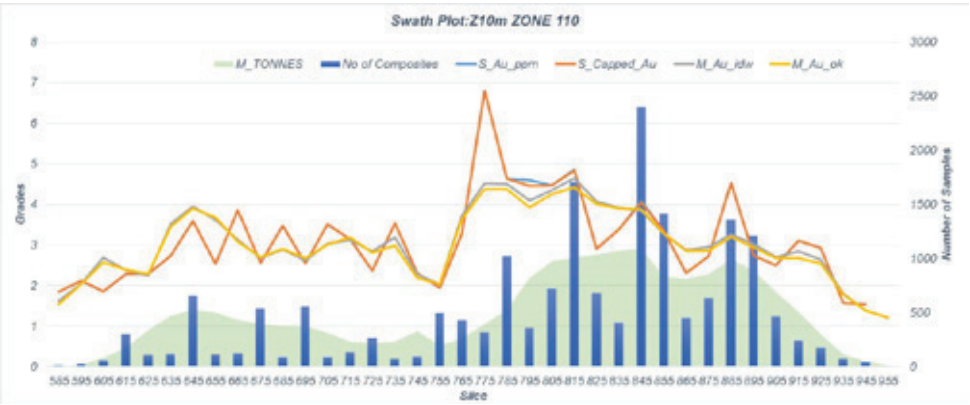


Figure 6–16 Swath Plot along-strike for Au Grade within the Mineralised Zone



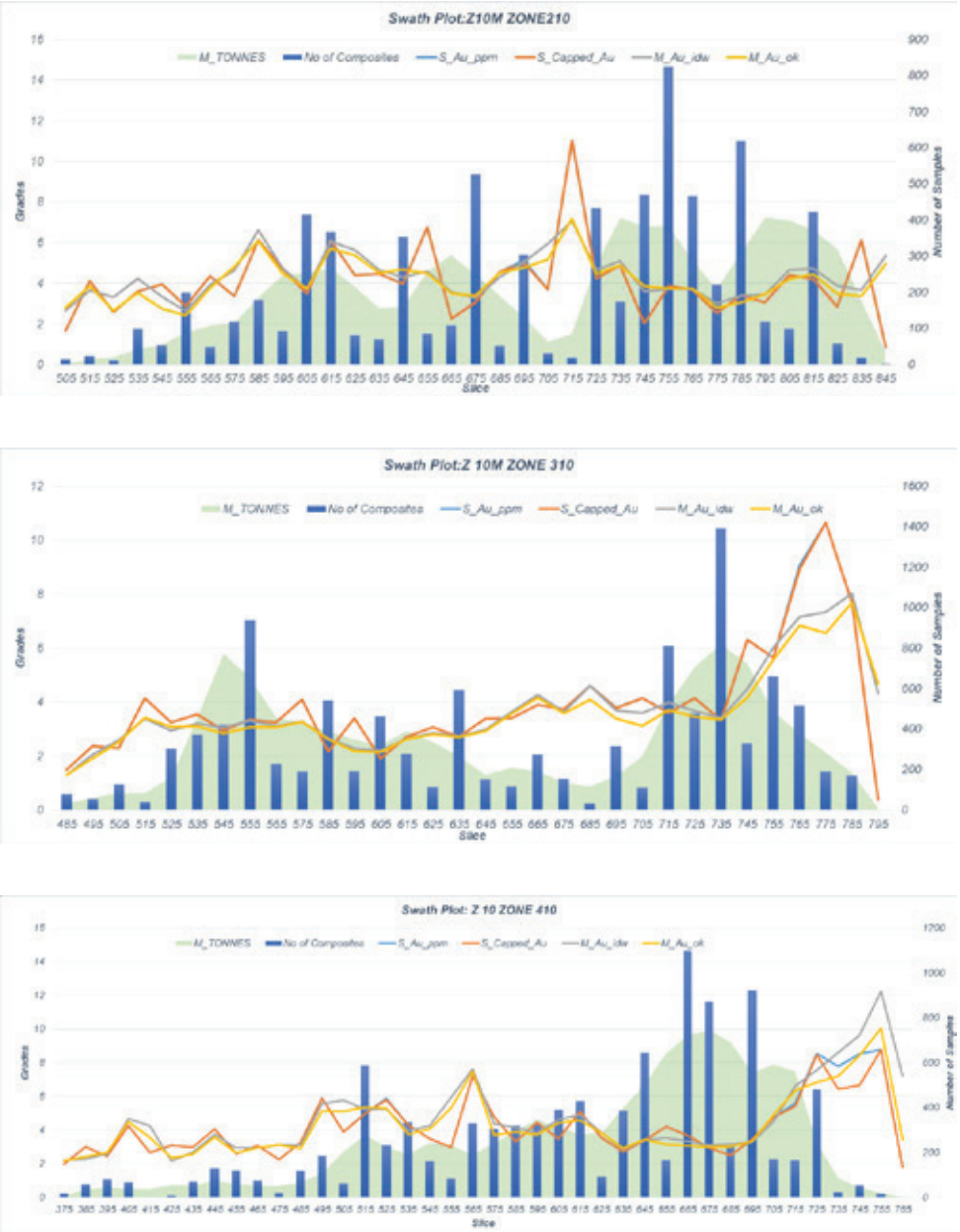


Figure 6–17 Swath Plot RL for Au Grade within the Mineralised Zone

6.13 Cut-off Grade Estimation

In compliance with the JORC Code (2012), the Mineral Resources for the Banmiaozi Property have been reported only where reasonable prospects for eventual economic extraction (RPEEE) can be demonstrated. For this purpose, the assessment of RPEEE was based on the following considerations:

- **Commodity Price** — A gold price of USD2,600/oz was adopted.
- **Underground Potential** — Blocks were assessed for potential underground extraction, applying an appropriate underground break-even cut-off grade.

Table 6–9 Cut-off Grade Adopted for Mineral Resources Estimation for the Banmiaozi Property

Parameters	Value	Unit
USD To RMB	7	
Gold Price	2,600	$/oz
	585.14	RMB/g
Mining Operating Cost	211.96	RMB/t
Processing & Smelting Operating Cost	107.49	RMB/t
General & Administrative	100.71	RMB/t
Royalty Tax	18.2	RMB/t
Selling Costs/Transport Costs	1.75	RMB/t
Refining	0.9	RMB/t
Mining Recovery	95.00%	%
Total Recovery of Processing and Smelting	87.50%	%
In-situ Au Cut-Off Grade	0.9	g/t

6.14 Mining Depletion

The mine management provided laser scan data of the mined-out stopes for our review, which was used to generate the "Mined Out" block model using 1.25m X by 1.25m Y by 0.25m RL. In addition, isolated remnant blocks adjacent to the mined areas were manually assigned the "Mined" attribute. The depletion has been applied to reflect the status of mining as at December 31, 2025.

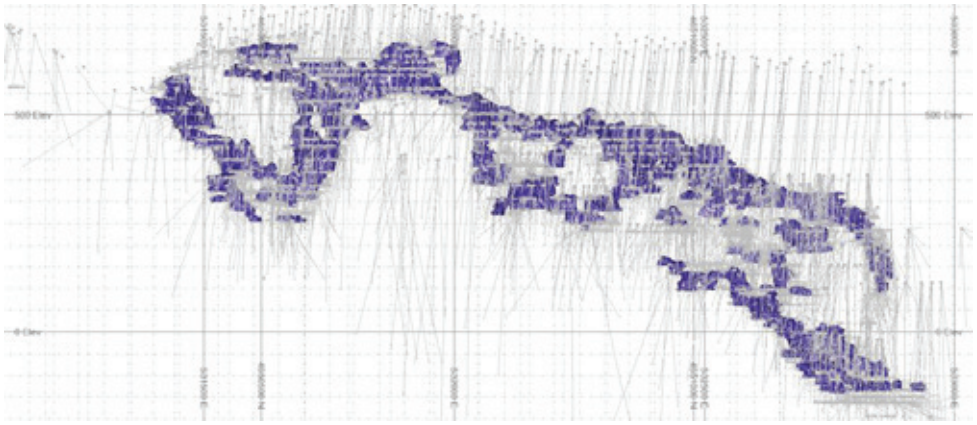


Figure 6–18 Mined Out Blocks as of December 31, 2025

6.15 Mineral Resources Statement

The Mineral Resources of the Banmiaozi Property were estimated as of December 31, 2025 with the following key assumptions:

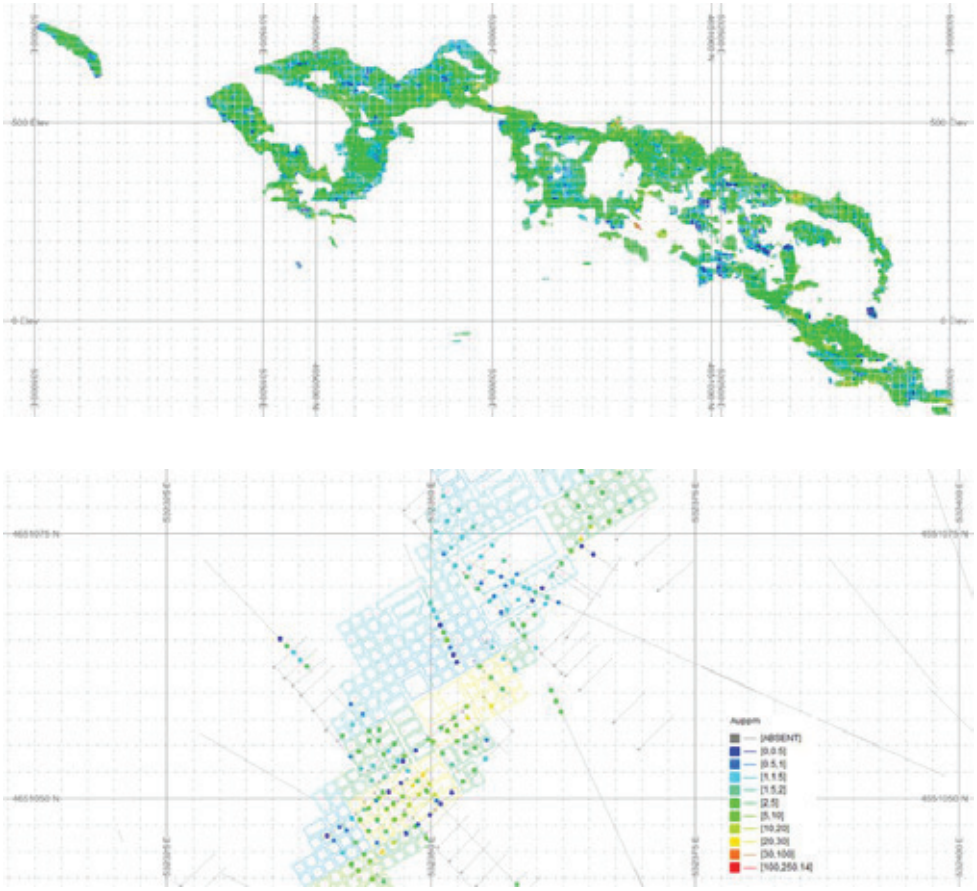


Figure 6–19 Block Modeling for the Banmiaozi Property

- Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured mineral resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

- The Mineral Resource estimate is reported as of December 31, 2025.

- Long-term metal price assumptions of USD2,600/oz were applied.

- The cut-off grade adopted for Mineral Resources estimation is 0.9 g/t Au reflecting the assumption of "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) under underground mining conditions.

- Totals may not add up.

Table 6–10 Mineral Resources Statement Prepared by BAW for the Banmiaozi Property as of December 31, 2025

ZONE	Cut-off (g/t)	Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)
Banmiaozi . .		Measured	4,810	3.52	16.94
		Indicated	413	3.25	1.34
	0.9 g/t Au	M + I	5,223	3.50	18.28
		Inferred	256	2.94	0.75
		Total	5,479	3.47	19.03
Banshigou . .		Measured	159	1.68	0.27
		Indicated	509	2.47	1.26
	0.9 g/t Au	M + I	668	2.29	1.53
		Inferred	369	1.91	0.70
		Total	1,037	2.15	2.23
Stockpile . . .		Measured	21	2.84	0.06
		Indicated	—	—	—
		M + I	21	2.86	0.06
		Inferred	—	—	—
		Total	21	2.84	0.06
Combined . .		Measured	4,990	3.46	17.27
		Indicated	922	2.82	2.60
		M + I	5,912	3.36	19.87
		Inferred	625	2.32	1.45
		Total	6,537	3.26	21.32

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao consents to the reporting of this information in the form and context in which it appears.

6.16 Comparison with Previous Estimates

The previous Mineral Resource estimate for the Banmiaozi Property, prepared by BAW in March 2025, was based on data as of December 31, 2024, as reported in the Client's 2024 Year-End Mineral Resources and Ore Reserves Statement. The most recent Mineral Resource estimate for the Banmiaozi Property was completed by BAW in July 2025, utilizing exploration and production data as of December 31, 2025.

For the 2025 update, BAW conducted a thorough validation of the underground drilling database, confirming both assay quality and positional accuracy. Compared to the 2024 year-end estimate, several verified underground drillholes were incorporated, and the estimation method was updated from Inverse Distance Squared (IDW^2) to

Ordinary Kriging (OK). Additionally, the cut-off grade was revised to reflect current gold price assumptions and actual operating costs. A summary of the comparison is presented in Table 6–11 below.

Table 6–11 Comparison of Previous and Current Mineral Resource Estimates of the Banmiaozi Property

	Resource as of December 31, 2024			Resource as of December 31, 2025			% Difference in Contained Gold
Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	
Measured	3,573	3.92	13.99	4,990	3.46	17.27	23%
Indicated	1,200	2.31	2.77	922	2.82	2.60	–6%
Inferred	2,738	2.82	7.72	625	2.32	1.45	–81%
Total	7,510	3.26	24.48	6,537	3.26	21.32	–13%

The comparison between the two estimates dated December 31, 2024 and December 31, 2025 shows a 13% decrease in total contained gold but a significant improvement in confidence of the Mineral Resource classification. The principal factors contributing to these changes are:

1. Validation of underground drilling data, confirming assay accuracy and reliability;

2. Change of estimation method from IDW^2 to Ordinary Kriging (OK), yielding a more robust and statistically consistent grade model;

3. Upgrade of Inferred category to Measured category, particularly within the Jinying zones; and

4. Revision of cut-off grade to reflect updated gold price and operating cost assumptions.

Economic parameters otherwise remain consistent with the previous estimate, including a gold-price assumption of CNY 433.3/g Au. No modifications were made to density, metallurgical recovery, or other modifying factors. The CP considers that these changes represent a normal update to the resource model reflecting methodological improvements and data re-validation, rather than a material change in metal inventory.

6.17 Exploration Potential

At the Banmiaozi (Jinying Gold Mine) area, mineralization is primarily controlled by the F100 and F102 faults and hosted within the silicified breccia zone developed at the contact between the Diaoyutai Formation quartz sandstone and the Zhenzhumen Formation marble. This breccia zone shows strong continuity along strike and dip, with local structural overprinting resulting in thickening and enhanced mineralization. Drilling has confirmed that ore bodies remain open at depth and along strike, with locally revealed thick and high-grade mineralized intervals, indicating significant potential for resource extensions at depth. In addition, new mineralized bodies have already been identified in adjacent license areas, further validating the regional continuity of mineralization and the integrity of the mineralizing system, thus demonstrating strong potential for further resource growth along strike.

The Nancha exploration license is situated in a favourable position within the Changbaishan metallogenic belt, proximal to regional faults and intrusive contacts, and exhibits typical geological conditions for breccia-hosted gold mineralization. The stratigraphic setting is favourable, structural activity is intense, and conspicuous alteration of host rocks has been observed, all consistent with the mineralization patterns at Banmiaozi and Banshigou. Although still at a reconnaissance stage, the license covers a large area, with favourable distribution of geochemical anomalies, and therefore holds good potential for discovery through systematic geochemistry, geophysics, and follow-up drilling.

In the Banshigou exploration license, ore bodies are generally hosted within the silicified breccia zone at the Zhenzhumen-Diaoyutai contact, controlled by the regional F102 fault and the subsidiary F100 structure. The mineralization occurs as sub-layered bodies with good continuity. Detailed exploration has already demonstrated that the mineralized zones remain open both at depth and laterally, showing clear potential for further extension. Multiple geochemical anomaly zones with strong elemental associations consistent with the metallogenic system have been delineated, particularly in the Dingshuihu and Songlin areas, suggesting favorable conditions for the development of new ore bodies and highlighting the strong exploration potential of the surrounding areas.

6.18 Comments

BAW is of the opinion that the Mineral Resources estimates provide a reasonable representation of the gold mineralization at the Banmiaozi Mine, based on the current geological understanding and sampling density.

The current interpretation indicates that mineralization remains open both along strike and at depth, presenting significant potential for resource growth. To realize this potential, BAW recommends the following actions:

- Several minor mineralized holes adjacent to the main lodes were not captured in the current interpretation; further drilling is recommended to delineate and incorporate these into future resource updates.

- Mineralization remains open along strike and down dip, but current workings are approaching greater depths and the lease boundary; expansion of the tenure and targeted peripheral exploration are recommended to identify additional resources.

- Additional specific gravity determinations are advised to improve confidence in the applied density values.

- At Banshigou, resources previously reported as of the end of 2023 at a cut-off grade of 0.5 g/t Au have been re-estimated using 0.9 g/t cut-off grade based on latest drilling and test results, resulting in a reduction. The area retains shallow mineralization with exploration potential; further work is recommended to improve definition and control of these zones.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Banmiaozi Property presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

- *An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.*

- *A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.*

- *A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.*

- *Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedures

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructures, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected pit shell for surface constraints and potential interactions with planned production operations.

- **Mineable Stope Shape Optimization:** The position and shape of the underground mining is optimized given the geological and economic parameters of the deposit as well as the mining, processing, and market parameters. Within the license and above the minimum cut-off grade before mining losses and dilution.

- **Mine Design and Development Review:** Conduct a comprehensive audit of planned or existing production and development systems. Verify compliance with production processes and plans against technical, industry, and regulatory standards. Evaluate system rationality through on-site inspections, data analysis, and expert input, identifying bottlenecks and risks.

- **Mine Production Schedule:** Audit the production schedule within stope boundaries. Validate its alignment with tonnage and processing targets using historical data and simulations. Ensure feasibility, safety, and sustainability, and correct any unrealistic projections.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.3 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the JORC Code (2012), BAW reviewed a number of technical studies prepared for the Bamiaozi Property and made reference with the actual operation and current mining plan. The confidence level in the Modifying Factors demonstrated in those technical studies are considered by BAW to be akin to a pre-feasibility study level and are suitable to support Ore Reserve estimation. The technical studies reviewed by BAW include:

- Feasibility Study Report on Deep Mining Engineering for Jinying Gold Mine (from +245m to –200m) of Jilin Banmiaozi Mining Co., Ltd., Changchun Gold Design Institute Co., Ltd. May 2017

- Development and Utilization Plan for Jinying Gold Mine of Jilin Banmiaozi Mining Co., Ltd., Changchun Gold Design Institute Co., Ltd. November 2017

- Specification for Safety Facilities Design of Jilin Banmiaozi Mining Project (Expansion), Changchun Gold Design Institute Design Institute Co., Ltd. Spring 2017

- Mineral Resources Development and Utilization Plan for Jinying Gold Mine of Jilin Banmiaozi Mining Co., Ltd., Changchun Gold Design Institute Co., Ltd. July 2024

7.4 Cut-Off Grade

The cut-off grade for the ROM feed are generally calculated using the following formula.

$$Cut\text{-}off\ Grade = \frac{Mining\ Cost + Processing\ Cost + G\&A\ Cost}{Payable\ factor * gold\ Price * Processing\ Recovery}$$

The unit cost of mining, processing, general and administrative, and processing recovery from 2022 to 2025 were provided by the mine management, as detailed in Table 7–1.

Table 7–1 Unit Cost of the Banmiaozi Property from 2022 to 2025

	Unit	2022	2023	2024	2025	Average
Mining Cost	RMB/t	226.22	195.36	208.43	217.83	211.96
Processing Cost	RMB/t	109.45	109.84	112.15	98.52	107.49
G&A Cost	RMB/t	65.82	68.86	103.16	98.27	84.03
Total	RMB/t	401.48	374.06	423.73	414.62	403.47

Source: provided by Banmiaozi and summarized by BAW

The cut-off grade is estimated to be 1.10 g/t, based on the adjustment from average historic three-year unit costs, while also considering processing recovery and royalty factors, as shown in Table 7–2.

Table 7–2 Cut-off Grade Estimation for the Banmiaozi Property

Parameters	Unit	Value
Unit Conversion		
Exchange Rate	RMB/USD	7.00
Convert	g/oz	31.1035
Unit Cost	$/t	420.16
Mining Cost	RMB/t	211.96
Processing Cost	RMB/t	107.49
G&A Cost	RMB/t	100.71[(1)]
Offsite Costs	USD/oz	0.09
	RMB/g	20.65
Refining	RMB/g	0.90
Selling Costs/Transport Costs	RMB/g	1.75
Mineral Extraction Tax (4% of gold extracted)	RMB/g	18.00
Gold Price	USD/oz	2,000.00
	RMB/g	450.11
Processing Recovery	%	87.5%
Breakeven Cut-off Grade	g/t	1.1

Source: summarized by BAW

Note: 1. In the historical records, the costs of the first two years were relatively low; therefore, the average value of the most recent two years is adopted for estimation.

7.5 Dilution and Mining Loss

The determination of dilution and loss rates involves consideration of the national standards, geological conditions and mining methods. This process references practices from similar operating mines, incorporates tech-economic optimization, and complies with resource protection policies. Specific rates are defined alongside control measures and risk analyses.

Previous dilution and mining loss estimated by the previous technical studies are summarized in Table 7–3 below whereas actual dilution and mining loss of recent years are tabulated in Table 7–4.

Table 7–3 Mining Loss and Dilution estimated by Previous Technical Studies of the Banmiaozi Property

Year	Mining Method	Mining Loss (%)	Dilution (%)	Proportion (%)
2017 . . .	Step Open Stope with Subsequent Filling	8.0	12.0	10.0
	Sublevel Open Stope with Subsequent Filling	9.0	15.0	90.0
	Overall/Comprehensive Rate	**9.0**	**15.0**	—
2024 . . .	Step Open Stope with Subsequent Filling	9.0	26.0	10
	Sublevel Open Stope with Subsequent Filling	10.0	36.0	90
	Overall/Comprehensive Rate	**10.0**	**36.0**	—

Source: provided by Banmiaozi and summarized by BAW

Table 7–4 Recent Actual Mining Loss and Dilution of the Banmiaozi Property

	2023	2024	2025Q3
Mining Loss (%)	8	4	5
Dilution (%)	14	34	28

Source: provided by Banmiaozi and summarized by BAW

After discussions with the mine management, BAW identified the main reasons for the high dilution rate:

1. The hanging wall in the deep section consists of sandstone, which exhibits poor rock stability.

2. The dip angle of the upper ore body is approximately 60 degrees, while that of the deeper ore body ranges from 35 to 45 degrees, contributing to a higher dilution rate in the open stope method.

Mining dilution arises from unplanned dilution due to stope wall failures and overbreak from stope walls and floors. Waste rock dilution primarily results from material sloughing off the hanging wall, with minor contributions from the ends and floors of the stope. This dilution typically ranges from 0.05 m to 0.3 m, depending on the size and shape of the orebodies.

To estimate the mining dilution for the Banmiaozi Property, BAW expanded the stope shape by 0.5 m, exceeding the typical range for the hanging wall and footwall. However, the stope optimization results did not reflect the anticipated high ore loss rate. Compared with the actual grade of mined out ore, the estimated grade was reasonable to simulate the mining stope shape.

In the geological model, the average grade of Indicated and Measured Mineral Resources with a grade exceeding the cut-off grade of 1.1 g/t is 3.96 g/t. After MSO optimization, the average grade of stopes is 3.23 g/t; thus, the estimated dilution rate is 18%. The dilution rates vary from 12% to 20% across different areas. After a comprehensive analysis, BAW applied an average dilution of 18% and a loss rate of 8% which was best estimated in MSO procedure. based on the performance of the past two years, which aligns reasonably with data from technical studies.

7.6 Ore Reserves Statement

The Ore Reserves of the Banmiaozi Property were estimated as of December 31, 2025, with the following key assumptions:

- All of the Ore Reserves are included within the Mineral Resources;
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- Adopted cut-off grade: 1.1 g/t Au, based on a gold price of US$2,000/oz;
- Mining recovery: 92%, that means the mining loss 8%;
- Mining dilution: 18% as an average dilution estimation within MSO stopes;
- Totals may not add up.

The Ore Reserve statement for the Banmiaozi Property as of December 31, 2025 at a cut-off of 1.1 g/t Au is shown in Table 7–5.

Table 7–5 Ore Reserve Statement Prepared by BAW for the Banmiaozi Property as of December 31, 2025

	Category	Cut-off grade (g/t)	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	Contained Gold (koz)
Underground	Proved	1.1	2,700	3.16	8.53	274
	Probable	1.1	362	2.96	1.07	34
	Total	1.1	3,062	3.13	9.60	309
Stockpile	Proved		21	2.84	0.06	2
	Probable				—	
	Total		21	2.84	0.06	2
Total.	Proved	1.1	2,721	3.15	8.59	276
	Probable	1.1	362	2.96	1.07	34
	Total	1.1	3,083	3.13	9.66	310

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Introduction

The Banmiaozi Property has shown significant annual production, with approximately mining capacity up to 800 ktpa. Key developments include a deep exploitation system reaching the North District –150m section and a transition to a push-pull mixed mode for ventilation. Drainage, power, and safety systems have been extended and upgraded, with a new underground filling pipeline installed in 2022 to enhance operational efficiency and lifespan. The mine has also successfully implemented major safety systems.

8.2 Geotechnical Conditions

The engineering geological conditions of the Banmiaozi Property are primarily classified as moderate complexity. The immediate wall rock consists of silicified structural breccia, with the hanging wall made of hard quartz sandstone and the footwall of semi-hard to hard marble. The rock mass quality is generally moderately intact, with Rock Quality Designation ("**RQD**") values between 66.80% and 72.00%.

Key stability factors in underground excavations include small to medium-sized faults and joint fissures, particularly those affected by late-stage northwest-trending faults, which can lead to rock fragmentation. Mining operations have faced challenges from localized solution cavities and quicksand layers in the upper ore body, contributing to roof collapses and tunneling difficulties. Issues observed include caving and fracturing in the hanging wall and ore body, as well as potential collapse risks near the F102 fault in the footwall.

To mitigate these risks, the mine uses cemented backfilling in excavated areas to prevent stope collapse and ground subsidence. A 2017 evaluation by Beijing University of Science and Technology confirmed the stability of key infrastructures (e.g., ramps and ventilation shafts) when positioned sufficiently away from the ore body (ramps >36m, shafts >30m) alongside cemented backfilling. Additional measures include high-strength support systems — such as anchor bolts, wet-sprayed fiber concrete, and cast-in-place concrete — in unstable areas. Since August 2014, real-time displacement monitoring has recorded approximately 20mm of displacement, aligning with simulation results and indicating overall rock mass stability. These comprehensive geological studies and measures are crucial for risk management and operational safety.

8.3 Hydrogeological Conditions

The Banmiaozi Property's hydrogeological conditions are classified as "relatively simple" or "moderate." The primary sources of underground water inflow are weathered bedrock fissures and localized structural fissures. Although the nearby Diao Shuihu River historically caused water seepage into the mine, concrete riverbeds and cement grouting have effectively blocked this infiltration, mitigating threats to deep mining operations.

The mine-site employs a multi-stage relay drainage system in both its North and South areas. For example, the North area features operational N-195m, N80m and N335m pump stations, water to the surface. Water sumps are designed to handle at least 8 hours of normal inflow. The predicted average mine water inflow is approximately 2,938–3,000 m^3 per day ("**m^3/d**"), increasing to about 5,849–6,000 m^3/d during high-water periods, which includes water used for drilling and filling. These systems and ongoing measures are vital for effective water management and operational safety.

8.4 Mining Method

The Banmiaozi Property primarily utilizes underground mining methods, specifically variations of cut-and-fill mining with cemented backfill, depending on the ore body's characteristics.

Sublevel Open Stope with Subsequent Filling

Sublevel Open Stope with Subsequent Filling (SLOSF) is a widely used underground mining method primarily applied in the extraction of thick, medium-to-high stability metallic ore bodies (e.g., gold, copper, and iron ores). It is used for typically 10–20m thick with dips of 50–65 degrees, It integrates the efficiency of open stope mining with the geomechanical stability of subsequent filling, making it suitable for mines where surface subsidence control and high resource recovery rates are prioritized.

Stopes are arranged longitudinally along the ore body, with each stope mined separately. Each stope has a width of 20 m and a length defined by the horizontal thickness of the ore body (standard 15 m). The stope height is either 15 m or 30 m, depending on ore thickness, with one access ramp spaced 20 m apart in each stope.

Level spacing ranges from 15 m to 20 m, connected by raises, while level roadways on the ore body's hanging walls are linked by ramps. This method accounts for 90% of ore extraction. This mining methods was shown at Figure 8–1.

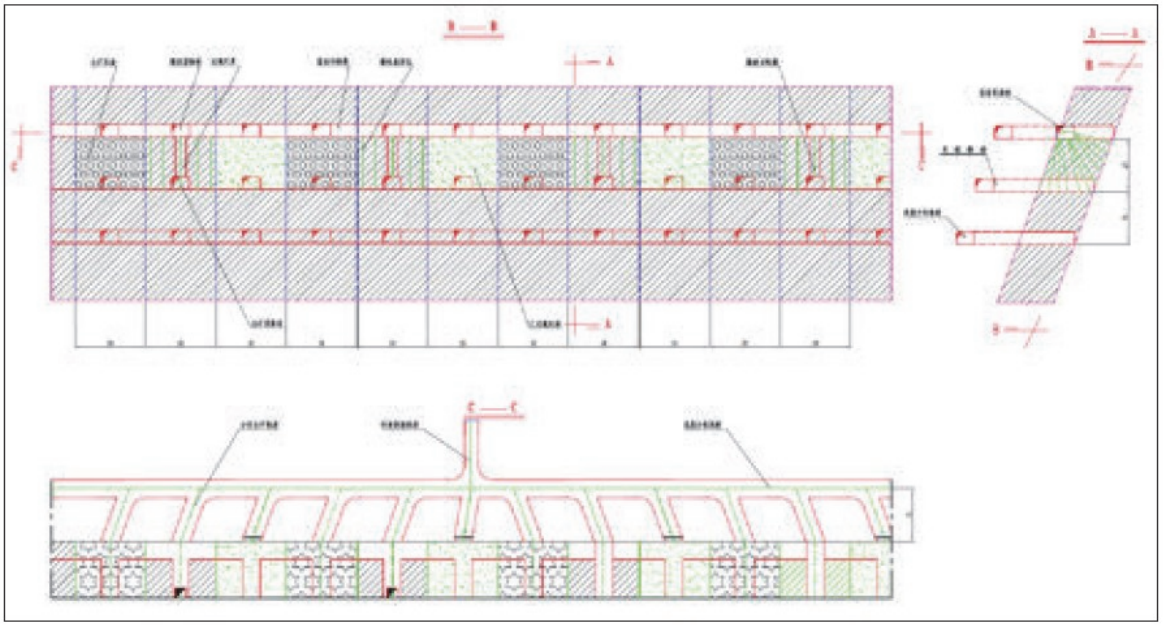


Figure 8–1 Conceptual Illustration of the Sublevel Open Stope with Subsequent Filling Method

Bench Open Stope with Subsequent Filling

This method is utilized for thinner ore bodies, typically 5–10 m thick with dips of 40–65 degrees, and accounts for the remaining 10% of ore extraction.

Both mining methods prioritize minimizing ground subsidence through cemented backfilling (waste rock + classified tailings) in excavated areas. The mine employs a two-step mining process with interval-staggered sequences for filling. A new underground filling pipeline was installed in 2022 to enhance efficiency and extend system lifespan. The filling process aims for a topping-off rate of over 99% through multi-stage, discontinuous filling.

The Sublevel Open Stope with Subsequent Filling remains the primary mining method, accounting for 90% of extraction. Its relevant parameters will be used for MSO optimization. Detailed parameters for both mining methods are as follows:

Table 8–1 Parameters of Mining Methods of the Banmiaozi Property

Mining Method	Sublevel Open Stope with Subsequent Filling	Bench Open Stope with Subsequent Filling
Length along strike	20m	50m
Width	Horizontal thickness of ore body (standard 15m)	Horizontal thickness of ore body (standard 5m)
Sublevel height	15m or 30m (based on ore body thickness)	15m
Row spacing (fan-shaped holes)	2.0~2.4m	2.0m
Number of rows blasted in one time	All drill holes in the stope (according to design initiation sequence)	2~3 rows (according to design initiation sequence)
Production capacity of ore block	450 t/d	300 t/d
Loss Rate	12%	9%
Dilution Rate	15%	12%

The main mining process involves four stages, with variations between the two methods:

Stope Design

Ore blocks are configured based on ore body orientation. The sublevel method arranges blocks perpendicular to the strike (20 m width, 15 m standard length) with sublevels of 15 m or 30 m. The bench method aligns blocks along the strike (50 m length, 5 m width) with 15 m sublevels. Both methods utilize separate sublevel ore drawing.

Development and Cutting

Critical excavations (roadways, crosscuts, cutting raises) are constructed using Boomer282 drill jumbos (40 mm holes, 3–4 m depth) for horizontal work, and SimbaH1354 jumbos for vertical raises. Support includes 47.5 mm split-set bolts (1.5 m × 1.5 m) and 60 mm shotcrete in fractured zones.

Extraction

Drilling & Blasting: Cutting slots are formed using parallel holes (1.2–1.5 m row spacing, 1.2 m hole spacing), followed by fan-shaped holes (sublevel: 2.0–2.4 m row spacing; bench: 2.0 m). Sublevel blasts all holes simultaneously, while bench blasts 2–3 rows, utilizing Type 2 emulsion explosives.

Ore Drawing: CAT R1700G LHDs load ore, which is transported by AD45B/XY-UK50 trucks. Sublevel operations use conventional and remote LHDs, while the bench method employs remote LHDs (≤250 m haul distance). Approximately 12% of oversize ore undergoes secondary crushing.

Filling

Backfill strength varies by sequence: 0.8–1.0 MPa (9% cement) for first-step stopes, and 0.5 MPa or waste rock for second steps. Multiple discontinuous fills (≥3 times) ensure over 99% roof contact, with drainage systems installed.

8.5 Stope Optimization

Mineable stope optimization is carried out as part of the strategic mine planning for the underground mine, to determine the optimal size, shape, and location of stopes based on a block model. The designed stopes were then assessed economically to eliminate any uneconomical stopes based on factors such as development and mining costs. The parameters adopted in the stope optimization are summarized in Table 8–2. The optimized stopes (Red) and the mined out stopes(grey) are illustrated in Figure 8–2.

Table 8–2 Stope Parameters Adopted for the Banmiaozi Property

Parameters	Unit	Value
Default Density	g/t	2.7
Cut-off Grade	g/t	1.1
Default Dip	degree	55
Strike azimuth	degree	60
Sub-blocking		Yes
Minimal mining width	m	1.2
HW dilution	m	0.5
FW dilution	m	0.5
Maximum strike change	degree	20
Stope maximum side-length Ratio		2.5

Source: Summarized by BAW

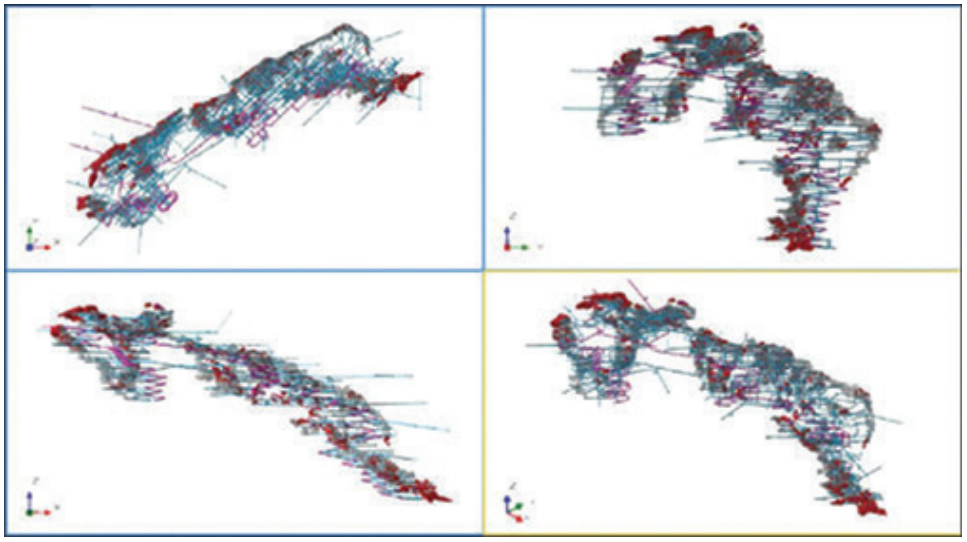


Figure 8–2 Underground Minable Stopes of the Banmiaozi Property (Red mark MSO stopes)

8.6 Development system

The development system aims to provide access from the surface to the mineralized zone for material extraction, as well as facilitating transport of rocks, ventilation, drainage, and other functions. Typically, a development system includes tunnels and bays for running and installing equipment.

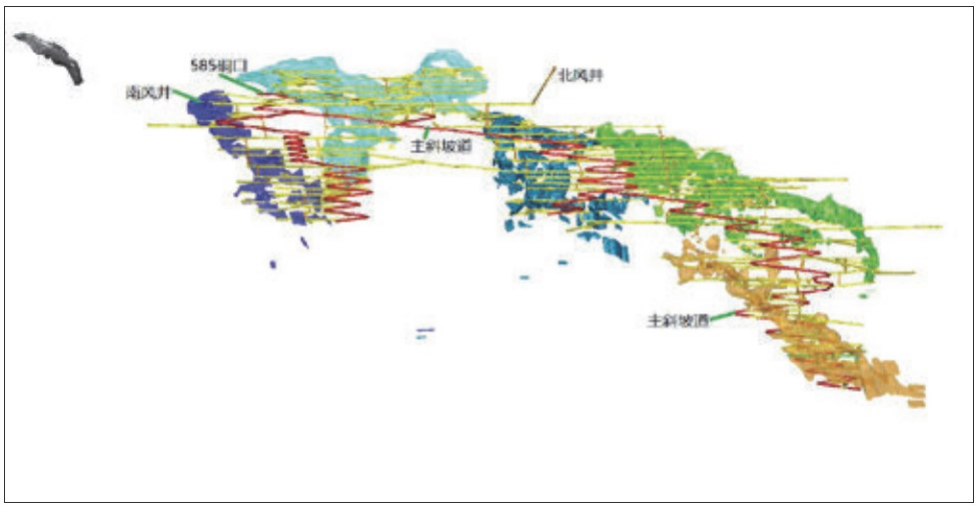


Figure 8–3 Longitudinal View of the Development System

8.7 Underground Service

Water Supply

A 400 m^3 high-level water pool at an elevation of 687.5 m serves multiple purposes, including production (for filling) and firefighting. Of this capacity, 200 m^3 is reserved for underground firefighting. Water is sourced from underground inflow (managed by the former 560 m pump station) and a surface sewage treatment plant.

Additionally, a 10 m^3 drinking water tank in the high-level pool area provides rescue water for underground personnel, meeting drinking water quality standards. The primary supply pipeline is a $\varphi 159 \times 4.5$ seamless steel pipe laid along the inclined shaft, with pressure-reducing valves installed every 250 m. Water for production activities, such as drilling and filling, is included in the mine's estimated inflow.

Drainage System

The mine employs a multi-stage relay drainage system across its North and South areas, typically consisting of two main drainage lines.

North Area

The system directs water from the N-195m sump to the N80m sump, then to the N335m sump, and finally to the surface high-level water pool. Plans include adding pump stations at the 80m and –200m levels, creating a 3-stage relay system. Water sumps are designed to hold at least 8 hours of normal inflow. Mud is discharged using either a slurry pump or LHDs for surface transport.

South Area

This area operates with existing 275m and 380m pump stations, forming a 2-stage relay system that pumps water to the surface sewage treatment plant.

Inflow Predictions

The average mine water inflow is approximately 2,938–3,000 m^3/d, increasing to about 5,849–6,000 m^3/d during high-water periods.

Compressed Air

The mine's ventilation strategy utilizes a mechanical continuous, dual-wing diagonal exhaust ventilation system. The main fans are FKCDZ-315*2 models for the North are shaft and FKCDZ-2*250 for the South air shaft, each powered by two 132 kW motors, operating at 85% efficiency. These fans can reverse ventilation in emergencies, controlled via the ventilation cabinet.

Local ventilation for dead-end headings and the –200m pump station is provided by FBD-55x2 fans using a push-pull method. The ventilation network includes regulating air doors and windows, with wet-spray concrete bulkheads sealing abandoned sections to ensure efficient airflow. Regular inspections and airflow adjustments are conducted by designated personnel. Centralized blasting and ventilation procedures are in place to guarantee safe air quality before re-entry. All ventilation conduits and support materials are flame-retardant.

8.8 Mining Equipment

The quantity of major mining equipment used underground is summarized in Table 8.7. The amount and size of the equipment appear sufficient for operations. BAW notes that only a few pieces are in poor condition and need replacement or repair. Relevant work has been incorporated into the mine's daily management and investment planning.

Table 8–3 Key Mining Equipment

Equipment Name	Model/Specifications	Unit	Quantity	Remarks
Drilling Jumbo	Boomer282	unit	5	Existing
Drilling Jumbo	SimbaH1354	unit	2	Existing
LHD (Diesel)	R1700G	unit	3	Existing
Mining Truck	XY-UK50	unit	3	Existing
Mining Truck	CAT R1700G LHD	unit	3	Existing
Main Fan	DK56–10-No30	unit	2	Existing
Main Fan	DK56–10-No30	unit	2	Existing
Local Fan	FBD-55x2	unit	13	Existing
North Area 365m Fan	DK40–8-No24	unit	1	New
South Area Drainage Pump	MD85–45x6	unit	5	380m Drainage Pump Station (Existing)
South Area Drainage Pump	MD155–30x5	unit	3	275m Drainage Pump Station (Existing)
North Area 335m Drainage Pump	MD155–67x5	unit	3	335m Drainage Pump Station (Existing)
North Area 80m Drainage Pump	MD155–67x6	unit	3	80m Drainage Chamber (New)
North Area –195m Drainage Pump	MD155–67x6	unit	3	–195m Drainage Chamber (New)

The main LHD (R1700G) and truck (XY-UK50) are shown in Figure 8–4.



Figure 8–4 Photos of LHD and truck of Banmiaozi Property

8.9 Infrastructure

Transportation

The mine is strategically located 8 km north of Baishan City, with easy access to a cement road connecting to the Baishan-Changchun highway and proximity to Changchun Longjia International Airport. Underground operations utilize a main ramp (inclined shaft) and an auxiliary ramp for access and transport. CAT R1700G diesel LHDs load ore, while AD45B and XY-UK50 mining trucks transport ore and waste rock to the surface. Personnel and materials are moved using multi-functional service vehicles, supplemented by internal concrete and crushed stone roads.

Power Supply

The mine site's power infrastructure includes a 66/10 kV substation with a 10,000 kVA transformer, planned for an upgrade to 16,000 kVA. A N –135m power distribution chamber is complete, with additional substations planned for the –80m and –200m levels. The electrical system employs an ungrounded neutral system for underground low-voltage grids and incorporates energy-saving measures.

Water Management

A multi-stage relay drainage system is in place. In the North area, water is pumped from the N-190m station through the 80m and 335m stations to the surface. The South area uses 275m and 380m pump stations. Water sumps hold at least 8 hours of normal inflow, with efficient mud discharge. A 400 m^3 high-level water pool at 687.5 m serves production and firefighting needs, alongside a 10 m^3 drinking water tank for rescue. A safety measure successfully blocked river water infiltration near the South mining area using concrete riverbeds and grouting.

Ventilation

The mine operates a push-pull mixed ventilation mode. The main ramp serves as the fresh air intake, while North and South return air shafts facilitate exhaust, equipped with main fans. Local fans and air doors extend to deep sections like N –135m and N –90m to ensure adequate airflow. Air heating facilities are installed at the shaft mouth for winter operations.

Filling System

A surface filling station at 675 m prepares cemented backfill using waste rock and classified tailings. A new underground filling pipeline, completed in 2022, enhances filling efficiency and extends the system's lifespan, enabling multi-stage filling for high topping-off rates.

Safety Systems

The mine has implemented six major safety systems: communication, personnel positioning, monitoring, emergency shelter, compressed air self-rescue, and water rescue. These systems feature fiber optic networks, real-time monitoring of gas, wind speed, and ground displacement, multiple escape routes, and well-equipped refuge chambers with oxygen, food, and communication capabilities.

Surface Facilities

Key surface infrastructure includes a rough crushing plant, ore stockpiles, a processing plant, a dry-stack tailings dam, a water source pump station, an explosives depot, and an administrative/living area. All critical facilities for deep mining are securely situated outside the 20 m rock movement boundary.



Figure 8–5 Layout of the Banmiaozi Property

The layout and infrastructure of Banmiaozi Property is shown in Figure 8–5.

8.10 Historic Production

Table 8–4 presents the historic production and development of the past four years.

Table 8–4 Historic Production and Development

	Unit	2022	2023	2024	2025
Development					
Capital Development.	m	1,299	1,767	989	1,389
Exploratory Development .	m	58	11	455	158
Preparation Development .	m	3,430	2,635	4,274	3,345
Total Development Meters.	m	4,787	4,413	5,718	4,892
Filling					
Cemented Tailings Filling .	cu.m	315,052	348,884	410,826	439,508
Waste Rock Filling.	cu.m	21,739	29,675	53,345	53,353
Total Filling Volume.	cu.m	336,791	378,559	464,171	492,860
Production					
Quantity	t	650,114	718,921	843,714	823,789
Grade	g/t	3.3	2.96	3.04	3.10

8.11 LOM Production Schedule

The production schedule is presented in Table 8–5, derived from BAW's modeling and mining stope. The LOM is estimated to be around five years which was organized on an annual basis, and the following key assumptions were applied during production planning:

- Only blocks classified as Measured and Indicated Mineral Resources, with an overall stope gold grade exceeding 1.1 g/t were considered as ROM.
- Blocks classified as Inferred Mineral Resources or those located outside the defined stope areas were categorized as waste material.
- The maximum annual production rate is limited to 800 ktpa.
- The LOM is starting in 2026, with a total ROM amount of 3,463 kt at an average gold grade of 3.23 g/t.

Table 8–5 LOM Production Schedule of the Banmiaozi Property

	Unit	Total	2026	2027	2028	2029
Ore Mined	kt	3,062	803	801	793	665
Gold Grade	g/t	3.13	3.60	3.01	2.84	3.08
Contained Gold	t	9.60	2.89	2.41	2.25	2.05

9 PROCESSING

9.1 Introduction

9.1.1Metallurgical Test

A number of metallurgical testworks have been completed previously by various parties, including contractors and the mine management. Those testworks explored various processing methods and provided guidance for improving gold recovery. The testwork results are summarized in this section.

1. Metallurgical test by Changchun Gold Research Institute 2005

The samples are summarized in Table 9–1.

Table 9–1 Summary of Samples for Metallurgical Test by Changchun Gold Research Institute 2005

Sample Code	Original Tunnel Code	Content (g/t)	Sample Type	Weight
A	None	0	Footwall marble	300
B	j04576; j04577	6.43; 3.38	Quartz breccia matrix	300
C	j04602; j04603	6.84; 7.49	Quartz breccia matrix	300
D	j04604; j04605	4.12; 4.08	Quartz breccia matrix	300
E	None	0	Hanging-wall sandstone	300
F	j04575; j04575	5.58; 13.80	Quartz breccia matrix	300
		Total		1800

Based on the metallurgical test conducted by Changchun Gold Research Institute, the Banmiaozi ore is classified as a low-sulfide, finely disseminated, fully oxidized gold-bearing ore.

The metallic sulfides consist mainly of arsenopyrite and pyrite, with occasional occurrences of chalcopyrite, galena, sphalerite, and stibnite. The metallic oxides are predominantly limonite, with minor amounts of magnetite and hematite. The non-metallic minerals are primarily quartz, along with small quantities of feldspar, carbonates, chlorite, and sericite. The limonite exhibits relatively coarse grain size, while the arsenopyrite and pyrite are extremely fine-grained, mostly below 0.01 mm.

The gold minerals in the ore are exceptionally fine, with 94.14% of them measuring below 0.005 mm. The occurrence states of gold are mainly as void-edge and fissure gold (48.83%), followed by intergranular gold (29.72%), and encapsulated gold (21.45%).

In the whole-ore cyanidation test, the grinding fineness was P80 = 0.045 mm. After 28 hours of cyanidation, the residue grade was 0.82 g/t, yielding a leaching rate of 84.23%.

The flotation-concentrate cyanidation-tailings cyanidation test results showed that for concentrate cyanidation at a grinding fineness of P99.77 = 0.074 mm, the 28-hour cyanidation residue grade was 1.25 g/t. For tailings cyanidation at a grinding fineness of P97 = 0.074 mm, the 28-hour residue grade was 0.83 g/t. The combined residue grade was 0.85 g/t, with an overall leaching rate of 83.65%.

2. Metallurgical test by an Australian company in 2006

The testwork was conducted on five representative ore types, demonstrating that the presence of pyrite and the occurrence state of gold significantly influence leaching recovery.

A. Blended Samples Test Results

The cyanidation leaching rate of representative composite ore samples from the Jinying gold deposit averages between 79.09% and 81.82%, with cyanidation residue grades ranging from 0.90 to 0.80 g/t. The test sample grade (4.40 g/t) aligns with the designed mining grade for the initial production phase, confirming the representativeness of the Metallurgy Test results for the mixed ore.

Under the conditions of a grinding fineness of P95 = 0.045 mm and a 48-hour leaching duration, the gold leaching rate reaches 81.82%. This test was performed without distinguishing between oxide and sulfide ores, blending them instead, thereby indirectly reflecting the average overall recovery rate of the mine to date.

B. Pilot Test Results

The leaching rate of representative ore samples from the Jinying gold deposit averages between 82.8% and 85.29%, with cyanidation tailings grades ranging from 0.65 to 0.76 g/t. Given that the test sample grade (4.42 g/t) matches the expected ore composition, the processing results are deemed representative of the mixed ore.

At a grinding fineness of P95 = 0.045 mm and a 48-hour leaching period, the gold leaching rate achieves 84.2%. This experiment focused on low-sulfur ore from the No. II orebody, providing an indirect measure of the mine's average overall recovery rate over the past two years.

Over the first six years of operation, the combined processing and smelting recovery rate averaged 83.20%. Subsequent production optimizations and research have improved the three-year average comprehensive recovery rate to 86.38%, consistent with the test findings.

3. Refractory Ore Metallurgical Test by Northwest Non-Ferrous Geological Research Institute in 2007

A. Sample Preparation

The ore samples as shown in Table 9–2 were individually bagged according to drill hole locations. Each sample bag contained primary ore and oxidized ore from different tunnel positions, totaling 209 kg of primary ore and 100 kg of oxidized ore.

Since the testwork included composite sample testing and individual ore sample testing, each type of ore was processed separately. The composite sample preparation strictly followed ore blending requirements to ensure representativeness.

Table 9–2 Details of the 2007 Metallurgy Samples

Drill Hole No.	193	201	203	210	213
Sulfide Ore Grade (g/t)	8.70	2.08	11.90	3.37	23.40
Oxidized Ore Grade (g/t). . . .	12.80		2.87	23.40	
Full-Sulfide Mixed Ore Grade (g/t)	6.57	Full-Oxidized Mixed Ore Grade (g/t)			10.40
70% Oxidized Mixed Ore Grade (g/t)	8.70	80% Oxidized Mixed Ore Grade (g/t)			9.68

B. Sample Preparation and Characterization

Ore blending was conducted resulting in the following composite samples:

- One primary ore composite from five drill holes
- One "full oxide ore" composite sample
- One "full sulfide ore" composite sample
- One blended sample comprising 80% oxide ore + 20% sulfide ore
- One blended sample comprising 70% oxide ore + 30% sulfide ore

C. Mineralogy

The Banmiaozi ore exhibits the following metallurgical characteristics:

- Metallic minerals: Dominated by pyrite, marcasite, and limonite
- Precious metal: Native gold (primary recoverable species)
- Gangue minerals: Quartz (principal component) within quartz sandstone and fine quartz sandstone matrices
- Gold particle size: <0.006 mm (microscopic to ultra-microscopic)
- Gold occurrence: Predominantly intergranular (72–85%) and encapsulated (12–18%) gold

D. Metallurgical Test Work

Metallurgy tests were executed under fixed process parameters as specified yielding the following technical indicators:

1) 100% Sulfide Ore Flotation Circuit Test

Closed-circuit flotation performance data are presented in Table 9–3.

Table 9–3 Flotation Process Closed-Circuit Test Result

Product Name	Yield (%)	Gold Grade (g/t)	Gold Recovery (%)
Concentrate	26.10	21.40	83.53

2) 100% Sulfide Ore Flotation Concentrate Cyanidation Test

Leaching results for flotation concentrates are detailed in Table 9–4.

Table 9–4 Flotation Concentrate Leaching Test Result

Flotation Tailing Grade (g/t)	Flotation Recovery (%)	Leaching tailing Grade (g/t)	Concentrate leaching rate Recovery (%)	Overall Recovery (%)
21.40	83.53	9.66	54.86	45.82

3) 100% Sulfide Ore Flotation Concentrate Cyanidation Test

Leaching results for flotation concentrates are detailed in Table 9–5.

Table 9–5 Flotation Tailings Leaching Test Result

Flotation Tailings Grade (g/t)	Flotation Recovery (%)	Leaching Tailings Grade (g/t)	Concentrate Leaching rate Recovery (%)	Overall Recovery (%)
1.49	16.47	0.40	73.15	12.03

Note: The combined recovery for sequential flotation-concentrate leaching achieved 57.85%.

4) Blended Ore Direct Cyanidation Test

Leach performance for blended ore composites appears in Table 9–6.

Table 9–6 Blended Ore Leaching Test Result

Blended Ores	ROM Grade (g/t)	Leaching Tailing Grade (g/t)	Gold Leaching Recovery (%)
100% Sulfide Ore	6.57	2.98	54.64
100% Oxide Ore	10.40	0.84	91.92
70% Oxide Ore	8.70	1.32	84.83
80% Oxide Ore	9.68	1.30	86.57

5) Recommended 100% Sulfide Ore Processing Circuit

Based on the test results, the optimized flowsheet incorporates:

- Primary flotation (producing saleable gold concentrate)
- Flotation tailings cyanidation
- Overall gold recovery: 95.56% (refer to Table 9–7).

Table 9–7 Recommended Processing Test Result

Product	Yield (%)	Gold Grade (g/t)	Flotation Recovery (%)	Concentrate Leaching Rate (%)	Staged Recovery (%)	Overall Recovery (%)
Flotation Concentrate	26.10	21.40	83.53		83.53	95.56
Flotation Tailing	73.90	1.49	16.47	73.15	12.03	

9.1.2Mineralogy

Based on the assay results of 30 composites, the average chemical composition is as follows: Au 6.32g/t, Ag1.18g/t, Mn 0.07%, S 0.09%, As 0.02%, Pb 0.003%, Cu 0.002%, Zn 0.003%, Sb 0.0006%. Other elements were below detection limits.

The ore is classified as medium-sulfide quartz sandstone-type fine-grained gold ore. The metallic minerals mainly consist of pyrite, marcasite, and limonite, while the non-metallic minerals are predominantly quartz. The precious metal mineral is native gold, which serves as the target mineral for recovery in this metallurgical test.

Regarding recoverable and harmful elements, the primary recoverable element is gold (Au), with sulfur (S) as an associated element for comprehensive recovery, while arsenic (As) is present as a harmful element in low content.

Gold distribution analysis reveals that pore gold accounts for 80.96%, encapsulated gold for 12.62%, and intergranular gold for 6.42%, with the gold fineness exceeding 85%. In terms of gold particle size distribution (based on 328 gold grains), fine-grained gold (0.005–0.001 mm) dominates at 85.06%, followed by microscopic gold at 7.08%, and fine gold at 0.57%.

The occurrence state of gold is mainly intergranular gold and encapsulated gold. The main host minerals of gold are quartz and pyrite. As the primary host mineral, quartz cannot be enriched through flotation.

Due to the fine-grained dissemination of native gold in the ore, complete liberation is difficult to achieve under conventional grinding fineness, resulting in unsatisfactory cyanidation leaching performance. The liberation degree of native gold is the key factor affecting the cyanidation leaching of this ore.

This ore presents processing challenges due to its fine-grained gold distribution and strong association with quartz. Optimizing grinding fineness and exploring alternative liberation methods may improve cyanidation recovery rates.

9.1.3Comments

BAW classifies this ore as a low-to-medium sulfide, finely disseminated gold deposit, with ultra-fine gold grains (94% < 0.005 mm) primarily hosted in quartz and pyrite. Gold occurs mainly as void-edge (48.83%) and intergranular (29.72%) forms. Cyanidation achieves a leaching rate of ˜84%, but direct cyanidation of sulfide ore yields only 54.64%. The recommended combined process of flotation (recovery: 83.53%) and tailings cyanidation (recovery: 12.03%) achieves a total recovery of 95.56%. Key constraints on recovery include the fine gold grain size and strong association with quartz.

9.2 Processing and Metallurgical Facilities

The mine commenced operations in 2010. In September 2017, Changchun Gold Design Institute was commissioned to develop an expansion plan, increasing the processing capacity from 660 ktpa to 800 ktpa.

With nearly ten years of production history and consistent ore characteristics, the processing method has remained whole-ore cyanidation with carbon adsorption, supplemented only by cyanide destruction.

Since its commissioning in 2009, the processing plant has employed the following circuit: Primary crushing → secondary crushing → two-stage grinding (80% passing –200 mesh) → cyanidation → carbon adsorption → loaded carbon elution → cyanide destruction → tailings disposal.

The operational equipment diagram of the mineral processing plant is shown in the Figure 9–1 and 9–2 below.





Ball Mill Leaching Tank

Figure 9–1 Operating Equipment (Ball Mill and Leaching Tank)





Carbon Tank Gold Dore Smelter

Figure 9–2 Operating Equipment (Carbon Tank and Gold Dore Smelter)

9.2.1Processing Overview

1. Crushing

Run-of-mine ("**ROM**") ore is blended at the stockyard and fed by loader to the primary crusher feed bin. The ore is then conveyed by a GBZ160–7 heavy-duty apron feeder to a C110 primary jaw crusher. The crushed product is transported via conveyor belts #1 and #2 to conveyor belt #3 in the secondary crushing building, which feeds a YA2460 circular vibrating screen. The screen oversize is conveyed by belt #4 to an intermediate surge bin, then fed by a belt feeder at the bin bottom to an HP300 cone crusher. The crushed product returns to conveyor #3, forming a closed circuit. The screen undersize is conveyed by belt #5 to the fine ore bin.

2. Grinding

Material from the fine ore bin is fed by four belt feeders to the ball mill feed conveyor #6, which delivers ore to one QY40x67 overflow ball mill in primary grinding. The mill discharges reports to the primary slurry pump sump and is pumped to a cluster of four Φ375mm primary hydro cyclones for classification. The cyclone underflow returns to the primary ball mill to form a closed circuit, while the overflow gravitates to the secondary pump sump.

The slurry is pumped to a cluster of eight Φ258mm secondary hydro cyclones for pre-classification. The secondary cyclone underflow returns to one MQY40x67 overflow ball mill in secondary grinding (closed circuit), with the overflow gravitating to a DZSF-1536 trash screen for wood chip removal. The screen undersize flows by gravity to a GX-18 high-rate thickener for pre-leach thickening.

3. Gold Leaching

The thickener underflow is pumped by 6/4D-AH(CR) slurry pumps to the leaching plant, passing sequentially through ten Φ9500 × 10000 leaching-agitation tanks. For oxidized ore processing:

- Tank #1: Alkaline pre-treatment
- Tanks #2–4: Leaching reaction
- Tanks #5–9: Contain activated carbon for simultaneous leaching and adsorption

For primary ore processing:

- Tanks #1–4: Pre-treatment
- Tanks #5–9: Leaching and adsorption
- Tank #10: Surge capacity

The leached slurry flows by gravity to a DZSF-1225 safety screen, with screen oversize (carbon) recovered for treatment and undersize reporting to effluent treatment. Fresh carbon is added to the last adsorption tank (Tank #9) and moved counter-currently through the circuit by five Φ150 airlifts installed in Tanks #5–9. Loaded carbon and slurry are discharged from Tank #5 through a DZSF-0916 carbon separation screen, with the screened slurry returning to the adsorption circuit. The loaded carbon reports to the elution-electrowinning plant, where gold sludge is produced and sent for smelting to produce final gold product.

4. Cyanide Destruction and Tailings Disposal

Slurry from the safety screen flows into two cyanide destruction tanks where sodium metabisulfite and copper sulfate are added. With sufficient oxygen supply, the cyanide concentration is reduced to below 1ppm to meet discharge standards. The treated slurry then flows to a piston pump surge tank and is pumped by three piston pumps (two operating, one standby) to the tailings filtration plant. After dewatering by four filter presses, the filter cake (~20.5% moisture) is conveyed to the tailings storage facility. The filtrate is thickened and returned to the water reclaim system for reuse.

5. Tailings Disposal

The filtered tailings storage facility is located approximately 600m southwest of the processing plant in the Zengjiagou creek.

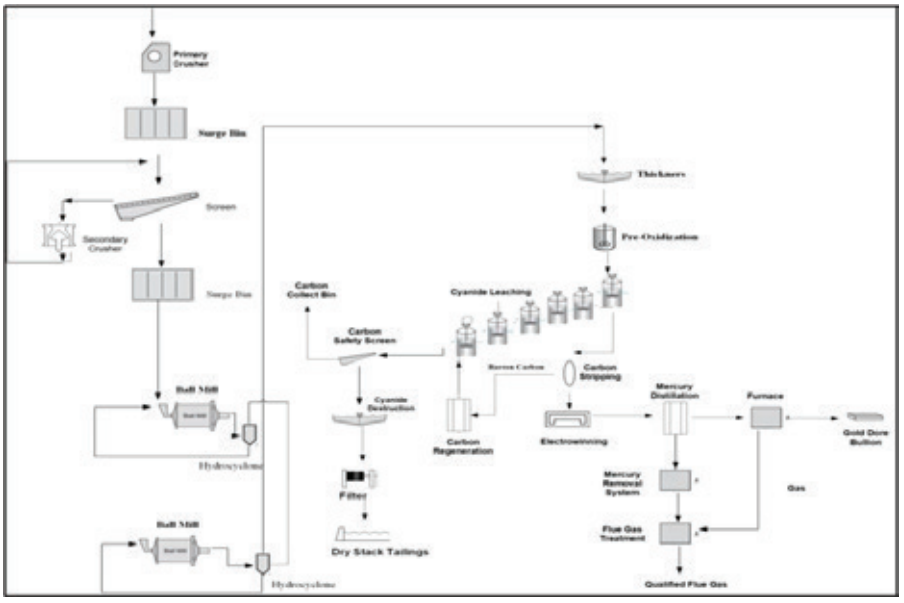


Figure 9–3 Processing Flowsheet

9.2.2Processing Equipment

The processing equipment utilized in this processing plant is presented in Table 9–8:

Table 9–8 Key Processing Equipment

Equipment	Specification	Number
Crushing		
Primary Jaw Crusher	C110	1
Secondary Cone Crusher	HP300	1
Circular Vibrating Screen	YA2460	1
FRP Axial Flow Fan	BT35–11	6
Grinding and Leaching/Adsorption		
Belt Feeder	800 × 1500	4
Wet Overflow Ball Mill	MQY40 × 67	2
Primary Hydrocyclone Cluster	φ 375 × 4	1
Secondary Hydrocyclone Cluster	φ 250 × 8	1
Pre-Leach Thickener	GX-18	1
Trash Screen	DZSF-1536	1
Leaching Tank	φ 9500x10000	1
Adsorption Tank	φ 9500x10000	7
Loaded Carbon Separator	DZSF-0916	5
Safety Screen	DZSF-1225	1
Elution And Electrowinning		
Evolution-Electrowinning System	JXZ12060	1
Fresh Carbon Conical Agitation Tank	φ 1500	1
Acid Washing Tank	XDC4000	1
Neutralization Tank	φ 2000	1
Dewatering Screen	DZSF-0916	1
Fine Carbon Separation Screen	DZSF-0916	1
Activated Carbon Regeneration Kiln	JHR-700	1

This mineral processing circuit comprises comprehensive equipment for crushing (jaw crusher, cone crusher, screen), grinding/leaching/adsorption (ball mills, hydrocyclones, leaching/adsorption tanks), and elution/electrowinning (elution system, regeneration kiln, dewatering screens), including auxiliary units like feeders, thickeners, and ventilation fans.

9.2.3Reagent Consumption

In 2024, the processing plant consumed 832,289 kg sodium cyanide (0.98 kg/t) and 2,080,721 kg lime (2.45 kg/t) to treat 849,274 tonnes of ore, with flocculant being the highest unit-consumed reagent at 37.91 g/t as shown in Table 9–9.

Table 9–9 Summary of Reagent Consumption

	Unit	2024 Actual Consumption	2024 Unit Consumption (kg/t)
Throughput	t	849,274	
Sodium cyanide	kg	832,289	0.98
Lime	kg	2,080,721	2.45
Grinding media	kg	1,885,388	2.22
Sodium metabisulfite	kg	1,239,940	1.46
Copper sulfate	kg	59,449	0.07
Flocculant	g	32,195,977	37.91
Activated carbon	g	832,289	0.98
Hydrochloric acid	kg	42,464	0.05
Solid sodium hydroxide	kg	33,971	0.04

9.2.4Comments

BAW believes that the process flow and equipment operation demonstrate reasonable efficiency, maintaining stable performance in whole-ore cyanidation for over a decade, supported by optimized crushing-grinding circuits and carbon adsorption, while ensuring compliant cyanide destruction and tailings management.

9.3 Recovery Rates and Product Quality

9.3.1Recovery Rates

The processing plant demonstrated consistent performance from 2022 to 2024(see table 9–10), with grinding throughput increasing from 671,827 t to 849,273 t while maintaining an average head grade of 3.09 g/t and achieving 87.53% overall gold recovery.

Table 9–10 Processing Plant Performance (2022–2024)

Items	Unit	2022	2023	2024	Average
Throughput	t	671,827	707,610	849,273	742,903
Head Grade	g/t	3.27	2.96	3.04	3.09
Overall Recovery Rate	%	87.42	86.03	89.13	87.53
Recovered Gold	kg	1,920.48	1,804.76	2,302.61	2,009.28

Overall recovery is projected to be lower than 90%, which may result from gradual changes in ore type as underground mining progresses deeper.

9.3.2Production Forecast

As shown in Table 9–11, the processing plant is projected to operate with variable throughputs ranging from 686 kt to 814 kt per annum and head grades between 2.84 g/t and 3.78 g/t, while maintaining a consistent recovery rate of 89%. Annual gold production is expected to fluctuate between 1.87t and 2.74t from 2006 to 2029.

Table 9–11 Production Forecast of the Banmiaozi Property

	Unit	Total	2026	2027	2028	2029
Throughput	kt	3,083	803	801	793	686
Head Grade	g/t	3.13	3.60	3.01	2.84	3.07
Overall recovery	%	89.00	89.00	89.00	89.00	89.00
Gold Production.	t	8.59	2.57	2.14	2.00	1.87

9.3.3Comments

BAW reviewed the data and noted that the 2022–2024 production data demonstrate operational stability. The forecasted recovery rate of 89.0% is consistent with historical performance; however, the projected variability in gold output underscores the need for closer ore grade reconciliation to ensure reserve consistency.

9.4 Tailings Storage Facility ("TSF")

The project commenced construction in August 2007. The TSF is located about 1.5 km northwest of the processing plant. The original TSF was expanded in 2014, increasing its total storage capacity to 8.15 million square meters ("**m^3**"). The expansion project began construction on May, 2017, and was completed in September 2018, when it was put into production.

The tailings disposal process adopts filter-press dewatering and dry stacking, with the filtered tailings cake having a moisture content of around 20%. The TSF was first put into use in 2009 and is situated in a gently sloped, open valley approximately 1.5 km northwest of the processing plant.

The valley has a usable length of 1.15 km for tailings storage. Currently, the TSF has a maximum dam height of 119 m and a remaining service life of 6 years.

9.4.1Phase I Expansion Overview

The Phase I expansion was implemented in 2017. The new starter dam was constructed approximately 45 m downstream from the axis of the existing seepage interception dam. The tailings embankment was raised using the upstream construction method. Based on the projected tailings discharge requirements over the design service life, the final elevation of the tailings embankment was designed at 825 m, with an embankment height of 95 m and a total dam height of 119 m. The total storage capacity after expansion reached 8.15 million m^3.

9.4.2Phase II Expansion Progress

The Phase II expansion project was initiated in 2020. The design adopted the upstream construction method, with the final tailings elevation planned at 840 m, an embankment height of 110 m, and a total dam height of 134 m. The expansion added a storage capacity of 6.52 million m^3, resulting in a total storage capacity of 14.67 million m^3 and a design service life of 13 years, as shown in Table 9–12.

Construction of the Phase II expansion commenced in May 2023, and trial production began in September 2024. The tailings were transported and dry-stacked exclusively using these mobile conveyors.

9.4.3Water Management

Under normal operating conditions, the TSF remains dry. During the flood season, stormwater temporarily accumulates in the rear section of the facility and is diverted through flood control systems to the downstream seepage interception dam. The collected water is then returned to the processing plant for reuse, achieving a zero-discharge operational principle.

Table 9–12 Details of the Proposed TSF Dam

Category	Parameter	Unit	Value
TSF	Total area	km^2	0.80
	Catchment area	km^2	0.87
	Total capacity	Million m^3	14.67
	Total dam height	m	134
	Design service life	years	13
Starter Dam.	Type	—	Permeable rockfill
	Crest elevation	m	730
	Crest width	m	4
	Height	m	24
	Upstream slope	—	1:1.75
	Downstream slope	—	1:1.75
Embankment	Construction method	—	Upstream, dry stack
Dam.	Stacked height	m	110
	Final crest elevation	m	840
	Average outer slope	—	1:4.0

9.4.4Comments

BAW assessed that the TSF features sound engineering with its upstream dry-stack design (20% moisture content), robust flood diversion systems, and zero-discharge water management. However, its remaining 6-year service life (extended to 13 years post-Phase II) requires proactive planning for future capacity extensions, given the current 75% utilization rate (7.05/8.151 million m^3).

9.5 Comments on Processing

The ore is characterized as low-to-medium sulfide, finely disseminated gold with ultra-fine gold grains (94% < 0.005 mm), primarily hosted in quartz and pyrite. Metallurgical tests confirm that whole-ore cyanidation achieves ˜84% recovery for oxidized ore, while sulfide ore requires a combined flotation-cyanidation process to reach 95.56% recovery. The refractory nature of the ore, particularly due to fine gold encapsulation in quartz, remains a key challenge.

The plant operates efficiently with a stable crushing-grinding-cyanidation circuit, achieving consistent throughput and maintaining an 87.53% average recovery. The use of dry-stacked tailings (20% moisture) and zero-discharge water management enhances environmental compliance. However, equipment aging and variable reagent costs suggest potential optimization opportunities.

Historical recovery rates (86–89%) align with metallurgical test results, though slightly below the 90% target, largely due to ore variability at depth. The forecasted recovery rate of 89.0% over the coming years is considered achievable, but mitigating output fluctuations will require ongoing ore blending and process optimisation to manage operational risks.

The TSF is well-engineered, with upstream dry-stacking, flood controls, and zero-discharge systems ensuring safety and regulatory compliance. However post-Phase II expansion to 13 years, proactive planning for further expansions or alternative disposal methods is critical to avoid future constraints.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Business License

Details of the business license for the Banmiaozi Property issued by the State Administration for Industry and Commerce are presented below.

Table 10–1 Details of the Business License for the Banmiaozi Property

Property	Business License No	Issue Date	Permitted Activities
Jilin Banmiaozi Mining Company Ltd . .	912206017536172674	November 2003	Gold exploration; underground mining; gold processing; gold product sales; gold transportation

10.1.2 Land Use Permit

Details of the land use permit for the Banmiaozi Property issued by the Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Land Use Permit for the Banmiaozi Property

No.	Land Use	License ID	Area (m^2)	Issued Date
1. . . .	Industrial	(2010)60000125	11,308	November 2010
2. . . .	Industrial	(2010)60000126	727	November 2010

10.1.3 Mining Licenses

Details of the mining licenses for the Banmiaozi Property issued by the Ministry of Natural Resources are presented below.

Table 10–3 Details of the Mining Licenses for the Banmiaozi Property

License Holder	Jilin Banmiaozi Mining Company Ltd
Name of Property.	Jilin Banmiaozi Mining Company Gold Property
License Type	Mining
License ID.	C1000002011044110112056
Area (km^2).	2.0514
Elevation (m)	–135–750
Permitted Production Capacity. . .	800 ktpa
Type of Commodities	Gold
Mining Method	Underground
Valid Period.	April 2021 to December 2025

10.1.4 Exploration License

Details of the exploration licenses for the Banmiaozi Property issued by Jilin Provincial Natural Resources Department are presented below.

Table 10–4 Details of the Exploration Licenses for the Banmiaozi Property

No.	Name of Property	License ID	Area (km^2)	Valid Period
1. .	Jilin Baishan City Badaojiang District Banshigou Gold and Polymetallic Gold Exploration	T2200002008064010008497	7.15	November 2020 to July 2025

10.1.5 Safety Production Permit

Details of the Safety Production Permits for the Banmiaozi Property issued by the Ministry of Emergency Management are presented in Table 10–5 below.

Table 10–5 Details of the Safety Production Permits for the Banmiaozi Property

No.	License Holder	License ID	Type	Mining Method	Valid Period
1. .	Jilin Banmiaozi Mining Company Ltd	(Ji) FMSP (2022) DXB5132	Non-coal mining	Underground	December 2023 to December 2026
2. .	Jilin Banmiaozi Mining Company Ltd	(Ji) FMSP (2022) WKBY0025	Tailings Storage Facility		October 2022 to October 2025

10.1.6 Waste Discharge Permits

Details of the Waste Discharge Permit for the Banmiaozi Property issued by the Ministry of Ecology and Environment are presented below.

Table 10–6 Details of the Waste Discharge Permit for the Banmiaozi Property

License Holder	Jilin Banmiaozi Mining Company Ltd
License Type	Gold mining and processing; industrial boiler; general water treatment process
License ID	91220601753617267400 1V
Valid Period	June 2023 to June 2028

10.2 Environmental Management

10.2.1 Ecological Impact

The Banmiaozi Property, situated in Baishan City, Jilin Province, is enveloped by forest ecosystems and boasts a sparse distribution of villages, towns, and inhabitants in its vicinity. Notably, the project area does not encroach upon national or provincial public welfare forests, thereby sidestepping any disruption to the primary functional zoning of key national ecological areas. The forested land within the project site harbors national protected tree species, and strategies such as transplanting and off-site planting will be employed to uphold the existing quantity of nationally and provincially safeguarded wild plants.

The region where the property resides lacks designated ecologically sensitive zones like nature reserves or scenic locales and does not fall within the ecological red line, aligning with the stipulations of the ecological protection red line zone. While the construction and operation of the mine site may introduce certain level of pollution to the air, surface water, groundwater, and acoustic environment in the vicinity, these potential impacts on the regional ecological setting can be mitigated through the implementation of pollution prevention and control mechanisms, as well as risk management strategies.

Based on the ecological environment survey and evaluation conducted for the Banmiaozi Property, several positive findings were highlighted. These include:

- **Low Population Density**: The small population in the area indicates minimal human interference in the natural ecosystem.
- **High Forest Coverage**: The region boasts a high forest coverage rate, indicating a healthy ecosystem.
- **Good Ecological Environment Quality**: The overall ecological environment quality of the mining area is deemed relatively good.

Despite these positive attributes, BAW acknowledges that the mining operation may lead to certain adverse impacts on the regional environment. However, by incorporating a range of pollution prevention and control measures, as well as ecological mitigation and restoration strategies, BAW believes that the environmental impacts of the project can be effectively managed and accepted.

By proactively addressing potential environmental risks through comprehensive measures, the management aims to mitigate its effects on the surrounding ecosystem. The commitment to pollution control, mitigation, and restoration efforts tailored to the specific characteristics of the Banmiaozi Property demonstrates a responsible approach to environmental stewardship. Through these actions, the management seeks to minimize its ecological footprint and contribute to the sustainable development of the region while ensuring the preservation of its ecological integrity.

10.2.2 Solid Waste

Throughout the operation, the primary solid waste generated comprises waste rocks and domestic garbage. Based on the results of the leaching test conducted on the waste rocks produced during mine development, the concentration of harmful and toxic pollutants in the waste rocks is extremely low and complies with discharge standards. As a result, the waste rocks are not classified as hazardous waste and can be directly used for back-filling. By keeping the waste rocks within the mine, land occupation is minimized and significant surface subsidence caused by goafs is effectively avoided.

Domestic waste from the residential areas is collected in designated trash bins and routinely transported to landfills by garbage trucks for proper disposal, ensuring compliance with waste management regulations and standards.

10.2.3 ***Water Conservation***

The existing mining wastewater primarily consists of underground water. After undergoing flocculation and sedimentation, this water is used in production processes, with any surplus discharged into surface water bodies. Wastewater from the concentrator mainly originates from grinding, thickening, and desorption processes. All of this production wastewater is collected and returned to the backwater pool for reuse in mineral processing, with no external discharge.

Tailings generated by the project are managed through dry stacking. Following harmless treatment and filter-pressing, the tailings are deposited into the existing tailings pond. Wastewater from the tailings pond's backwater pool is fully recycled to the concentrator's high-level water pool after sedimentation treatment, with no discharge to the environment.

All domestic sewage from the mining area is directed to anti-seepage septic tanks. The Baishan Municipal Environmental Sanitation Management Office is contracted to regularly transport this sewage by tank trucks to the Baishan Municipal Sewage Treatment Plant for proper treatment. Wastewater from the mineral processing plant is centrally collected and reused within the mineral processing cycle, ensuring zero external discharge. Additionally, wastewater from cleaning the mineral processing workshop floors is recycled after sedimentation in the workshop's backwater pool. Boiler drainage from the existing project is repurposed for slag pouring and dust suppression, also without external discharge.

During the rainy season, leachate is collected and settled in the reservoir beneath the dam, then pumped back to the concentrator's backwater pool for reuse in mineral processing.

BAW understands that the water conservation design at the Banmiaozi Property complies with the requirements of relevant government agencies, ensuring full environmental compliance.

10.2.4 ***Soil Conservation***

During the operational period, the primary soil impacts include vegetation destruction, surface subsidence, and soil erosion. To mitigate these effects, a range of ecological restoration and management measures are planned, such as land reclamation, site leveling, and slope stabilization. Key soil and water conservation strategies include the temporary covering and containment of piled soil, as well as comprehensive site preparation and vegetation restoration in all affected areas following construction. These measures are designed to deliver significant soil and water conservation and social benefits. The interventions aim to restore soil quality and ecological balance, ensuring compliance with regulatory requirements and supporting sustainable land use.

10.2.5 Tailing Storage Facility

The property utilizes a full-slime cyanidation process for gold ore processing. Tailings are transported under pressure by slurry pumps to the filter-press workshop, located on the south side of the dry-stack tailings pond. The dry tailings discharged from the filter-press workshop are then conveyed to the dry tailings storage yard using a combination of trucks and belt conveyors. The tailings pond, which was commissioned in 2009, has undergone two expansions and renovations. Currently, it has a total storage capacity of 14,675,200 m^3, with a dam height of 134 meters.

Tailings slurry from the concentrator is pumped directly to a stirring tank in the filter-pressing room near the tailings dry storage yard and then fed into the filter-press chamber. The resulting filter cake is transported by belt conveyor to the dry storage yard, where it is stockpiled, leveled, and compacted by bulldozers. Mobile belt conveyors are used within the storage area for transshipment.

The storage area's base is lined with bentonite waterproof blankets, meeting anti-seepage requirements. Groundwater monitoring wells are also in place to ensure ongoing environmental compliance.

10.2.6 Rehabilitation

The primary targets for rehabilitation and restoration at the mine-site include mining and mineral processing industrial areas, office and living quarters, tailings ponds, waste rock yards, topsoil storage yards, filling stations, explosive depots, and mine roads. Key restoration measures involve dismantling buildings and structures, leveling the ground, covering surfaces with soil, sealing adits, and restoring ecological vegetation.

The geological environment monitoring program encompasses regular inspections for geological hazards, groundwater quality and quantity monitoring, and soil quality assessments. The project anticipates a one-year reclamation period followed by a three-year management and protection phase.

Considering the region's ecological characteristics, a comprehensive ecological restoration and land reclamation plan has been developed. Guided by the principle of simultaneous development and remediation, the plan integrates both engineering and biological measures to enable timely and effective ecological management and restoration of industrial and affected sites. Special emphasis is placed on protecting surface buildings, farmland, roads, rivers, water conservancy facilities, and other key infrastructure within the mining area.

The comprehensive rehabilitation plan started in 2021. According to the rehabilitation study, the incurred cost for rehabilitation up to the present date amounts to RMB14,628,500, with an estimated future rehabilitation program cost projected at approximately RMB17,037,100.

10.3 Occupational Health and Safety

The mine management places a high value on the health and safety of all personnel. In response to the occupational hazard characteristics present at the mine, effective preventive measures have been implemented to combat pollution factors like dust and noise, as well as risks related to fire, explosions, natural disasters, and other unsafe conditions.

The mine management implements advanced and rational production techniques, employing secure and dependable equipment to enhance mechanization during production. This approach aims to minimize or eradicate unsafe elements that may pose risks to human health. These practices not only adhere to labor safety and hygiene regulations but also prioritize the protection and well-being of workers on-site.

At the mine site, there are staff members dedicated to labor safety protection and occupational health, supplemented by part-time personnel in each production department. This staffing structure ensures a focused approach to maintaining a safe working environment and promoting occupational health practices among all workers. A comprehensive record of all on-site injuries and fatalities are summarized as below.

Table 10–7 Details of Injuries and Fatalities for the Banmiaozi Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	0	0	0
Lost Days due to Injury at Work	0	0	0

10.4 Social and Community Contributions

Social responsibility and community building are integral components of the Banmiaozi Property's culture. Since 2022, the Banmiaozi Property has allocated over RMB550,000 towards its charity and community support initiatives. These endeavors encompass various facets such as education donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.

The Banmiaozi Property has been recognized and honored by both the local community and governmental bodies for its commitment to community development and its substantial financial contributions. The accolades received serve as a testament to the Banmiaozi Property's dedication to making a positive impact on the community and fostering social welfare.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Banmiaozi Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of gold. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do no incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable metal for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable metal sold before transportation charges.

Our economic analysis adopted the recent forecasted metal prices. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Metal Prices

USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	3,250	3,000			2,500
Berenberg	3,300	3,200	3,000	2,200	
BMO Capital	3,500	2,988	2,700	2,575	2,200
BoA — Merrill Lynch	3,659	3,141	2,761	2,380	2,000
BNP Exane	2,750	2,500			1,750
Canaccord	3,196	3,279			3,478
CIBC	3,600	3,300			
Citi	2,750				2,200
Cormark	3,000				
Deutsche Bank	3,069				3,000
Goldman Sachs	3,492	3,562			2,850
Hannam	2,700	2,400			2,100
Haywood	3,000	2,800	2,800	2,800	
HSBC	3,125	2,925	2,878	2,802	2,350
Intesa	2,800	2,900			
JP Morgan	2,900	3,020			
Jefferies	3,400	3,200	3,000	2,700	2,500
Liberum	2,463	2,175	2,023	1,975	1,740
Macquarie	2,850	2,550	2,650	2,775	
Morgan Stanley	3,313	2,625	2,500	2,200	2,129
National bank of Canada	3,500	3,200	3,000	2,800	2,600
Raymond James	3,000				2,500
RBC	3,489	3,300	3,000	3,000	2,600
TD Securities	3,400				3,000
Scotiabank	3,200	2,800	2,300		2,300
Societe Generale	4,130				
UBS	3,500	3,250	3,000	3,100	2,800
Average	**3,198**	**2,958**	**2,739**	**2,609**	**2,452**

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX and Sustaining CAPEX for further mine development, mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program and environmental work, which is reasonable and conformable with the industry practice. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, underground drilling, sampling, sample prep and geochemical analysis.

The comprehensive rehabilitation plan started in 2021. According to the rehabilitation study, the incurred cost for rehabilitation up to the present date amounts to RMB14,628,500, with an estimated future rehabilitation program cost projected at approximately RMB17,037,100.

The CAPEX projected for the Banmiaozi Property is summarized in Table 11–2 for the period from 2026 till the end of LOM.

Table 11–2 Projected CAPEX for the Banmiaozi Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	154.8	142.4	135.3	128.5	0.0
Development and Expansion CAPEX	0.0	0.0	0.0	0.0	0.0
Rehabilitation CAPEX	0.0	0.0	0.0	17.0	0.0
Exploration CAPEX	8.8	7.3	0.0	0.0	0.0
Total.	163.6	149.6	135.3	145.5	0.0

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing (washing) costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in RMB.

Based on the information provided by the management, the forecasted operating cash costs for the Banmiaozi Property for the period from 2026 till the end of the LOM are summarised in Table 11–3 and Table 11–4 below.

Table 11–3 Operating Unit Cash Costs for the Banmiaozi Property

Operating Cash Costs	Unit	2022	2023	2024	2025	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Total Mining Costs	RMB/t ore	226.2	195.4	208.4	205.9	210.0	210.0	210.0	210.0	0.0
Total Processing Costs	RMB/t ore	109.4	109.8	112.1	100.6	110.5	110.5	110.5	110.5	0.0
Total Selling, General & Admin (G&A) Costs	RMB/t ore	57.0	54.5	64.0	45.8	108.8	86.0	73.0	76.9	0.0
Total Operating Cash Costs	RMB/t ore	392.6	359.7	384.5	352.3	429.3	406.5	393.5	397.4	0.0

Table 11–4 Total Operating Cash Costs for the Banmiaozi Property (RMB in Million)

Item	2026	2027	2028	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	57.4	56.51	48.24
On and off-site administration	101.9	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

All-In Sustaining Cost (AISC) is a key performance metric used in the mining industry, especially in precious metals mining, to provide a comprehensive view of the true cost of producing a unit of metal (commonly expressed as cost per ounce or per pound), introduced in 2013 by the World Gold Council. BAW has estimated the AISC for the Banmiaozi Property, which includes, in addition to the direct operating cash costs, sustaining costs and rehabilitation costs of ongoing operations as shown below.

Table 11–5 All-In Sustaining Cost ("AISC") for the Banmiaozi Property

	Unit	2026	2027	2028	2029	2030 till the end of LOM
AISC	RMB in Million	512.3	474.3	446.6	412.0	0.0
LOM Average AISC	RMB/kg	211,659.1				
LOM Average AISC	USD/oz	941.0				

11.5 Taxation

BAW understands that the favourable corporate income tax rate was granted to the Banmiaozi Property. Te corporate income tax rate of 15% is used throughout the rest of the LOM in our economic analysis.

In accordance with the "Notice on Gold Tax Policy Issues" (Cai Shui [2002] No. 142) issued by the Ministry of Finance and the State Taxation Administration, gold production and operating entities are exempted from Value-Added Tax ("VAT") on sales of gold. Additionally, urban maintenance and construction tax and education surcharges are exempted for gold-related transactions.

11.6 Discounted Cashflow Projection

In order to assess the overall economic feasibility of the Banmiaozi Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as *Net Operating Profit After Tax + Depreciation — Change in Net Working Capital — Capital Expenditure*. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated.

Weighted Average Cost of Capital ("**WACC**") is adopted as the basis for determining the discount rate, representing the average rate of return expected to pay the capital providers through both equity and debt holders. It is calculated by weighting the cost of equity and the after-tax cost of debt according to the proportion of the capital structure.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in previous sections together with the abovementioned discount rate, the NPV for the Banmiaozi Property is estimated to be RMB3,085,000,000 at a discount rate of 6% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified with economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal price, OPEX and CAPEX at a discount rate of 6%. The resulted changes of after-tax NPV are summarized in Table 11–5 and plotted in Figure 11–1 below.

Table 11–6 Sensitivity Analysis of After-Tax NPV (RMB in million)

Parameters	–15%	–10%	–5%	Base Case	5%	10%	15%
Gold Price . . .	2,549	2,728	2,907	3,085	3,264	3,442	3,621
OPEX	3,230	3,182	3,133	3,085	3,037	2,989	2,940
CAPEX	3,165	3,138	3,112	3,085	3,059	3,032	3,005

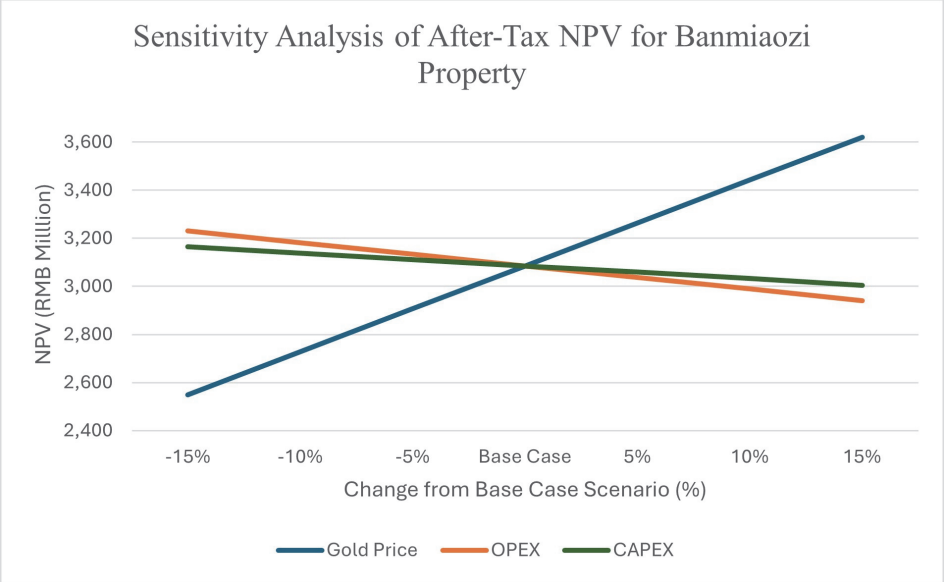


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Banmiaozi Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Banmiaozi Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

Key metrics of the Banmiaozi Property are tabulated as below.

Table 11–7 Key Metrics of the Banmiaozi Property

Metrics	Unit	Value	
Total Gold Resources	t	21.32	
Total Gold Reserves	t	9.66	
LOM	years	4	from 2026 to 2029
Mining Production Capacity	ktpa	800	Underground
Processing Recovery	%	89	
LOM Average AISC	US $/oz	941.0	
NPV	RMB million	3,085	

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

1. High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (> 15%) on the project cash flow and performance and could potentially lead to project failure.

2. Moderate Risk: the factor, if uncorrected, could have a significant impact (> 10%) on the project cash flow and performance unless mitigated by some corrective action.

3. Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risk Factors in association with the Banmiaozi Property

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.
Resources	Low to Moderate	The earliest drilling and exploration program were carried out in the 1990s. Further supplemental exploration programs were subsequently undertaken. In addition, the mining operation has been ongoing in the region for years. 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.	Additional in-fill drilling activities may further reduce the resource risk for subsequent mine planning. Acquisition of exploration properties to expand the resource portfolio. BAW recommends the routine insertion of Certified Reference Materials (CRMs) and blank samples to provide independent checks on analytical accuracy and on contamination that might arise during preparation or assay.
Mining Operation. . .	Low to Moderate	Extraction is planned to be carried out in the way of Cut and Fill mining and Shrinkage mining which are common mining methods adopted in the mining industry. BAW is of the opinion that this mining method reasonable and appropriate for this type of underground deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly.	The mine management can allocate more financial and human resources to further improve its operation management and skillsets to achieve a higher mining recovery.
Production Targets . .	Low to 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. Variation of the mining dilution factor from time to time may cause variation in mining recovery and processing recovery factors, resulting in variation in quantity of the finished products. The faults encountered as mining advances may also cause some production short fall in some short periods.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. A more coordinated production scheduling may be necessary in order to achieve maintain the production target when mining activities proceed to those relatively lower grade zone.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Geotechnical and hydrogeological Status	Low to Moderate	During actual production, no major geotechnical or hydrogeological risks have been reported. This positive safety record reflects existing practices, but continuous vigilance is paramount, necessitating the strengthening of relevant research and management efforts to proactively control any potential risks that may arise.	The mining methods have all been upgraded to incorporate backfilling, which is more conducive to maintaining surrounding rock stability and reducing potential risks.
Processing	Moderate	Declining ore grade and recovery rates due to increasing depth of mining, leading to lower gold output. Tailings storage facility (TSF) capacity constraints with only 6 years remaining service life post-Phase II expansion.	Implement rigorous grade control and ore blending strategies; conduct metallurgical testing on deeper ore zones to optimize process parameters. Accelerate planning for Phase III TSF expansion or alternative tailings disposal methods (e.g., paste backfill).
Infrastructure	Low	Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment. Construction of small-scale reservoir will reduce the risk of water shortage.
CAPEX	Moderate	Projected CAPEX includes sustaining CAPEX and Development and Expansion CAPEX have been budgeted in details. The TSF is well-engineered, with upstream dry-stacking, flood controls, and zero-discharge systems ensuring safety and regulatory compliance.	CAPEX budgeting should be an ongoing practice till the end of LOM. Proactive planning for further expansions or alternative disposal methods is critical for TSF post-Phase II expansion to 13 years.
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. The Banmiaozi Property is not located in an environmentally sensitive area and is expected to have a minimal adverse impact on the environment.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Occupational Health and Safety	Low	Realizing the importance to improve its production safety record and therefore, the mine management has been placing emphasize and allocating resources to ensure its planned operation is conducted in accordance with the national safety regulations. 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. Their endeavors encompass various facets, including educational donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.	Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects.
Community	Low	Lack of long-term funding plans could lead to "one-off" projects.	Develop long-term plans to maintain a sustainable relationship with the local community.

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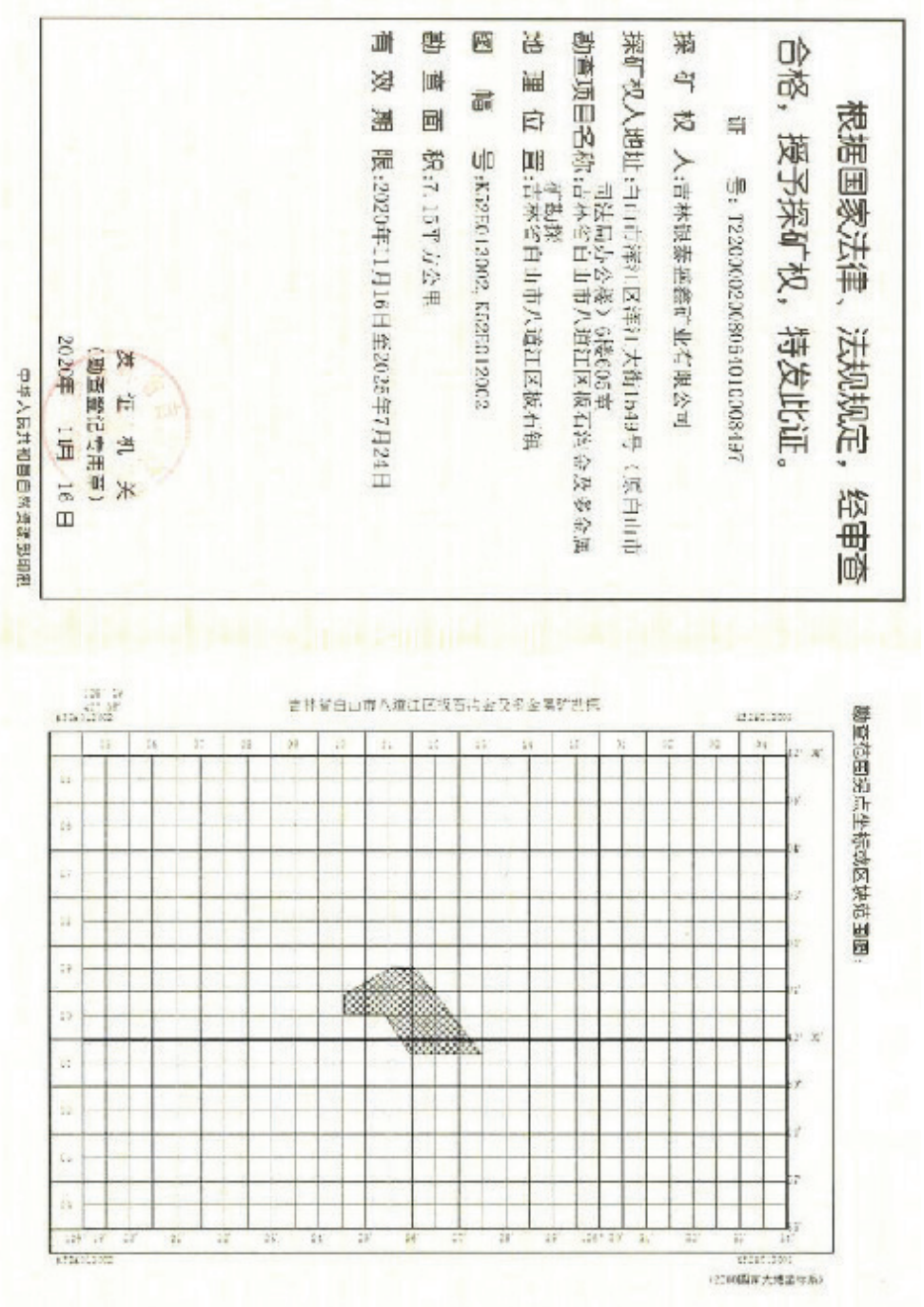
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14 APPENDIX A — EXPLORATION AND MINING LICENSES

Jinying Gold Mining Area



Banshigou Gold and Polymetallic Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T2203002080540100084?7

探 矿 权 人：吉林银泰金盛矿业有限公司

探矿权人地址：白山市浑江区浑江大街1649号（原白山市司法局办公楼）6楼605室

勘查项目名称：吉林省白山市八道江区板石沿金及多金属矿勘探

地 理 位 置：吉林省白山市八道江区板石镇

图　　幅　号：K52G122002, K52G122003

勘 查 面 积：7.15平方公里

有 效 期 限：2023年11月16日至2025年7月24日

发 证 机 关

（勘查登记专用章）

2020年 11月 16日

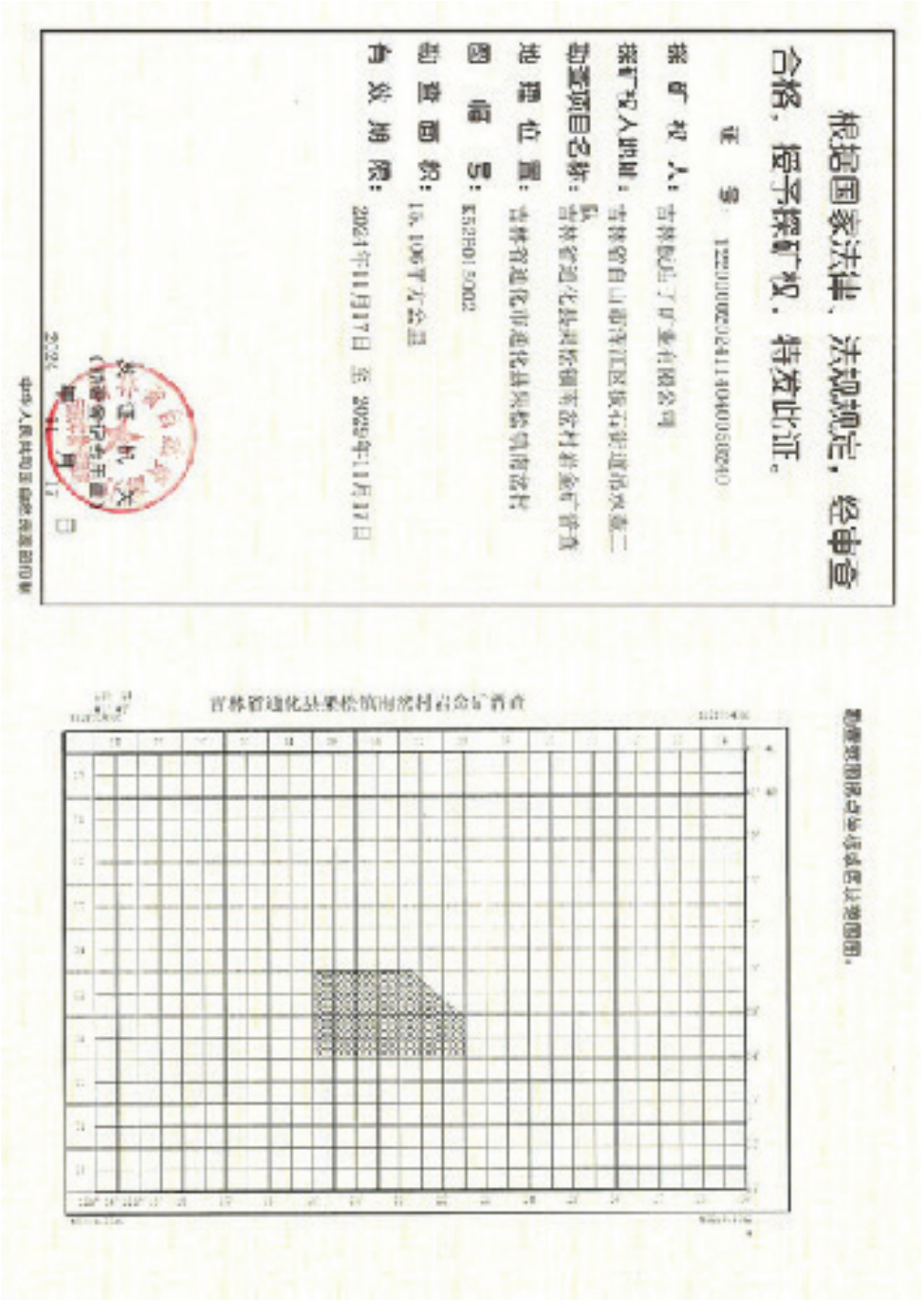
中华人民共和国自然资源部印制

勘查范围拐点坐标(地区坐标系)：

吉林省白山市八道江区板石沿金及多金属矿勘探

(2000国家大地坐标系)

Nancha Village Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证 号：

探矿权人：

探矿权人地址：

勘查项目名称：

地理位置：

图幅号：

勘查面积：

有效期限：

吉林省通化县果松镇南岔村石金矿普查

勘查项目位置图。

15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques.	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• *Diamond drill core (NQ/HQ) and rotary drilling were employed, with core samples split by diamond saw into half-core for assay. Underground and surface channel samples were collected using diamond saw cuts, oriented perpendicular to ore body strike. Trenching provided limited additional surface samples. Sample intervals were typically 1 m, with variations between 0.3–1.5 m to reflect lithological or mineralisation boundaries.* • *Core recovery was routinely monitored and exceeded 95% for surface holes and 85% for underground holes. Channel samples were cut to consistent dimensions (10 × 3–5 cm). Sampling preparation followed standard PRC protocols: drying, crushing to 20–80 mesh, and pulverising to 200 mesh. QAQC included insertion of duplicates, blanks, and CRMs, as well as external umpire checks at ALS and SGS, ensuring representivity and analytical reliability.* • *Gold mineralisation is hosted in silicified tectonic breccia at the Diaoyutai-Zhenzhumen contact, controlled by major thrust faults (F100/F102). Mineralisation exhibits strong continuity along strike and dip, with orebody thickness typically 5–13 m. Sampling methods and QAQC confirm data reliability, and independent re-assays by BAW (2025) verified reproducibility within ±20% variance. These aspects support public reporting of Mineral Resources under the JORC Code (2012).*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• *Surface and underground diamond drilling has been the primary method, using NQ-size core as standard and HQ-size core in selected zones requiring larger diameter. Rotary drilling has been applied since 2017 in highly altered horizons, producing chip samples. Drill holes were collared using total stations and RTK GPS, with down-hole deviation measured every 30–50 m by inclinometer or down-hole camera. Core orientation was not routinely conducted due to complex underground conditions, but structural orientations were logged during core description.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery was measured for each drill run and marked with depth indicators in core boxes. Recovery was calculated as the length of core recovered divided by the drilled interval length. Records show surface drill holes achieved > 95% recovery in more than 90% of intervals, while underground holes achieved > 85% recovery despite local structural complexity.* • *Care was taken during drilling to maintain correct fluid circulation and drill-bit condition. In fractured zones, HQ core barrels were sometimes used to improve recovery. Core boxes were handled carefully to avoid loss, and any fractured material was bagged separately. Overall, recovery is considered representative of in-situ mineralisation.* • *No systematic relationship between recovery and gold grade has been identified. Occasional lower recoveries occur in highly silicified breccia or fault zones, but no evidence of preferential loss of mineralised versus barren material has been observed. The impact of nugget effect is recognised, particularly at higher grades, but is not considered a systematic bias caused by recovery issues.*

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All drill core and channel samples were logged for lithology, alteration, mineralisation, and structural features. Geotechnical parameters such as RQD (Rock Quality Designation), fracture frequency, and joint characteristics were also recorded. Logging supports Mineral Resource estimation, mine planning, and metallurgical studies.* • *Logging was both qualitative and quantitative. Lithology, alteration, and mineralisation were described qualitatively, while quantitative records included sample lengths, recovery, RQD, and geotechnical attributes. Core photography was routinely completed for all intervals.* • *100% of drill core was logged and photographed, covering the entire 613,499 m drilled in the Banmiaozi database. Channel and trench samples were similarly logged in full.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Diamond drill core was cut lengthwise with a diamond saw. Half-core samples were submitted for assay, while the other half was retained in core boxes for reference.* • *Rotary drilling produced chip samples, which were collected dry and riffle-split. Channel samples were obtained by saw-cutting and chiselling along pre-marked lines, ensuring representative thickness.* • *Samples (2–3.5 kg) were dried at ~80 ° C for 4–6 hours, crushed to 20–80 mesh using a jaw crusher, then split. Primary sub-samples were pulverised in a rod mill to 200 mesh, with fine pulp duplicates prepared for QAQC.* • *CRMs, blanks, pulp duplicates, and coarse duplicates were inserted to monitor accuracy and representivity. Internal duplicates were generally inserted at a rate of ~10%. External umpire checks were performed at ALS and SGS.* • *Sample sizes of 2–3.5 kg per interval are considered appropriate relative to the fine grain size of mineralisation (94% of gold <0.005 mm).*

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Gold assays prior to 2007 were performed at Xi'an Nonferrous Geology Research Testing Center using an AAS method. From 2008–2015, assays were undertaken by the Changchun Mineral Resources Supervision and Inspection Center. Since 2016, the Jilin No.1 Laboratory has been the primary facility, with Jilin No.5 Laboratory providing supplementary assays. The main method was aqua regia digestion, activated-carbon adsorption, and atomic absorption spectrometry (AAS). This method is considered adequate but may underestimate grades relative to fire assay.* • *Internal pulp duplicates were submitted at ~10% frequency (1,005 samples). Results showed 97.6% within ±20% HARD, demonstrating acceptable precision. External checks (462 samples) were performed at ALS (Guangzhou) and SGS (Tianjin), with ~92% of results within ±20% HARD. Certified Reference Materials (CRMs) and blanks were also routinely inserted. Overall, analytical precision and accuracy were deemed acceptable.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Significant intersections were reviewed by BAW geologists. 50 quarter-core samples were independently re-assayed at ALS Guangzhou; results confirmed reproducibility within ±20%.* • *No dedicated twin holes were drilled; verification relied on re-assays and comparison with historical data.* • *Primary data recorded on paper and digital logs, then transferred to central database with validation checks. Secure storage and backups maintained.* • *No material adjustments applied except grade capping of extreme values for resource estimation.*

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill collars surveyed by total stations (Sokkia, Leica) and RTK GPS (South Polaris, Huace). Underground workings surveyed by CMS 3D laser scanner. Accuracy meets industry standards.* • *All recent data recorded in CGCS2000 (China Geodetic Coordinate System 2000). Earlier data converted from Beijing 1954 system.* • *Digital terrain model generated from 2025 laser scans, used as reference for resource modelling.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Underground drilling generally on 40 × 40 m or 80 × 80 m grids, locally tightened to 40 × 30 m and in priority zones to 20 × 15 m. Banshigou area drilling on wider 60–80 m grids.* • *Spacing and distribution sufficient to establish geological and grade continuity appropriate for classification as Measured, Indicated, and Inferred Resources.* • *Samples composited to 1.5 m intervals in Banmiaozi and 1.0 m in Banshigou to match mineralised thickness.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Most drill holes were oriented near perpendicular to the northeast-trending mineralised breccia zones (dipping 48–61° SE). Channel samples were also cut perpendicular to orebody strike, reducing risk of bias.* • *No significant sampling bias has been identified. Minor uncertainties remain in steeply dipping or structurally complex zones, but overall impact is not material.*
Sample security	• *The measures taken to ensure sample security.*	• *Samples were bagged, sealed, and labeled at site. Chain-of-custody records were maintained during transfer from underground or core shed to laboratories. Core storage facilities were secure and well-organised, with restricted access. BAW reviewed procedures and found them adequate.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *BAW reviewed sampling techniques, QAQC procedures, and assay databases during the 2023 Independent Technical Report and the 2025 CPR. No material issues were identified.*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The Banmiaozi Property comprises one mining license (valid to 2034) and two exploration licenses (Nancha, and Banshigou). As of the effective date of this report, all licenses remain in good standing, with the exception of the Banshigou exploration license, which is currently under renewal.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Initial exploration was conducted by the Tonghua Geological Institute (1998–2002). Sino Gold and later Eldorado Gold advanced the project (2003–2009). Subsequent verification drilling and studies were completed by Yintai (2015, 2018) and Jilin Banmiaozi (2019, 2024). These historical datasets have been validated and incorporated into the current Mineral Resource estimate.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposit is classified as an orogenic-type gold system hosted in silicified tectonic breccia along the Diaoyutai-Zhenzhumen contact, controlled by the F100 and F102 thrust faults. Ore bodies are continuous along strike and dip, with typical thicknesses of 5–13 m.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Not applicable. No individual exploration results are being reported. All drilling, trenching, and channel samples have been incorporated into the Mineral Resource estimate disclosed in Section 3.*

Criteria	JORC Code explanation	Commentary
Data aggregation methods . . .	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable. Results are reported only as part of Mineral Resource and Ore Reserve statements.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Not applicable.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Not applicable.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable.*
Other substantive exploration data.	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Not applicable.*

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *The drillhole database (26,313 holes, 613,499 m, 212,037 samples) was compiled by Jilin Banmiaozi and validated by BAW. Collar coordinates surveyed by total station/RTK GPS, downhole surveys verified, and assay data cross-checked. Inconsistencies and errors were removed. The database meets JORC 2012 standards and is reliable for Mineral Resource estimation.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *A BAW multidisciplinary team visited Banmiaozi in July 2025. Drill collars were checked in the field, underground drilling observed, and core logging/sampling procedures reviewed. Core sheds and QAQC records inspected. Independent check samples were collected and assayed at ALS Guangzhou. No material issues were found.*

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *Mineralisation is hosted in silicified tectonic breccia along the Diaoyutai-Zhenzhumen contact, controlled by F100 and F102 thrust faults. Wireframes were built using lithological and structural boundaries, grade shells (0.6 g/t Au), and alteration patterns. Continuity is well established along strike and dip.* • *Domains were interpolated by the mine geologist and reviewed by BAW.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *Seven main mineralised zones delineated in Banmiaozi and one in Banshigou. Orebodies strike NE (040–050°), dip 48–61° SE, extending > 2 km along strike and > 500 m vertically. Orebody thickness ranges 5–13 m. Additional blind lenses identified at depth and along strike.*

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Ordinary Kriging (OK) was applied as the primary method, with IDW^3 and Nearest Neighbour used as checks. Domains were defined by lithology, structure, alteration, and grade shells. Extreme values were capped at 4–81 g/t Au, depending on domain. Search ellipses based on variogram ranges controlled maximum extrapolation.* • *Resource estimates compared against earlier Chinese code estimates and BAW's 2023/2024 JORC models. Swath plots confirmed consistency.* • *No by-products of economic significance were identified; estimation focused solely on gold.* • *Sulphur, arsenic, and other deleterious elements were analysed at low levels but not modelled, as concentrations are not expected to materially affect processing.* • *Block model parent cells: 5 × 10 × 2 m (Banmiaozi) and 10 × 10 × 2 m (Banshigou), consistent with average drill spacing (20–40 m underground). Sub-blocking applied for geometry control.* • *Minimum mining width of 1.2 m and maximum internal waste inclusion of 2.0 m applied during domaining to reflect underground SMU constraints.* • *No multi-element correlations applied, as gold is the sole economic element.* • *Wireframes built on structural and lithological controls, alteration patterns, and grade thresholds. Domains honoured geological continuity along strike and dip, ensuring estimates followed orebody geometry.* • *High-grade outliers identified by statistical and spatial analysis were capped (domain-specific thresholds 4–81 g/t Au). This reduced local bias while maintaining global grade integrity.* • *Model validated visually on sections and plans, and statistically by comparing block grades with composites. Swath plots along strike, dip, and RL confirmed good alignment.*

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *All Mineral Resource tonnages are reported on a dry basis. Moisture content was not directly estimated; bulk density determinations were made on wax-sealed core samples using water displacement, which excludes natural moisture.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *Cut-off Grade: A 0.9 g/t Au cut-off grade was adopted for Mineral Resource reporting.* • *Basis for Cut-off Grade: This cut-off grade reflects "Reasonable Prospects for Eventual Economic Extraction (RPEEE)" under assumed underground mining conditions.* • *Key Considerations: The calculation was based on a gold price of US$2,600/oz, and included estimated operating costs (mining, processing, G&A, selling, refining, royalty tax) and anticipated mining and processing recoveries.*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *Mining Method: Mineral Resources are reported under the assumption of underground mining conditions, providing "reasonable prospects for eventual economic extraction (RPEEE)". Specific mining methods were not rigorously applied at the Mineral Resource stage, consistent with JORC guidelines for early-stage evaluation.* • *Minimum Mining Dimensions: A minimum mineable thickness of 1.2 m was applied during domain delineation for both Banmiaozi and Banshigou zones.* • *Internal Mining Dilution: A maximum internal waste inclusion of 2.0 m was applied within delineated mineralized domains.* • *Basis of Assumptions: These parameters were used to ensure geological and grade continuity within the interpreted domains. The adopted cut-off grade of 0.9 g/t Au for Mineral Resources reflects these general underground mining assumptions.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *The ore's ultra-fine gold distribution (94% <0.005 mm) and quartz/pyrite hosting necessitate specialized processing, with cyanidation achieving 84% recovery for oxidized ore but requiring flotation-cyanidation (95.56% recovery) for sulfides. Historical test work (2005–2007) provides a baseline, but deeper ore zones lack recent validation, introducing uncertainty in long-term recovery assumptions, particularly for encapsulated gold (21.45%) and arsenic-bearing minerals.* • *The plant demonstrates operational stability via conventional crushing/grinding/cyanidation.* • *While historical recoveries (86–89%) align with test predictions, the forecasted output decline due to lower grades and throughput underscores the need for ore blending optimization and potential process upgrades to offset diminishing head grades.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rock from the Banmiaozi Property is classified as non-hazardous, as its pollutant concentrations meet discharge standards. It is primarily used for underground backfilling to minimize land occupation and prevent surface subsidence from goafs, without the need for external disposal.* • *Tailings generated from gold ore processing through full-slime cyanidation undergo filter-press dewatering (to approximately 20% moisture) for dry stacking in the tailings storage facility (TSF). The TSF wastewater is fully recycled back to the concentrator, achieving zero discharge. Additionally, the TSF has undergone expansions to ensure adequate storage capacity.*

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density was determined, not assumed. A total of 180 measurements (Banmiaozi) and 62 (Banshigou) were completed on drill core and channel samples using the wax-sealed water displacement method. Measurements were made on dry basis, and sampling covered multiple elevations and domains to ensure representativity.* • *The wax-sealed water displacement method accounts for porosity and void spaces, reducing risk of overestimation. Measurements included fresh and altered rock types; no significant variation was identified between mineralised breccia and host rocks.* • *Average values applied: 2.70 t/m^3 (Banmiaozi) and 2.66 t/m^3 (Banshigou). These averages were considered appropriate given dataset size and geological homogeneity. No separate adjustments were made for oxidation, as mineralisation occurs mainly in fresh silicified breccia at depth.*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Classification followed JORC (2012) guidelines, considering drilling density, geological continuity, variogram performance, and estimation confidence.* o *Measured Resources: blocks within 40 m of ≥3 drillholes and ≥7 composites, in zones of strong continuity.* o *Indicated Resources: blocks within 60 m of ≥2 drillholes and ≥4 composites.* o *Inferred Resources: blocks estimated in second/third search passes, up to 80 m, supported by ≥1 drillhole.* • *All relevant factors — data quality, quantity, distribution, and geological confidence — were accounted for. The classification reflects the level of confidence appropriate for public reporting.* • *The Competent Person agrees the classification appropriately represents confidence in the geological interpretation and grade estimates.*

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *The Mineral Resource estimates were internally reviewed by BAW. The estimation methods, classification criteria, and results were found to be consistent with JORC (2012) requirements and industry best practice. No material issues were identified.*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Mineral Resource estimate is considered robust at the global scale. Variogram analysis, swath plots, and statistical checks support good confidence. Nugget effect causes some local grade variability but does not materially affect global estimates.* • *Confidence statements relate to global estimates. At local scale, variability is higher, particularly in high-grade zones, but sufficient for mine planning at the classified levels.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Mineral Resource estimate, prepared by BAW served as the basis for the Ore Reserve conversion, with an effective date of December 31, 2025. This estimate was reported with a cut-off grade of 0.9 g/t Au, reflecting "Reasonable Prospects for Eventual Economic Extraction" under underground mining conditions, and a gold price assumption of USD2,600/oz. All of the Ore Reserves reported in this Competent Persons Report (CPR) are included within these Mineral Resources.* • *All of the Ore Reserves reported are included within the Mineral Resources.*

Criteria	JORC Code explanation	Commentary
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *A multidisciplinary BAW team comprising specialists in geology, mining, metallurgy, environmental studies, and techno-economic assessment conducted a site visit to the Banmiaozi Project from 3 to 5 July 2025.*
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	Main technical studies are available to review: • *Feasibility Study Report on Deep Mining Engineering for Jinying Gold Mine (from +245m to –200m) of Jilin Banmiaozi Mining Co., Ltd., Changchun Heji Design Institute Co., Ltd. May 2017* • *Development and Utilization Plan for Jinying Gold Mine of Jilin Banmiaozi Mining Co., Ltd., Changchun Heji Design Institute Co., Ltd. November 2017* • *Specification for Safety Facilities Design of Jilin Banmiaozi Mining Project (Expansion), Changchun Heji Design Institute Co., Ltd. Spring 2017* • *Mineral Resources Development and Utilization Plan for Jinying Gold Mine of Jilin Banmiaozi Mining Co., Ltd., Changchun Heji Design Institute Co., Ltd. July 2024*
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *Table 7–2 listed the parameters used in estimation of the COG for Underground Mining of Banmiaozi Property.* • *For Ore Reserve estimation, the cut-off grade was calculated to be 1.1 g/t Au. This determination was based on a formula incorporating mining, processing, and general and administrative (G&A) costs, alongside processing recovery and royalty factors. Key parameters included a gold price assumption of US$2,000/oz and a processing recovery of 87.5%. The calculation specifically used average historic three-year unit costs for mining (RMB211.96/t), processing (RMB107.49/t), and the average of the most recent two years for G&A (RMB100.71/t).*

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions.	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• *The conversion of Mineral Resources to Ore Reserves involved considering the Mineral Resource estimation alongside various Modifying Factors (such as mine planning, historic production, processing, infrastructure, economic, marketing, legal, environmental, social, and governmental aspects), assessed at a confidence level akin to a pre-feasibility study, and included Mineable Stope Shape Optimization. Key assumptions included a calculated cut-off grade of 1.1 g/t Au based on a US$2,000/oz gold price, an 18% average mining dilution, and an 8% mining loss rate.* • *The primary mining method chosen is Sublevel Open Stope with Subsequent Filling, accounting for 90% of extraction, suitable for thicker, steeply dipping ore bodies (10–20m thick, 52–65° dip), complemented by Bench Open Stope with Subsequent Filling for thinner bodies (5–10m thick, 40–65° dip). Both methods are considered appropriate due to their use of cemented backfilling to minimize ground subsidence and are accessed via main and auxiliary ramps.* • *The engineering geological conditions are assumed to be of moderate complexity, with stope designs typically having a standard width of 15m and height of 15m or 30m (depending on ore thickness), and risks from faults and solution cavities are mitigated by cemented backfilling and high-strength support systems. Grade control implicitly relies on resource classification based on drilling density and estimation confidence.*

Criteria	JORC Code explanation	Commentary
		• *For stope optimization, the Mineral Resource block model as of December 31, 2025, was used, with major assumptions including a gold price of US$2,000/oz, a cut-off grade of 1.1 g/t Au, a default density of 2.7 g/t, and a minimum mining width of 1.2 meters.* • *An average mining dilution factor of 18% was applied, which was estimated through the Mineable Stope Optimization (MSO) procedure by expanding stope shapes by 0.5m beyond typical hanging wall and footwall limits, and aligns with recent operational performance and technical studies.* • *A mining recovery factor of 92% was applied (implying an 8% mining loss rate), based on the estimation from the Mineable Stope Optimization (MSO) procedure and consistent with the past two years' performance and technical studies.* • *The minimum mining width used is 2 m.* • *Inferred Mineral Resources were not converted to Ore Reserves and were treated as waste in mining studies,* • *The infrastructure was reviewed by BAW and as an operating mining, the infrastructure meets the production needs of the mine.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The ore's ultra-fine gold distribution (94% <0.005 mm) and quartz/pyrite hosting necessitate specialized processing, with cyanidation achieving 84% recovery for oxidized ore but requiring flotation-cyanidation (95.56% recovery) for sulfides. Historical test work (2005–2007) provides a baseline, but deeper ore zones lack recent validation, introducing uncertainty in long-term recovery assumptions, particularly for encapsulated gold (21.45%) and arsenic-bearing minerals.* • *The plant demonstrates operational stability via conventional crushing/grinding/cyanidation.* • *While historical recoveries (86–89%) align with test predictions, the forecasted output decline due to lower grades and throughput underscores the need for ore blending optimization and potential process upgrades to offset diminishing head grades.*
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• *Two Environmental Impact Assessment (EIA) reports have been completed and approved for the Banmiaozi Property. These reports cover the current main production facilities, including the processing plant and the expanded tailings storage facility, ensuring compliance with environmental regulations and standards.*
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• *The Banmiaozi Property boasts well-developed existing infrastructure, including industrial land for facilities and a tailings storage facility, reliable 66kV power supply with planned upgrades, a multi-stage water management system ensuring zero-discharge and municipal water access, excellent transportation via paved roads and nearby rail, an ample local labor pool, and on-site administrative and living areas.*

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The mine site has been in steady production for years. The projected CAPEX were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were estimated based on the actual costs aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated based on the historic financials provided by the management, taking into account the necessary receivables, inventories and payables required for operations. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*

Criteria	JORC Code explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.* • *The currency exchange rate of USD to RMB is used for conversion for RMB pricing demonstration.*
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The mine-site has been in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is derived from the Weighted Average Cost of Capital (WACC). A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*

Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *Since 2022, the Banmiaozi Property has invested over RMB550,000 in community-focused initiatives, including education donations, disaster and epidemic relief, support for vulnerable minority groups, and targeted poverty alleviation for rural revitalization. These efforts have earned recognition from local communities and government authorities.* • *The property's social initiatives align with its commitment to social responsibility, fostering positive community relations and contributing to the sustainable development of the region. Notably, no major adverse social impacts have been reported.*
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• *Commodity price volatility is a high-risk factor materially impacting profitability, while geotechnical and hydrogeological conditions are of moderate complexity but effectively managed and mitigated. Resource risk is low to moderate due to well-defined geology.* • *Shanjin International indirectly controls the Banmiaozi Property through majority ownership of its operating entities, which hold licenses for gold exploration, mining, processing, and sales.*
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *There is no Measured Mineral Resources classified as Probable Ore Reserves.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *It relates to global estimates.* • *The Ore Reserve estimate is categorized into Proved and Probable Reserves, reflecting increasing levels of geological confidence and the degree of confidence in the Modifying Factors.* • *Ore Reserve estimation involved reviewing the Mineral Resource block model and applying various Modifying Factors, including mine planning, historical production data, processing, infrastructure, economic, marketing, legal, environmental, social, and governmental factors. Technical studies prepared for the property were reviewed, which are considered suitable for supporting Ore Reserve estimation.* • *The Ore Reserve estimation process explicitly incorporates historical production data and reconciliation.* • *The life-of-mine (LOM) production schedule (Table 8–5) is derived from BAW's modeling and mining stope, implicitly comparing estimated reserves with planned extraction rates.*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			**Appendix E**
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch.11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			Not applicable
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

Chapter 18				Sections in BAW's CPR
	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Ch 11, Sect 4
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		

Chapter 18			Sections in BAW's CPR
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		
18.14–18.17	**CONTINUING OBLIGATIONS**		**Not applicable**
18.14	**Disclosure in reports**		

Chapter 18			Sections in BAW's CPR
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		
18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team

Chapter 18			Sections in BAW's CPR
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.		
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		

Chapter 18			Sections in BAW's CPR
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and	Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.	
18.25–18.26	**Disclaimers and Indemnities**		**Disclaimer section**
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.		Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.		Ch 1 Sect 8
18.27	**Obligations of sponsor**		**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.		
18.28–18.34	**REPORTING STANDARD**		
18.28–18.30	**Mineral reporting standard**		
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.		
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —		
	(1)	under:	

Chapter 18				Sections in BAW's CPR
		(a)	the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b)	NI 43–101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.			
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —			

Chapter 18			Sections in BAW's CPR
	(1)	under PRMS as modified by this Chapter; or	
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.	
	Note: A Reporting Standard applied to specific assets must be used consistently.		
18.33	A Mineral Company must ensure that: —		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	

Chapter 18			Sections in BAW's CPR
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP)	A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.
Element	Chemical symbols used in this report Al — Aluminium Au — Gold Ag — Silver As — Arsenic Ba — Barium Cu — Copper Fe — Iron K — Potassium Mg — Magnesium Mn — Manganese Na — Sodium O — Oxygen Pb — Lead S — Sulphur Si — Silicon Sr — Strontium Ti — Titanium Zn — Zinc
Exploration Target/Results.	includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves

In-situ	means rock or mineralisation in place in the ground
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve" is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals
Yuan	stands for the currency of People's Republic of China

COMPETENT PERSONS' REPORT OF THE HEIHE PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China 100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

EXECUTIVE SUMMARY

Project Overview

The Heihe Property, also known as the Dong'an Gold Project, is located approximately 45 km southeast of Xunke County, Heilongjiang Province, northeastern China, about 145 km from Heihe City and 427 km from Harbin, the provincial capital. The project lies close to the China-Russia border. It is held 100% by Shanjin International through its wholly owned subsidiary, Heihe Luoke Mining Development Co., Ltd. The property comprises one mining license (valid until 2033, with an approved production capacity of 375 ktpa) and one exploration license (valid until August 2025, currently under renewal), both of which are currently in good standing. The deposit is classified as a low-sulfidation epithermal Au-Ag system, structurally controlled by NNE-trending faults and hosted within silicified alteration zones.

Project Advantages

The Heihe Project demonstrates several advantages. The orebody is medium-sized with robust continuity, and the No. 5 lode in particular has significant thickness and stability that have been validated through years of mining. Since commencing production in 2017, the mine has transitioned from open pit to underground operations, now operating as a fully underground mine with a processing capacity of 1,250 tpd. Processing uses a whole-ore cyanidation and carbon-in-leach (CIL) flowsheet, consistently achieving gold recoveries above 97% and silver recoveries of around 72%. Infrastructure is well established, including power supply, water sources, and transport links. The operation is supported by a dry-stack tailings facility and closed water circulation system, which reduce environmental risks and ensure compliance with national regulations. The project's strategic location near Heihe City and the Sino-Russian border further supports logistics, labor, and supply chain efficiency.

Table 1 Mineral Resource Statement — Heihe Property (JORC 2012, as of 31 December 2025)

Category	Tonnage (kt)	Au Grade (g/t)	Contained Au (t)	Ag Grade (g/t)	Contained Ag (t)
Measured	2,114	4.86	10.28	64.67	136.72
Indicated	469	4.67	2.19	29.36	13.77
M + I	2,583	4.83	12.47	58.26	150.49
Inferred	447	2.95	1.32	22.55	10.08
Total	3,030	4.55	13.79	52.99	160.57

Table 2 Ore Reserve Statement — Heihe Property
(JORC Code 2012 as of December 31, 2025)

Category	Tonnage (kt)	Au Grade (g/t)	Contained Au (t)	Ag Grade (g/t)	Contained Ag (t)	[•]
Proved. . .	338	2.15	0.73	93.54	31.64	
Probable .	1,403	3.88	5.44	41.79	58.61	
Total. . . .	1,741	3.54	6.17	51.85	90.25	

Exploration Potential

Gold and silver mineralization at Dong'an is controlled by NNE-trending fault systems, occurring as veins and lodes within silicified zones. The No. 5 orebody, the principal lode, remains open along strike and at depth, with drilling confirming strong continuity and stable grades. Recent exploration has also identified multiple subsidiary lodes in the hangingwall, footwall, and parallel zones, while surface geochemical and geophysical anomalies correspond well with alteration zones. This indicates the presence of an intact hydrothermal system with favorable conditions for the discovery of additional economic orebodies. Overall, the project retains significant upside potential for resource expansion.

Economics

Based on recent mainstream gold price forecasts, the Heihe Project demonstrates an after-tax NPV of approximately RMB5.04 billion at a 6% discount rate. The life-of-mine (LOM) average AISC is estimated at ~US$822.1/oz, confirming robust economic viability. Sensitivity analysis shows the project is most sensitive to gold price changes, followed by operating and capital costs.

Conclusion

The Heihe (Dong'an) Gold Project is a mid-sized, low-sulfidation epithermal Au-Ag deposit. The mine has established underground operations, mature processing technology, and stable high gold recoveries. The deposit remains open along strike and at depth, with clear exploration upside. Economic analysis demonstrates strong profitability and resilience, confirming the project as a high-quality, long-life asset within Shanjin International's portfolio.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Heihe Property, also known as the "Dong'an Project", is situated in the southeastern region of Heilongjiang Province, China. It lies approximately 45 km southeast (bearing 139°) of Xunke County town, within the administrative jurisdiction of Xinxing Township, and about 145 km from Heihe City. Harbin, the provincial capital, is located roughly 427 km to the southwest, and the deposit sits some 15 km south of the China-Russia border.

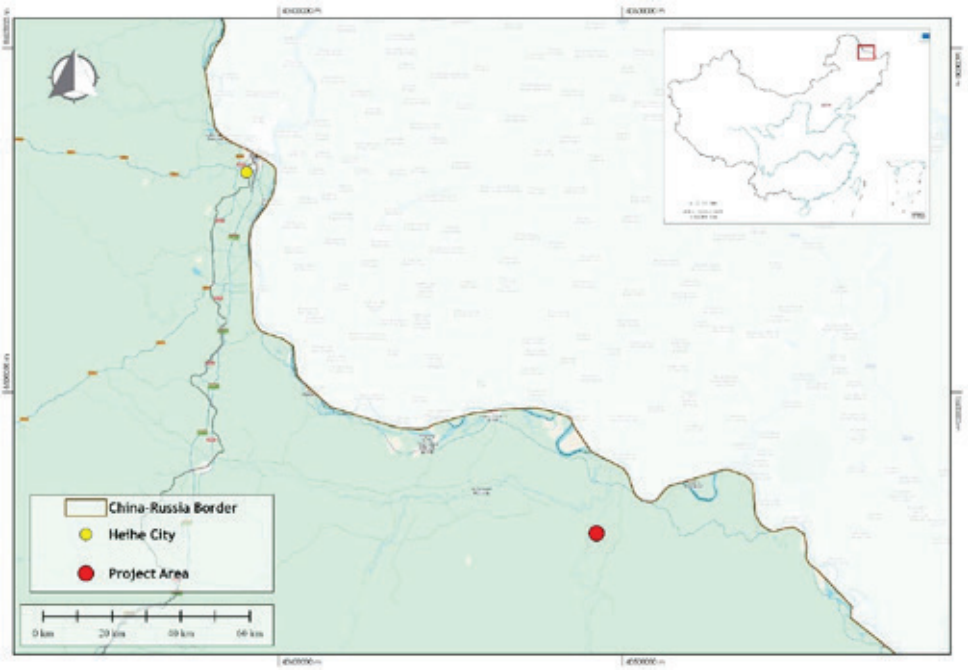


Figure 1–1 Location of the Heihe (Dong'an) Project

1.2 Property Ownership

The Client, via its wholly owned subsidiary Heihe Luoke Mining Development Co., Ltd. ("**Heihe Luoke**"), holds a 100% interest in the Heihe Property, encompassing all mineral resources and reserves as well as all mining operations as detailed in this CPR. Heihe Luoke was briefly renamed Heihe Yintai Mining Development Co., Ltd. between 2021 and 2023, before reverting to its original name in November 2023.

1.3 Mineral Rights and Licensing

Pursuant to the Mineral Resources Law of the PRC, all subsurface mineral resources are State-owned. Any exploration or mining activity therefore requires a government-issued exploration or mining license that defines both the geographic boundaries and the period of validity for the work. Licenses are generally renewable, provided that the application is filed with the competent provincial or State authority before expiry and all statutory obligations have been fulfilled. For an exploration license, the holder must have paid all exploration fees and satisfied the minimum expenditure requirements for the licensed area. Renewal of a mining license further requires payment of all license fees, resource taxes, and resource compensation levies.



Figure 1–2 The Dong'an Gold Mining License Area

Heihe Luoke holds two licenses for the Heihe Property: the mining license, "Dong'an Gold Mining License" and the exploration license, "Dong'an Gold Mine No. 5 Orebody Periphery Exploration License". The current mining license covers an area of 0.1386 km^2 (Figure 1–2), bears license number C1000020216044210142237, and is valid from December 2024 to May 2033. The permitted production capacity under the license is 375 kt per annum. The exploration license encompasses 18.69 km^2, carries license number T2300020210074010041223, and is effective from June 2023 to August 2025. This exploration area encircles the mining license area, extending across the surrounding territory. The vertex coordinates of both licenses are provided in Tables 1–1 and 1–2.

Table 1–1 Vertex Coordinates of the Dong'an Gold Mining License of the Heihe Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex Coordinates No.	Eastings/m	Northings/m
1	5459993.21	43492077.07
2	5459992.92	43492279.22
3	5459745.49	43492481.01
4	5459189.41	43492480.26
5	5459189.58	43492318.51
6	5459714.82	43492319.25

Table 1–2 Vertex Coordinates of the Exploration License of the Heihe Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	128°51'04.000"	49°17'32.000"
2	128°54'34.000"	49°17'32.000"
3	128°54'34.000"	49°15'02.000"
4	128°52'28.000"	49°15'02.000"
5	128°52'28.000"	49°15'17.000"
6	128°51'04.000"	49°15'17.000"
Excluding		
7	128°53'28.000"	49°16'23.000"
8	128°53'40.000"	49°16'14.000"
9	128°53'40.000"	49°15'57.000"
10	128°53'48.000"	49°15'57.000"
11	128°53'48.000"	49°16'15.000"
12	128°53'38.000"	49°16'23.000"

BAW understands that the renewal applications were filed in accordance with applicable PRC laws and regulations, including the Administrative Measures for the Registration of Mineral Resources Exploration Blocks, and have been formally accepted by the competent natural resources authorities. According to the Client's PRC legal advisor, the holding companies of those licenses have fulfilled all obligations during the permit term — including payment of exploration right usage fees and completion of minimum exploration investment — and have commenced exploration activities. There have been no material changes to the conditions under which the original permits were granted, nor any significant violations of relevant laws. As such, according to the Client's PRC legal advisor, renewal criteria set out in the relevant provincial guidelines has been met and there are no material legal impediments to the renewal of the such permits.

BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

The detailed exploration permit (T2300002010074010041223) for the No. 5 orebody of the Heihe Property was renewed through a renewal application submitted on 10 March 2025, prior to its expiry. We understand that the Heihe Municipal Bureau of Natural Resources has confirmed that the licence has no tenure disputes and no violations. We further understand that on July 1, 2025, after the release of the new "Mineral Resources Law of the PRC", in accordance with the adjustment of the business division of the Department of Natural Resources of Heilongjiang Province, the mine management resubmitted the application for the extension of the mining rights held by the Heihe Property on November 6, 2025. The licence remains legally valid during the renewal review period, with no impact on the continuity of exploration activities. We understand that the Heihe concession does not fall within any ecological red-line zones or protected natural areas, nor are there any tenure disputes or violations. Accordingly, there are no substantive impediments to the approval of the licence renewal.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

The Heihe Property is easily accessible via an 8 km paved road that connects to the Xunke-Wuyiling Highway. Xunke County is located approximately 70 km from the project site, while Yichun City is about 120 km away. The town of Sunwu, 118 km distant, along with Wuyiling, is connected to Yichun, Suihua, Harbin, and other regional centers by an integrated rail and highway network. The transportation infrastructure in the region is well developed, and the Heilongjiang River — flowing through Xunke County — is navigable from May to October each year, with a sailing distance of approximately 170 km from Xunke to the Heihe port. The nearest airport is in Heihe City, which offers daily domestic flights to major hubs such as Harbin and Beijing.

2.2 Climate



Figure 2–1 Dong'an Project

The Heihe Property experiences a temperate continental monsoon climate, characterized by long, frigid winters, short, hot summers, windy springs, and rainy autumns. Meteorological records from the Xunke County station (1964-April 2003) indicate an annual average temperature of –0.1 °C, with July highs averaging 22.3 °C and January lows averaging –26 °C. Precipitation is concentrated between June and September, resulting in an annual mean of 429.9 mm (ranging from 383.8 mm to 690.7 mm). Evaporation averages 1,047.6 mm per year (with a range of 862.2 mm to 1,218.8 mm), and relative humidity averages 68%. Frost penetration can exceed 2.2 m, with the freezing period extending from October through the following April. Prevailing winds are northwesterly, with maximum speeds reaching 34 m/s.

2.3 Physiography

The Heihe Property is located in the northern sector of the Lesser Khingan Range, a low-mountainous region. Elevations within the license area range from a maximum of 304.90 m to a minimum erosion benchmark of 125.75 m above sea level in the Kuerbin River valley, yielding a relative relief of 179.15 m. Surface vegetation is well developed, and bedrock outcrops are sparse.

2.4 Local Resources and Infrastructure

The area benefits from abundant water resources. The Kuerbin River, a tributary of the Heilongjiang River, flows south to north approximately 1.2 km north of the deposit center and ranges 40–80 m in width, with an average annual flow of 13.9–80.7 m^3/s (peaking at 2,680 m^3/s) and its flood season from April through August. The Wusonggang River, 1–5 m wide, joins the Kuerbin River about 1.2 km south of the deposit and typically runs dry in winter. The primary water supply is drawn from the Kuerbin River via one large open well for processing and one deep well for domestic and office use; both are equipped with submersible pumps that deliver water through pipelines to the on-site pump station.

Power is supplied by a 35 kV overhead line from the Erlian Fire Inspection Station Substation, located 8 km from the Heihe Property, via the "Baoqi Transmission Line." Within the license area, a 35/10 kV main step-down substation receives this feed; two diesel generator sets at the substation provide emergency backup for the 10 kV distribution system in the event of an outage.

Local residents are mostly engaged in agriculture and forestry. Farms in the vicinity cultivate wheat, soybeans, corn, and sugar beets, while managed forests — dominated by larch — also produce medicinal herbs, mushrooms, and fungi. Nearby industrial activities include power generation, liquor production, and grain processing.

3 HISTORY

3.1 Ownership History

The initial exploration rights were granted in 1998 to the Heilongjiang Province Nonferrous Metal Geological Exploration 707 Brigade (the "**707 Brigade**"). In 2007, the 707 Brigade and Sino Gold Mining Limited ("**Sino Gold**") formed a joint venture, Heihe Luoke, which has held the exploration rights for the Dong'an Mine ever since. Sino Gold was wholly acquired by Eldorado Gold Corporation ("**Eldorado**") in 2009. In 2016, Yintai Gold Co., Ltd. ("**Yintai**") acquired Heihe Luoke and the mineral rights it held for the Heihe Property from Eldorado.

In November 2015, Heihe Luoke applied to the Ministry of Land and Resources to convert its exploration rights for exploration line No. 19–44 of Orebody No. 5 into mining rights. After completing the required reserve registration and related formalities, the company obtained its mining license in May 2016. That license, valid for 17 years, covers an area of 0.1386 km^2 and permits both underground and open-pit mining of gold and silver. In June 2023, Heihe Luoke was granted the "Dong'an Gold Mine No. 5 Orebody Periphery Exploration License," covering 18.75 km^2 surrounding the existing mining license area and valid until August 2025.

In July 2023, Shandong Gold Mining Co., Ltd. acquired a controlling interest in Yintai, becoming its ultimate parent. Subsequently, in July 2024, Yintai changed its name to Shanjin International Gold Co., Ltd. ("**Shanjin International**"), which is now the indirect owner of Heihe Luoke and the Heihe Project.

3.2 Exploration History

In April 1998, the 707 Brigade discovered mineralized, altered quartzite rolling stones in the northern part of the project area during a geological survey. That same year, geological mapping and trenching work led to the discovery of four gold orebodies (No. 1–4) hosted by Early Cretaceous felsic volcanic rocks, interpreted as epithermal in origin.

In 1999, the 707 Brigade expanded its trenching program to better define the scale, geometry, and grade of Orebodies No. 1–4 and, through additional mapping and geochemical surveys, identified five more orebodies (No. 5–9), including the presently mined No. 5 orebody.

In 2000, the 707 Brigade undertook a comprehensive area-wide campaign — incorporating 1:50,000 sediment sampling, 1:20,000 geological mapping, soil geochemistry, geophysical surveys, and trenching — which extended the known limits of Orebody No. 5 and unveiled four further orebodies (No. 10–13).

Between 2001 and May 2003, the 707 Brigade completed drilling and drove two access tunnels through Orebody No. 5. In 2003, it compiled the "Exploration Report of the Exploration Line 19–44, No. 5 Orebody, Dong'an Gold Deposit, Xunke County, Heilongjiang Province" ("**Exploration Report 2003**").

From 2007 to 2009, Heihe Luoke conducted widespread surface exploration, including systematic diamond drilling. In 2017, building on earlier results, it produced the "Resource/Reserve Verification Report of the No. 5 Ore Body, Exploration Line 19–44, Dong'an Gold Deposit, Xunke County, Heilongjiang Province" ("**Verification Report 2017**"), which was approved by the Ministry of Land and Resources.

Since 2019, Heihe Luoke's underground mining operations have been accompanied by systematic underground drilling, tunnelling, and channel sampling. After obtaining the Dong'an Gold Mine No. 5 Orebody Periphery Exploration License in 2023, the company also initiated large-scale surface drilling within the exploration license area.

3.3 Historic Resource/Reserve Estimation

Mineral Resource and Ore Reserve estimates for the Heihe Property were prepared in 2003, 2017 and 2025 under the PRC's domestic reporting framework. Each estimate was compiled in accordance with the applicable Chinese technical codes and subsequently approved by the Ministry of Land and Resources. While those national standards are rigorous, their classification criteria and reporting protocols do not always align with the JORC Code 2012. Consequently, the figures contained in the Chinese reports should not be regarded as JORC-compliant without independent verification and, where necessary, re-classification.

At the request of Shandong Gold Mining Co., Ltd., BAW issued an Independent Technical Report presenting a JORC-compliant Mineral Resource and Ore Reserve estimate for the Heihe Property in 2023. BAW updated that estimate at the end of 2024 to incorporate results from the 2023–2024 production-exploration program and the ongoing drilling across the Heihe Property's exploration and mining license areas.

3.4 Development and Production History

The Heihe Property commenced production in 2017 with an initial processing capacity of 450 t per day ("**tpd**"). Early operations focused on open-pit mining between elevations of 279 m and 213 m, which concluded in June 2019. A technical upgrade in 2020 raised capacity to 1,250 tpd. Underground mining began in July 2020, exploiting ore from 213 m down to 65 m elevation via declines and truck haulage. The Heihe Property is currently in its underground phase. Historic annual production are presented in Table 3–1.

Table 3–1 Production Summary of the Heihe Property

Year	Au Metal Mined (t)	Ag Metal Mined (t)
2017	0.55	1.24
2018	3.3	15.36
2019	3.15	18.14
2020	2.26	11.97
2021	2.85	15.26
2022	2.97	17.99
2023	2.13	16.5
2024	2.21	20.23
2025Q2	1.05	8.99

Note: Data provided by Heihe Luoke

4 GEOLOGICAL SETTING

4.1 Regional Geology

The northern Lesser Xing'an Range, located in the eastern part of the Central Asian Orogenic Belt and immediately north of the Songliao Basin (Figure 4–1), represents a classic tectono-magmatic and metallogenic province. Its evolution reflects episodic tectono-magmatic events associated first with the closure of the Paleo-Asian Ocean in the Paleozoic and later with subduction of the Paleo-Pacific oceanic slab beneath the Eurasian continent during the Mesozoic. The Mesoproterozoic to Neoproterozoic Mashan Complex — composed of felsic schists, silty slates, and granite gneiss — constitutes the ancient basement. Above it lies the Paleozoic Heilongjiang Complex, characterized by neritic-facies clastic carbonates, including limestone, dolomitic marble, and carbonaceous slate. Early Triassic subaerial pyroclastic units rest unconformably on the underlying Late Paleozoic submarine clastic-carbonate succession and co-collisional granitic intrusions, marking the transition from oceanic closure to post-collision tectonics. Widespread Triassic-Jurassic granitoid intrusions (175–225 Ma) accompanied by skarn- and porphyry-style mineralization attest to continued Paleo-Pacific subduction beneath the continental margin. Subsequent long-lived volcanic activity occurred in two principal pulses — 190–173 Ma under compressional regimes and 130–105 Ma during extensional collapse. The Dong'an epithermal gold system, along with nearby deposits at Sandaowanzi, Gaosongshan, Tuanjiegou, and Zhangsangou, is hosted by andesitic-rhyolitic volcanic rocks, predominantly Early Cretaceous in age.

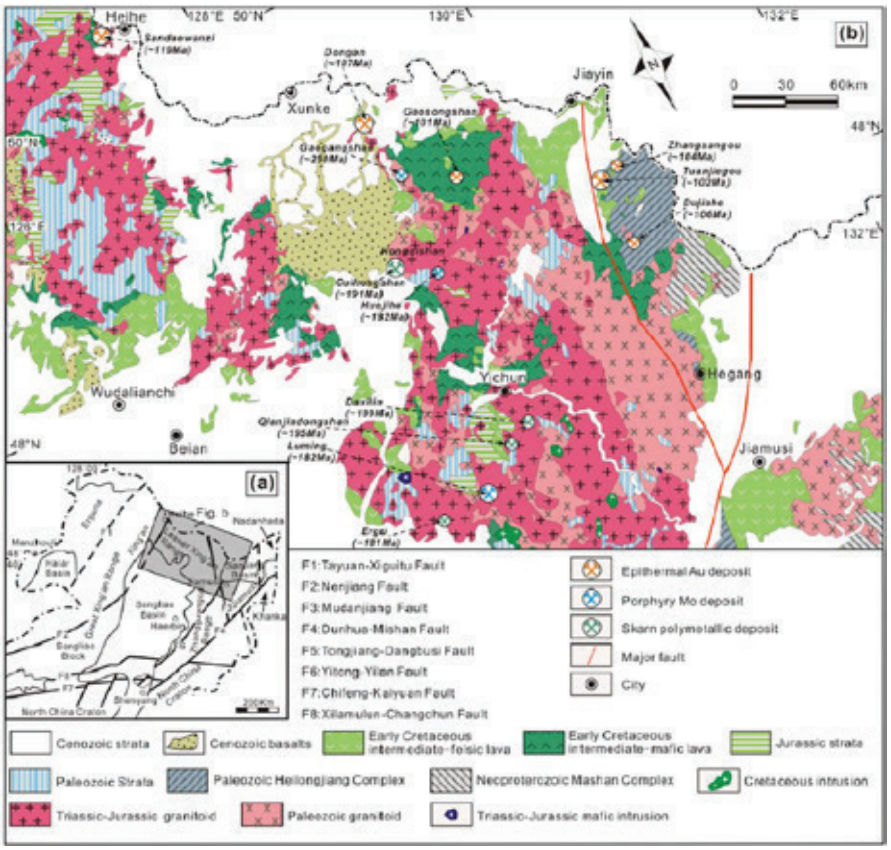


Figure 4–1 Regional Geological Map

Note: modified from Liu et al., 2021

4.2 Property Geology

The Dong'an Project is hosted within the Sunwu-Jiayin volcanic basin, approximately 45 km southeast of Xunke County. The stratigraphy in the project area and its surroundings comprise: a Neoproterozoic basement of metamorphosed felsic-intermediate volcanic and clastic rocks; overlying Cambrian carbonates intercalated with terrigenous clastic rocks; Permian clastic sequences; and Lower Cretaceous intermediate-felsic volcanic rocks, pyroclastic rocks, and terrigenous coal-bearing clastic strata, which outcrop sporadically. Tertiary cover is dominated by conglomerates of the Sunwu Formation, while Quaternary basalts of the Daxiongshan Formation have developed along the Kuerbin Fault. The Lower Cretaceous units constitute one of the principal ore-hosting wallrocks of the Dong'an gold deposit.

Field mapping (Figure 4–2) records multiple magmatic phases at Dong'an. An Early Jurassic granitic complex underlies about one quarter of the deposit area and is locally intruded by Early Cretaceous granite porphyry stocks and dikes. Above this complex lie Early Cretaceous andesitic flows of the Ningyuancun Formation and rhyolitic pyroclastics of the Fuminhe Formation, both unconformably overlain by Sunwu Formation conglomerates and Daxiongshan Formation basalts.

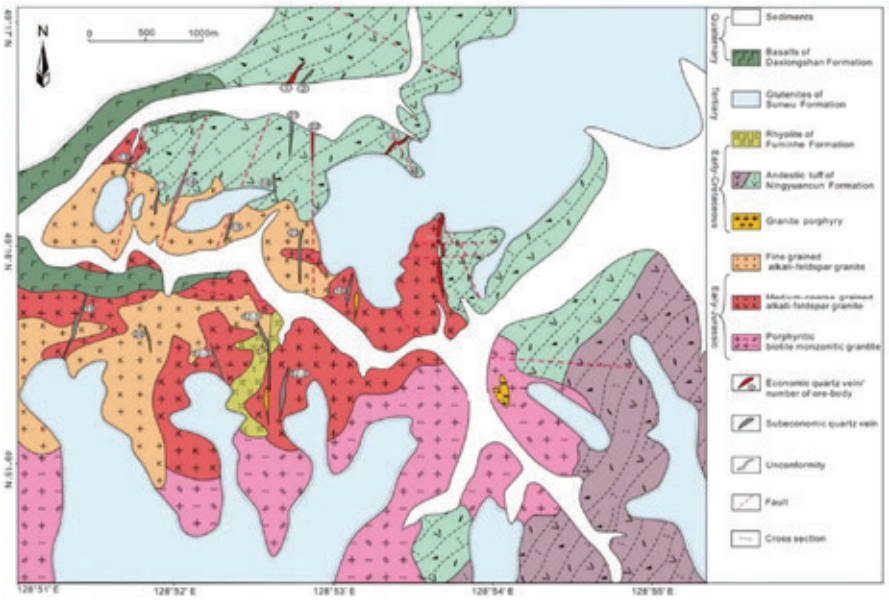


Figure 4–2 Geological Map of the Dong'an Gold Deposit

Note: modified from Liu et al., 2021

Two principal faulting systems control the geology and mineralization: (1) a NNE-trending crustal fault that follows the Kuerbin River valley, cutting Jurassic-Early Cretaceous strata, intrusions, and structures and parallel to the dominant orebody orientations; and (2) an E-W trending fault that outcrops along the western Kuerbin valley but is concealed by Sunwu Formation strata to the east, cross-cutting the southern segment of the NNE-trending fault.

4.3 Alteration and Mineralization

The Dong'an gold deposit comprises over twenty orebodies controlled by steep, NNE-trending faults (Figure 4–3). Mineralization is principally hosted within strong silicification zones — often referred to as hydrothermal quartz-vein belts — developed in dacite, dacitic tuff and breccia. Minor mineralization also occurs in intensely silicified zones proximal to the contacts between medium- to coarse-grained alkali feldspar granite and country-rock andesite or andesitic tuff.

Representative orebodies (Nos. 1, 5, 10, 12, 13 and 19) extend 50–770 m along strike, exhibit true thicknesses from 1.0 to 9.4 m, and grade from 1.06 to 26.64 g/t Au. The mined No. 5 vein averages 6.7 m in thickness and extends to a vertical depth exceeding 358 m.

Five vein facies have been identified: quartz + hematite veinlets; peripheral microcrystalline-quartz veins; quartz + pyrite + chlorite veins; quartz + fluorite veins; and lattice-filled quartz-carbonate veins. The highest gold grades are associated with the quartz + pyrite + chlorite veins. Sulfide minerals are dominated by disseminated and vesicle-filling pyrite, with subordinate chalcopyrite, sphalerite, galena and arsenopyrite; native gold, electrum and minor native silver occur locally.

Hydrothermal alteration is zoned concentrically around the orebodies (Figure 4–4). Outward from the veins, alteration progresses from a silica-adularia-sericite assemblage (phyllic zone), through a smectite-sericite assemblage (intermediate argillic zone), to a chlorite-carbonate assemblage (propylitic zone). Weak propylitic alteration pervades alkali-feldspar granite and andesite, marked by carbonate and chlorite replacing feldspar and mafic minerals. The intermediate argillic zone features pervasive smectite and sericite alteration of plagioclase and groundmass. Phyllic alteration is confined to narrow selvages around quartz veins and breccias and comprises silica + sericite ± adularia.

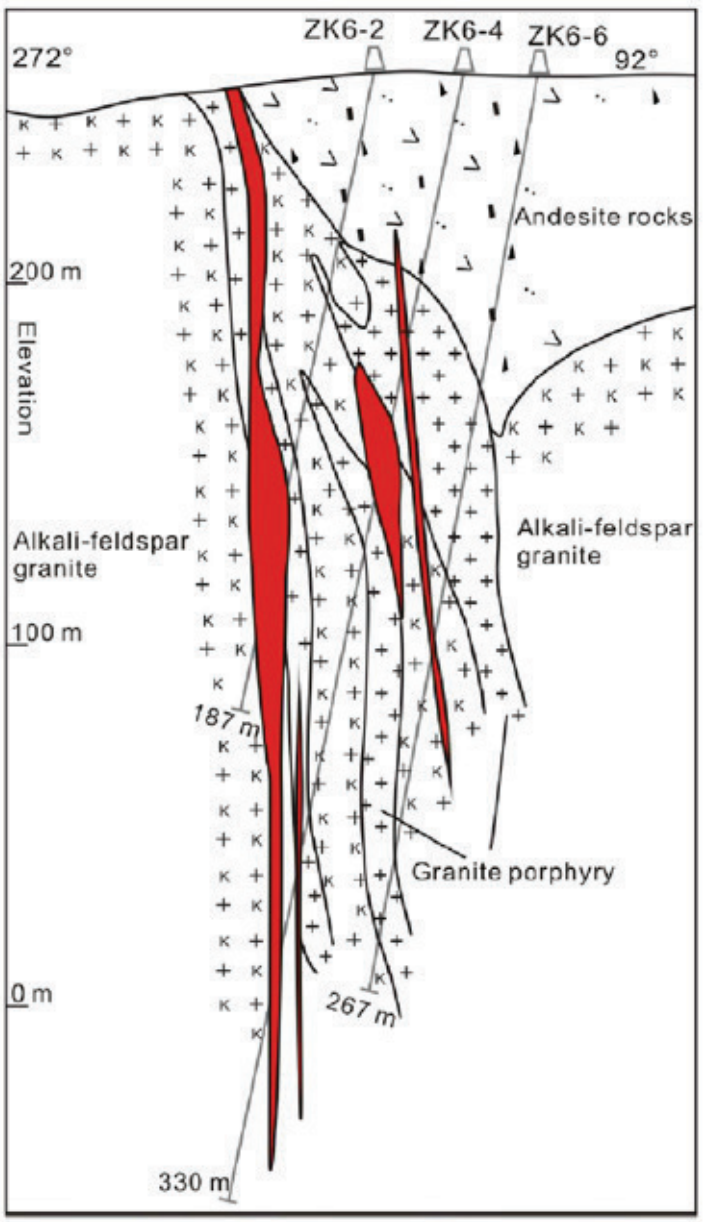


Figure 4–3 Representative Geological Cross-Section of the Dong'an Gold Deposit

Note: modified from Liu et al., 2021

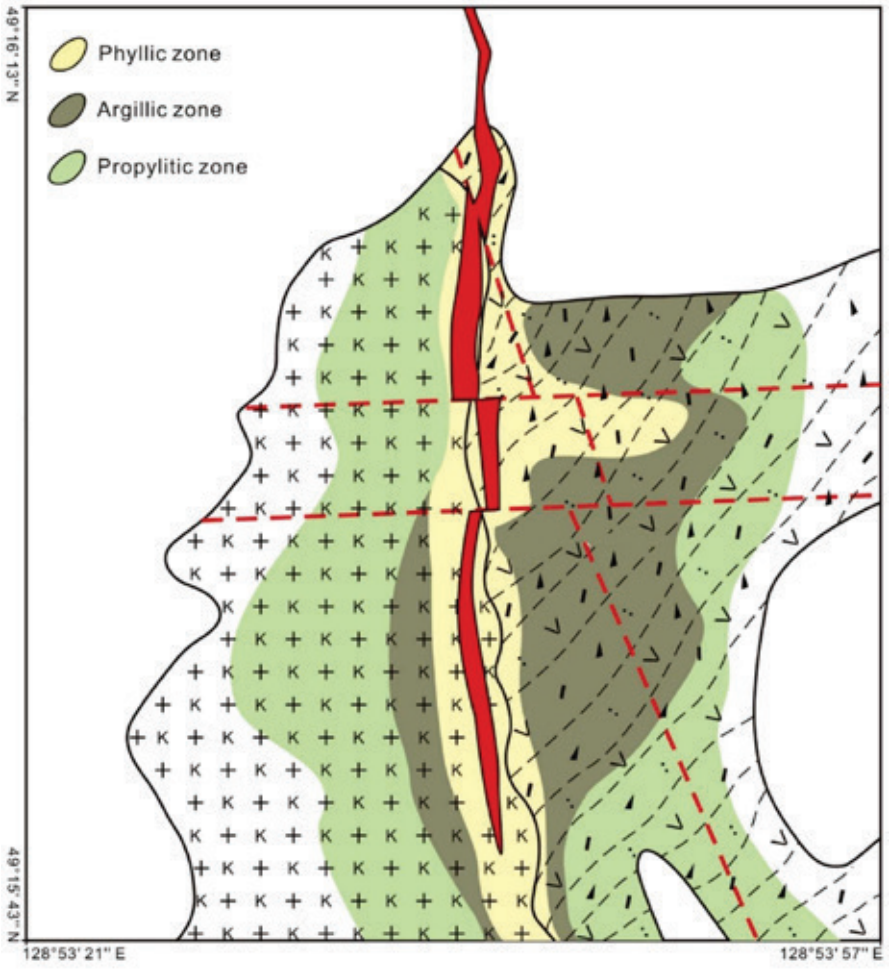


Figure 4–4 Geological Diagram Highlighting the Alteration Zoning

Note: modified from Liu et al., 2021

4.4 Deposit Type

Epithermal deposits form at shallow crustal levels, typically less than 1.5 km depth, under low-temperature, low-pressure conditions and in close association with volcanic activity. Two end-member subtypes — High Sulfidation ("**HS**") and Low Sulfidation ("**LS**") — are common in both island arc and continental margin settings. In northeast China, Late Cretaceous volcanic eruptions and contemporaneous granitoid intrusions, driven by rollback of the Paleo-Pacific Plate, generated extensive hydrothermal systems that produced both epithermal and porphyry-style Cu-Au mineralization. Orebodies are emplaced during the waning stages of volcanic activity, with ore-bearing fluids likely exsolved from a shallow magma chamber. The magmatic-hydrothermal regime thus favors porphyry Cu-Au mineralization at depth and distal LS epithermal systems at shallower levels.

The characteristics of the Dong'an gold deposit indicate a LS epithermal affinity. Hydrothermal alteration around the orebodies is zoned outward from quartz + sericite ± adularia (phyllic) through quartz + sericite + clay minerals (intermediate argillic) to chlorite + carbonate (propylitic). The veins are low-sulfide, gold-bearing quartz structures hosted in Early Jurassic granite and Early Cretaceous andesite tuff and contain pyrite with subordinate chalcopyrite, galena, sphalerite and electrum.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

From 2001 to 2009, exploration program carried out for the Heihe Property was predominantly surface-based, comprising topographic and geological mapping, magnetic and electrical-resistivity surveys, geochemical sampling, trenching, and diamond drilling. Following the commencement of mining operations, Heihe Luoke expanded its systematic production-exploration programme from 2017 onward to include underground diamond drilling, development of access tunnels, and channel sampling. After obtaining the peripheral exploration license in 2023, Heihe Luoke also implemented extensive surface drilling, trenching and channel sampling across that license area.

All exploration activities have been carried out in accordance with the relevant PRC national exploration standards, which prescribe the scopes of work, technical protocols and procedural requirements for each stage of evaluation and verification. Geological databases compiled for Mineral Resource estimation were prepared by the Client to conform to these regulations. Major sample-workings as of the Effective Date are summarized in Table 5–1.

Table 5–1 Summary of Exploration Programs as of the Effective Date

Type	Collar	Depth (m)	No. of Samples
Dong'an Gold Mining License Area			
Surface Drill Hole	214	45,481.84	11,820
Underground Drill Hole	496	38,512.98	14,606
Surface Trench	107	6,369.72	497
Underground Channel	1,166	13,602.37	7,392
Sub-Total	1,983	103,966.91	34,315
Dong'an Gold Mine No. 5 Orebody Periphery Exploration License Area			
Surface Drill Hole	270	65,815.38	18,814
Surface Trench	61	3,180.21	629
Sub-Total	331	68,995.59	19,443

5.2 Trenching, Tunnelling and Drilling

Surface and underground surveying was carried out by independent contract surveyors using differential RTK/GPS (South Polaris 9600 and RTK static GPS) and total-station instruments. All equipment satisfied the required precision standards. Early survey control was established in the Xi'an Coordinate System (1980), while subsequent surveys were referenced to the Chinese Geodetic Coordinate System 2000 ("**CGCS2000**").

5.2.1 Trenching and Tunnelling

Surface trenching was primarily used to delineate geological boundaries, geochemical anomalies and mineralized zones. Trenches were generally orientated at 90–92°, with individual lengths ranging from 20 m to 258.57 m (the longest main trench), and typical lengths of 20–100 m. The top width of each trench was approximately 2 m, narrowing to about 0.8 m at the base, and standard depths were 3–4 m, reaching a maximum of 5 m. Bedrock exposure typically extended 0.3–0.5 m below surface. Trench spacing was generally established on a 25–50 m grid to ensure comprehensive coverage for geological logging and channel sampling.

A series of adits was developed at elevations ranging from 225 m to 25 m. These openings were driven either parallel or perpendicular to the ore bodies to support both exploration and production. The adit cross-sections measured 3.5–4.5 m in width by 3.6–4.5 m in height, with gradients of 0.3–0.7 %. Sampling workings within the adits were spaced at regular intervals of 40–80 m. Extensive channel sampling and underground drilling have been conducted along these levels since 2019.

Channel sampling, applied in both trenches and adits, targeted ore, wall-rock, and mineralization contacts. Channel samples were oriented as close as possible to perpendicular to the ore bodies, with nominal 1 m intervals (0.5–1.5 m actual) and channel dimensions of 10 × 5 cm; samples were cut with a diamond-tipped saw along pre-marked lines and extracted using a steel chisel.

5.2.2Drilling

All drilling programs at the Heihe Property have been diamond drilling, undertaken during 2001–2003, 2007–2009, and from 2019 to the present. Since 2019, emphasis has shifted to underground drilling to support ongoing mining operations and to expand the mineral resource base. Drill-hole spacing was determined by orebody geometry, distribution, and the desired level of resource confidence, typically ranging from 40 × 40 m to 80 × 80 m, with localized infill spacing down to 25 × 25 m or, in less critical areas, expansion to 120 × 120 m.

Both surface and underground drilling were performed by third-party contractors using diamond-core rigs — HQ-size core predominating at surface and NQ-size core underground. Down-hole surveys were conducted with an inclinometer or down-hole camera at 50 m intervals on surface holes and 30 m intervals underground, with additional readings at the collar and at final depth. Hole-depth corrections were applied every 100 m and at the end of each hole. According to the drill-hole database provided to BAW, core recovery was satisfactory, with over 95 % of boreholes achieving at least 90 % recovery. Upon completion, holes were sealed with cement and identified by a permanent cement plinth.

Cores were retrieved in plastic boxes, transported to the logging facility, and marked for depth using wooden or paper markers. Arranged sequentially, the boxes allowed verification of core loss and depth control. Logging captured lithology, alteration, mineralogy, and geotechnical data.

Sample intervals were nominally set at 1.0 m but, based on core recovery, lithological boundaries, alteration, structure, and mineralization, actual sample lengths ranged from 0.5 to 1.5 m. At the logging site, a saw-splitter bisected the core longitudinally: one half was bagged, sealed, and flagged for assay, while the other half remained in the box for future reference. Historical drill core is stored on shelves in a dedicated core shed.

5.3 Sample Preparation, Analysis and Security

5.3.1Density Determination

Based on data supplied to BAW, as of the Effective Date, the Laboratory of the 707 Brigade completed a total of 440 bulk-density determinations on drill-core samples using the conventional water-displacement method on wax-coated specimens, yielding an average density of 2.60 g/cm^3. A subset of these measurements was verified by the Heilongjiang Nonferrous Metal Geological Testing Center. Additionally, two bulk samples collected from the 255 m and 185 m level adits were measured and produced densities consistent with the core-sample results.

5.3.2Sample Preparation

Sample preparation was undertaken by Heihe Luoke at its on-site facility following a standardized protocol. The mine-site laboratory's sample-preparation procedure comprised the following steps: samples were first dried at 105 °C, then crushed in a jaw crusher and screened to 4.0 mm. After homogenization and riffle splitting, the coarse fraction was further reduced to 2 mm using a double-roll crusher. This material was milled in a disc mill and passed through a 1.0 mm sieve, followed by a second round of homogenization and riffle splitting. Finally, the split material was pulverized in a ring mill to 0.074 mm, producing the primary pulps for assay and duplicate pulps for quality-control purposes.

5.3.3Sample Analysis

Samples collected before 2003 were analyzed by the Laboratory of 707 Brigade using foam absorption-atomic absorption spectrometry ("**AAS**") for Au content. The analytical procedure involved aqua regia digestion, preconcentration with polyurethane foam, desorption with thiourea, and measurement by AAS. Ag content was determined by aqua regia digestion followed by AAS. The Heilongjiang Province Nonferrous Metal Geological Test Center ("**HPNM**") served as the umpire laboratory for external checks, employing the same assay procedure as the Laboratory of 707 Brigade.

Between 2008 and 2010, samples were analyzed by multiple laboratories, including ALS Laboratory in Guangzhou ("**ALS**"), SGS Laboratory in Tianjin ("**SGS**"), and the Nonferrous Metal Northwest Geological Test Center ("**NMNG**"). These laboratories used fire assay coupled with AAS for Au determination and aqua regia digestion with AAS for Ag.

Since 2017, when the Heihe Project entered production, all samples have been initially assayed by the internal mine-site laboratory using fire assay-AAS for Au and aqua regia digestion-AAS for Ag. To satisfy PRC reporting requirements for laboratory qualifications, these samples have also been assayed and internally checked by the Laboratory of 707 Brigade, with external checks performed by HPNM, using the methods described above.

Except for ALS and SGS, there is no information regarding internationally recognized accreditations for these laboratories. In previous technical reports provided by Shanjin International, the Laboratory of 707 Brigade, HPNM, and NMNG were reported to hold applicable provincial or national analytical certifications issued by Chinese authorities. The mine-site laboratory does not hold such certification. BAW did not conduct on-site inspections of the sample-analytical laboratories aforementioned, except for the internal mine site laboratory.

5.3.4Sample Security

During the site visit, BAW reviewed the sample-security protocol and found that mine-site personnel made reasonable efforts to ensure proper preservation, accurate chain-of-custody logging, and secure transportation of samples. In BAW's view, the measures in place are sufficient to maintain the validity and integrity of the samples.

5.4 Quality Assurance and Quality Control ("QA/QC")

Heihe Luoke has maintained a QA/QC protocol in accordance with the relevant PRC exploration standards throughout its exploration activities, routinely submitting internal and external check samples to verify routine assay results. Historical QA/QC protocol and outcomes for the Heihe Property were reviewed by BAW in its 2023 JORC Independent Technical Report.

Regarding the current review, the Client provided quality-control data generated since 2017, comprising both internal and external checks. Precision was evaluated using Half Absolute Relative Difference ("**HARD**"), scatter, and quantile-quantile ("**Q-Q**") plots. The HARD value for each duplicate pair is calculated as$|x_1 - x_2| \diagup (x_1 + x_2)$ expressed as a percentage and sorted from smallest to largest; Q-Q plots compare two distributions to assess their equivalence.

5.4.1Internal Check

Internal check samples, taken as pulp duplicates, are used to evaluate laboratory assay precision, with a sampling rate of approximately 10 %. A total of 586 pulp-duplicate samples have been collected and assayed by the Laboratory of 707 Brigade for the corresponding period.

For gold assays, 95.7 % of duplicate pairs plot within a 20 % Half Absolute Relative Difference ("**HARD**") envelope and 76.3 % fall within 10 %, demonstrating acceptable analytical precision. In the Q-Q plot, aside from a few very high-grade samples, results for lower-grade Au closely coincide with the original assays; a similar pattern is evident in the scatter plot. The few inconsistencies at very high grades likely reflect nugget-effect variability, but this effect appears minimal in samples below 60 g/t Au, and the limited number of outliers does not affect the overall precision assessment. Full graphical interpretations are presented in Figures 5–1 through 5–3.

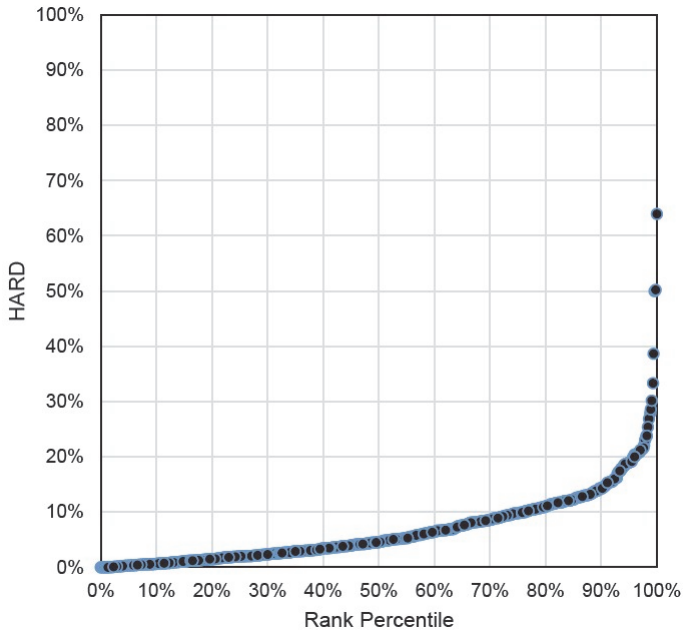


Figure 5–1 HARD Plot for Gold Internal Check Results

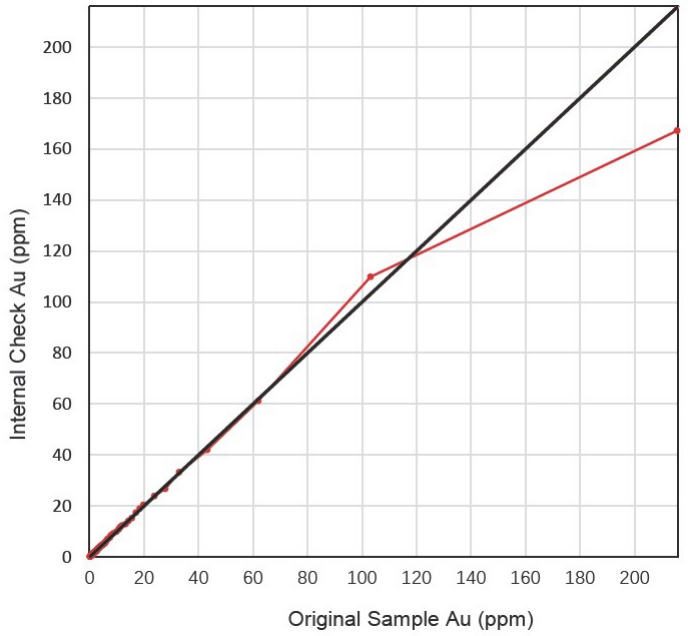


Figure 5–2 Q-Q Plot for Gold Internal Check Results

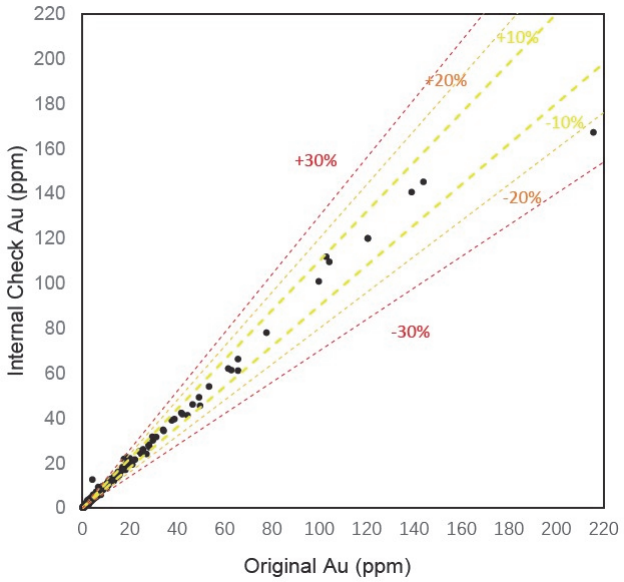


Figure 5–3 Scatter Plot for Gold Internal Check Results

For silver assays, 96.2 % of duplicate pairs plot within a 20 % HARD envelope and 88.6 % fall within 10 %, indicating acceptable precision. In both the Q-Q and scatter plots, the internal check results and original assays show close agreement between the internal check and original results across the full grade range. Full graphical interpretations are presented in Figures 5–4 through 5–6.

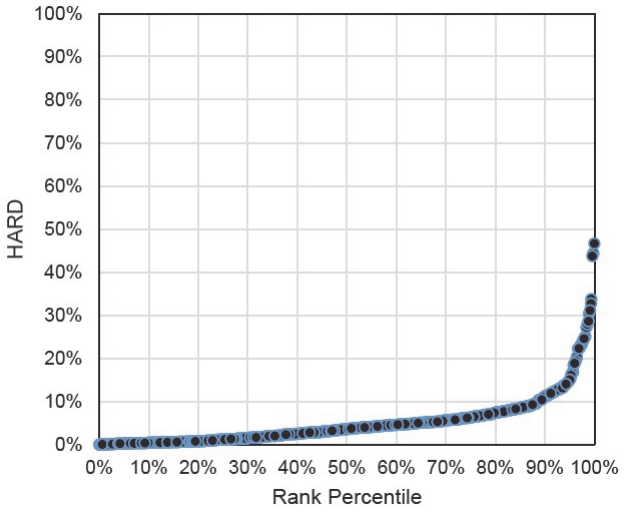


Figure 5–4 HARD Plot for Silver Internal Check Results

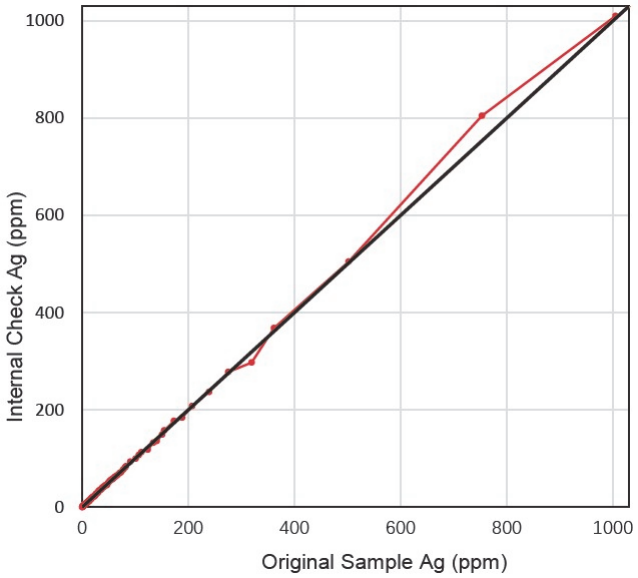


Figure 5–5 Q-Q Plot for Silver Internal Check Results

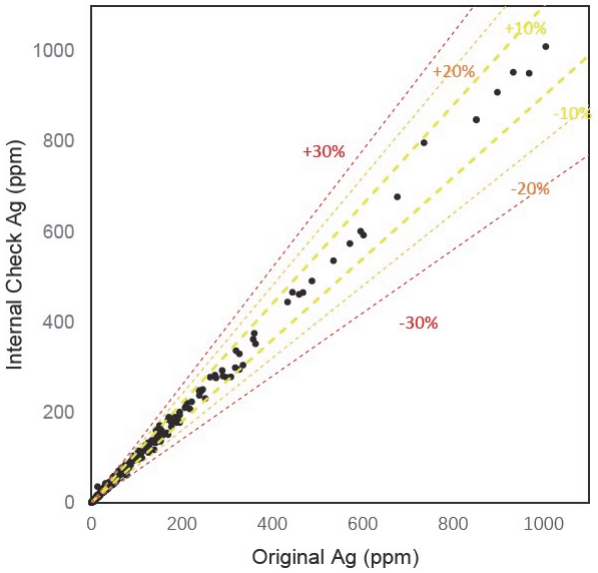


Figure 5–6 Scatter Plot for Silver Internal Check Results

5.4.2External Check

A subset of the pulp duplicates is dispatched to an external laboratory for verification as external check samples. In total, 255 external check samples have been analyzed by HPNM, corresponding to a sampling rate of approximately 5 %. External control assays provide an additional check on the analytical quality of the primary laboratory.

For the gold assay, evaluation of the external check samples indicates that 98.0 % of duplicate pairs fall within the 20 % HARD envelope and 89.4 % within the 10 % envelope, a level of precision considered acceptable. The Q-Q plot and scatter plot demonstrate that similar to internal check results, the external checks exhibit only minor discrepancies for a small number of very high-grade samples — likely attributable to the nugget effect; this impact is deemed negligible. Overall, there is a high degree of concordance between the external assays and the original laboratory results, indicating that the analytical data may be regarded as reasonably reliable. Detailed graphical analysis is provided in Figures 5–7 through 5–9.

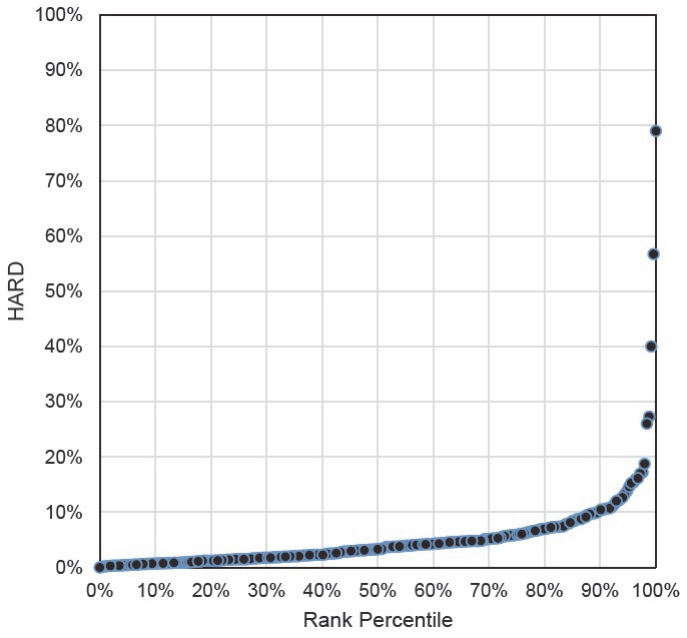


Figure 5–7 HARD Plot for Gold External Check Results

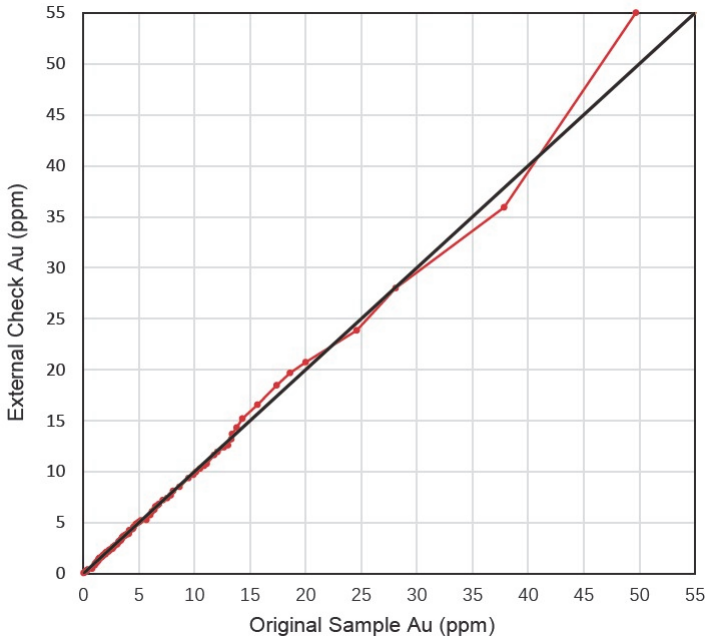


Figure 5–8 Q-Q Plot for Gold External Check Results

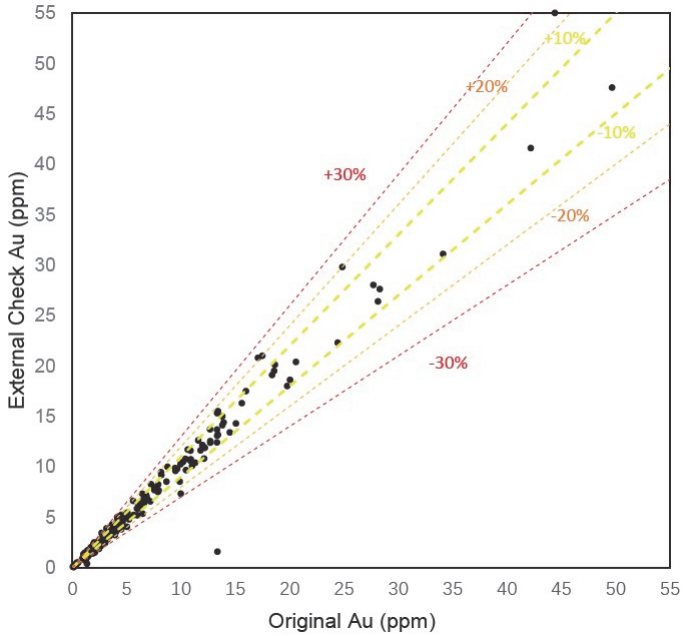


Figure 5–9 Scatter Plot for Gold External Check Results

For the silver assay, external check evaluation shows that 97.6% of duplicate pairs fall within the 20% HARD envelope and 90.2% within the 10% envelope, a precision level regarded as acceptable. In the Q-Q plot and scatter plot, the original assay results and the external check results demonstrate good agreement across the full grade range. Detailed graphical analysis is provided in Figures 5–10 through 5–12.

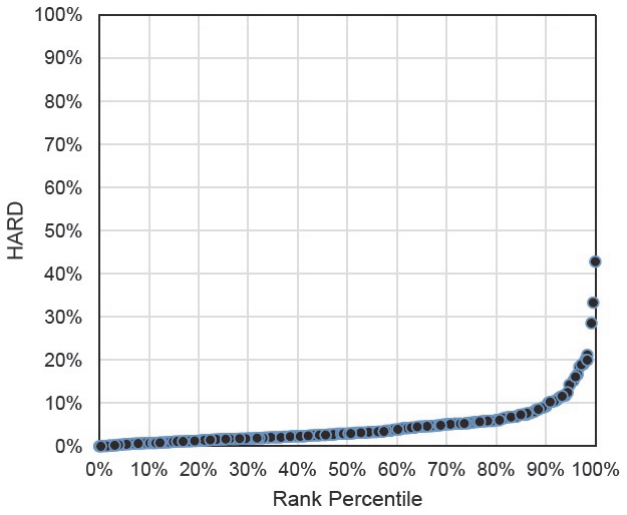


Figure 5–10 HARD Plot for Silver External Check Results

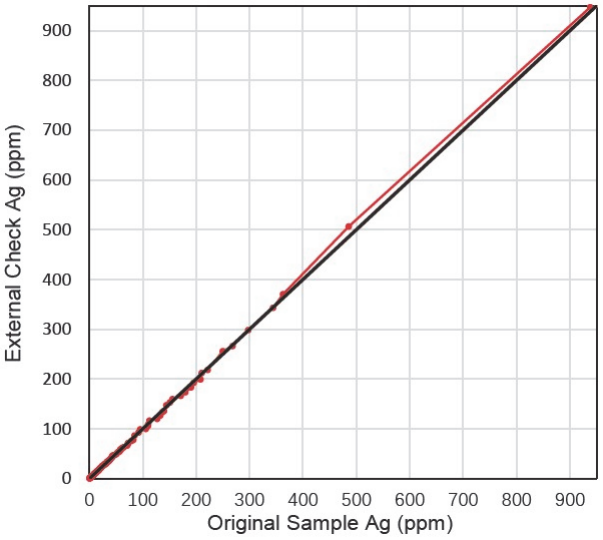


Figure 5–11 Q-Q Plot for Silver External Check Results

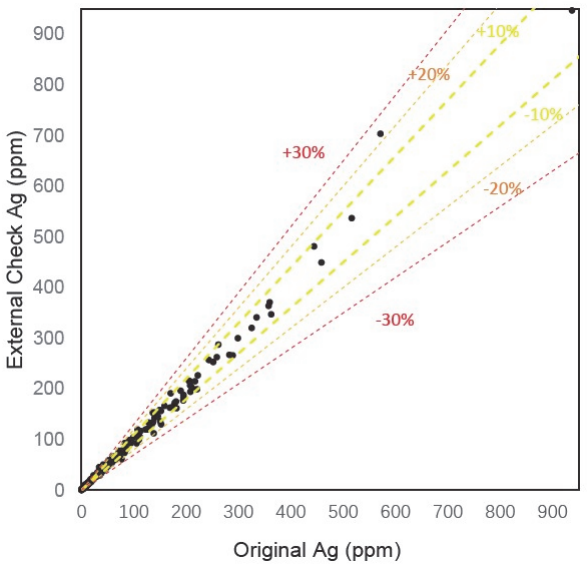


Figure 5–12 Scatter Plot for Silver External Check Results

5.5 Database Verification

A multidisciplinary BAW team, comprising geology, mining, metallurgy, environmental, and techno-economic specialists, conducted a site visit to the Dongan Project from 6 to 8 July 2025. The objective of the visit was to review exploration data, evaluate site facilities, and engage with the mine technical team on geological interpretation and exploration planning.

5.5.1 Technical Discussions

During the visit, BAW held detailed discussions with the on-site geological team. These discussions enhanced BAW's understanding of the deposit geology and supported joint evaluation of criteria for delineating mineralisation thresholds in newly identified exploration areas.

5.5.2 Verification of Exploration Data

The exploration database provided by the Client was reviewed. Selected historical drillhole collars were checked in the field using handheld GPS. Collar locations were found to be consistent with the database, and the sealing of drillholes was in accordance with standard practice.



Figure 5–13 Field Verification of Drillhole Collars at the Dongan Project

5.5.3Core Shed Inspection and Independent Sampling

The Dongan Project maintains a core shed for the storage of historical drill core, which was found to be in generally good condition. Ongoing drilling activities by the 707 Brigade were observed, and BAW inspected drill rigs and corresponding core at site. Random checks confirmed that lithological logging and mineralisation descriptions were consistent with direct observations. As part of the verification program, 48 core samples were collected by BAW and submitted to ALS Guangzhou for independent assay analysis.



Figure 5–14 Core Shed Inspection at the Dongan Project



Figure 5–15 Core Sampling and Logging Verification at the Dongan Project Core Shed



Figure 5–16 Core Processing and Preparation Facility

Table 5–2 Assay Results of Samples Collected During BAW's Site Visit

Sampleid	TYPE	Au_ original_ GPT	Au_ BAW_ GPT	AuDIFF%	Ag_ original_ GPT	Ag_ BAW_ GPT	AgDIFF%
DA001	Core	9.96	5.56	–44%	83.95	34	–59%
DA002	Core	13.64	> 10.0		292.89	189	–35%
DA003	Core	6.11	6.04	–1%	116.87	90	–23%
DA004	Core	0.78	> 10.0		2.84	176	6,097%
DA005	Core	2.52	2.29	–9%	55.37	25	–55%
DA006	Core	5.94	> 10.0		28.9	82	184%
DA007	Core	9.65	> 10.0		39.91	40	0%
DA008	Core	9.63	6.44	–33%	45.58	47	3%
DA009	Core	7.25	3.62	–50%	211.63	79	–63%
DA010	Core	20.04	> 10.0		86.67	106	22%
DA011	Core	0	7.29		0	5	
DA012	Core	9.98	9.31	–7%	289.49	304	5%
DA013	Core	4.87	3.89	–20%	70.72	69	–2%
DA014	Core	10.87	9.8	–10%	111.9	111	–1%
DA015	Core	8.34	4.46	–47%	90.4	79	–13%
DA016	Core	11.06	> 10.0		182.1	73	–60%
DA017	Core	11.23	> 10.0		238.5	306	28%
DA018	Core	13.39	7.7	–42%	243.9	249	2%
DA019	Core	6.42	> 10.0		107.5	188	75%
DA020	Core	37.81	> 10.0		566.34	587	4%
DA021	Core	4.73	8.59	82%	33.02	47	42%
DA022	Core	0	3.6		0	< 1	
DA023	Core	16.98	> 10.0		233.88	171	–27%
DA024	Core	77.3	> 10.0		1,096.74	1,455	33%
DA025	Core	51.84	> 10.0		487.96	679	39%
DA026	Core	3.9	6.21	59%	15.43	10	–35%
DA027	Core	3.76	3.14	–16%	2.26	< 1	
DA028	Core	1.93	1.57	–19%	1.7	1	–41%
DA029	Core	5.6	4.07	–27%	3.29	< 1	
DA030	Core	6.88	8.8	28%	156.11	182	17%
DA031	Core	9.56	8.1	–15%	133.58	129	–3%
DA032	Core	1.44	1.135	–21%	16.67	12	–28%
DA033	Core	4.11	> 10.0		168.18	387	130%
DA034	Core	21.54	> 10.0		251.67	153	–39%
DA035	Core	0	7.01		0	4	
DA036	Core	34.41	> 10.0		477	329	–31%
DA037	Core	4.77	4.58	–4%	173.02	164	–5%

Sampleid	TYPE	Au_ original_ GPT	Au_ BAW_ GPT	AuDIFF%	Ag_ original_ GPT	Ag_ BAW_ GPT	AgDIFF%
DAJXH1	Core	557	9.13	–98%	104	21	–80%
DAJXH2	Core	5.23	3.75	–28%	2.35	18	666%
DAJXH3	Core	6.09	3.73	–39%	0.25	8	3,100%
DAJXH4	Core	128	> 10.0		19.7	236	1,098%
DAJXH5	Core	5.41	7.57	40%	1.08	17	1,474%
DAJXH6	Core	15.7	5.89	–62%	6.17	83	1,245%
DAJXH7	Core	26.1	5.4	–79%	9.44	4	–58%
DAJXH8	Core	30.5	6.63	–78%	8.42	42	399%
DAJXH9	Core	18.4	1.625	–91%	2.76	27	878%
DAJXH10	Core	49.1	3.07	–94%	3.48	139	3,894%
DAJXH11	Core	110	4.77	–96%	3.28	272	8,193%

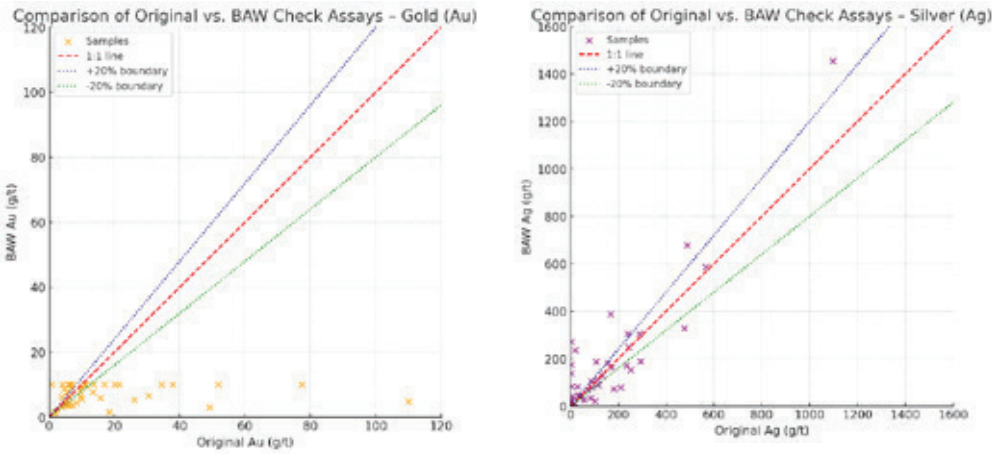


Figure 5–17 Comparison of Original vs. BAW Check Assays — Gold (Au) & Silver (Ag)

The comparison between original assays and BAW's independent check assays shows generally acceptable consistency. For gold, most results fall within ±20%, demonstrating good reproducibility. A few samples display larger deviations, which are attributed to the nugget effect and sample representativity rather than systematic bias. Silver assays also show reasonable agreement overall; extreme percentage differences occur mainly in low-grade samples where very small absolute values amplify relative variance. In addition, the verification program was based on limited core block samples, which were not entirely homogeneous. Some higher-grade material had already been utilised by the mine for exploration studies and metallurgical testing and was therefore not available for re-sampling. Taking these factors into account, BAW considers the assay database to be reliable for use in Mineral Resource estimation.

5.5.4Infrastructure and Operations

The team also inspected the industrial site, surface infrastructure, tailings storage facility, processing plant, and underground mining operations. These inspections confirmed that the site infrastructure reflects the current stage of mine development and supports ongoing exploration and mining activities.



Figure 5–18 BAW Underground Site Inspection and Sampling for Dongan



Figure 5–19 Inspection of Tailings Storage Facility and Processing Plant at the Dongan Project

5.6 Comments

BAW did not directly witness on-site drilling or sampling operations. All exploration activities conducted for the Heihe Property have been undertaken in accordance with the applicable national standards of the PRC, which mandate systematic protocols for drilling, logging, sampling, density determination, and the maintenance of auditable databases for Mineral Resource and Reserve estimation. These requirements largely parallel the technical expectations of the JORC Code 2012 and prevailing industry practice. Field controls such as sample security, duplicate analyses, and external umpire assays prescribed under GB/DZ standards and Ministry of Natural Resources regulations correspond closely to comparable provisions in the JORC framework.

BAW did not visit all the laboratories responsible for sample analysis, except for Heihe Luoke's internal laboratory at the mine site; its protocols and procedures were reviewed and found to be conformable with the industry practices.

Fire assay is the commonly accepted method for gold assay used in resource estimation. For the Heihe Property, the foam absorption method was predominantly employed as a preconcentration step for gold. BAW considers that this technique may result in an underestimation of gold grades. To eliminate uncertainties in this regard, it is recommended that a subset of historical samples be re-assayed using the fire assay method for comparative analysis.

The current quality-control program relies on internal pulp duplicates and external umpire duplicates. Although these measures monitor analytical precision, they do not directly address accuracy or the potential for contamination. BAW therefore recommends the routine insertion of CRMs and blank samples to provide independent checks on analytical accuracy and contamination that might arise during preparation or assay. Internal checks should be submitted as blind pulp duplicates randomly inserted into the same analytical stream as primary samples, rather than re-assayed in separate batches, to permit real-time evaluation of precision for each laboratory run. Supplementing the duplicate suite with field duplicates and coarse duplicates would enable quality monitoring of sampling and preparation stages. QC data should be reviewed on a regular schedule — monthly or quarterly — to allow prompt identification and rectification of any issues.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The previous estimation of Mineral Resources for the Heihe Property was conducted in 2024 by BAW in accordance with the JORC Code 2012 requirements. The classification, reporting and estimation of Mineral Resources for the Heihe Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX.

6.2 Resources Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as below.

- *A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

- *A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

The general relationships between exploration results, Resources and Reserves under the JORC Code are illustrated in.

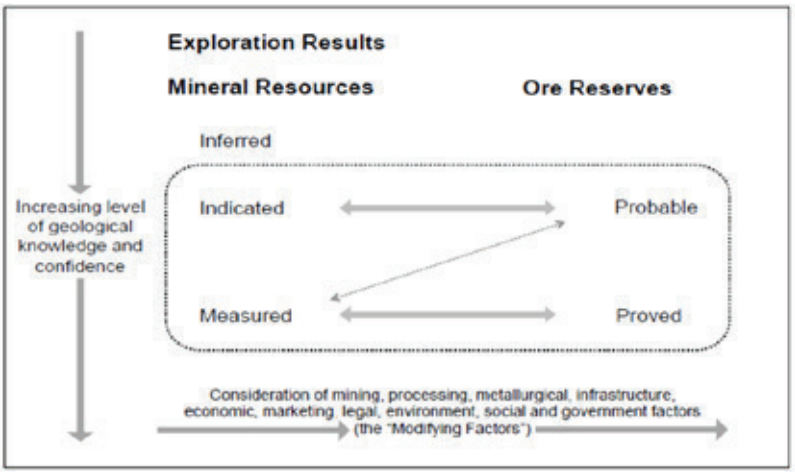


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Heihe Property are reported in a subsequent chapter in this CPR.

6.3 Resources Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as follows:

- **Database Compilation and Verification**: Consolidation of drilling data with quality checks for accuracy and completeness.
- **Geological Modelling**: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- **Data Conditioning**: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- **Block Modelling and Interpolation**: Development of a 3D block model and grade estimation using suitable interpolation methods.
- **Bulk Density Assignment**: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- **Resource Classification**: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.
- **RPEEE Assessment**: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.
- **Model Validation and Reporting**: Visual and statistical validation of the block model, followed by preparation of the Mineral Resource Statement.

6.4 Drillhole Database

Drill data were provided by the Client which were compiled and validated by BAW for our Mineral Resource estimation.

Table 6–1 Summary of Drillhole Database of the Heihe Property

Zone	Type	Description	No. of Holes	Meters	No. of Samples
Mining License.	SDH	Surface Drill Hole	214	45,481.84	11,820
	UDH	Underground Drill Hole	496	38,512.98	14,606
	TR	Surface Trench	107	6,369.72	497
	CH	Underground Channel	1,166	13,602.37	7,392
Exploration License . .	SDH	Surface Drill Hole	270	65,815.38	18,814
	TR	Surface Trench	61	3,180.21	629
Total.			2,314	172,963	53,758

A total of 2,314 drill holes and trenches, comprising 172,963 meters and 53,758 samples, have been completed within the project area. Within the mining license, drilling and sampling include 214 surface drill holes (45,481.84 m; 11,820 samples), 496 underground drill holes (38,512.98 m; 14,606 samples), 107 surface trenches (6,369.72 m; 497 samples), and 1,166 underground channels (13,602.37 m; 7,392 samples). Within the Exploration License, 270 surface drill holes (65,815.38 m; 18,814 samples) and 61 surface trenches (3,180.21 m; 629 samples) were completed. This drilling and sampling dataset forms the basis for the current Mineral Resource estimation. Drillhole collar coordinates were surveyed using RTK in the Coordinate System CGC2000.

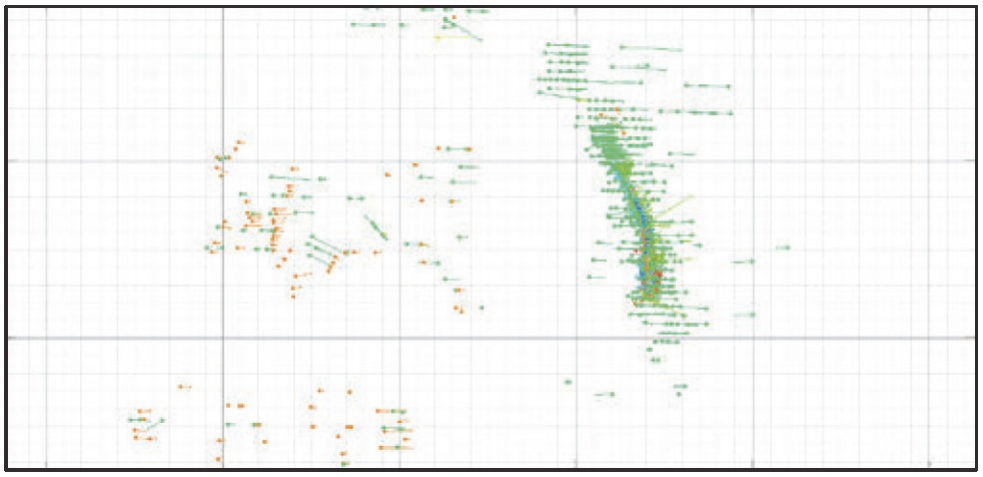


Figure 6–2 Drillhole Plan Map

BAW compiled a geological database from validated collar, downhole survey, and assay data. Inconsistencies in survey and assay datasets were removed to maintain integrity. BAW considers that the database satisfies the JORC Code (2012) requirements and is appropriate for Mineral Resource classification.

6.5 Domain Interpretation

BAW utilised topographic data in the CGCS2000 coordinate system, current as of December 2025, to develop a digital terrain model (DTM), which was used as the reference surface for geological modelling and subsequent Mineral Resource estimation.

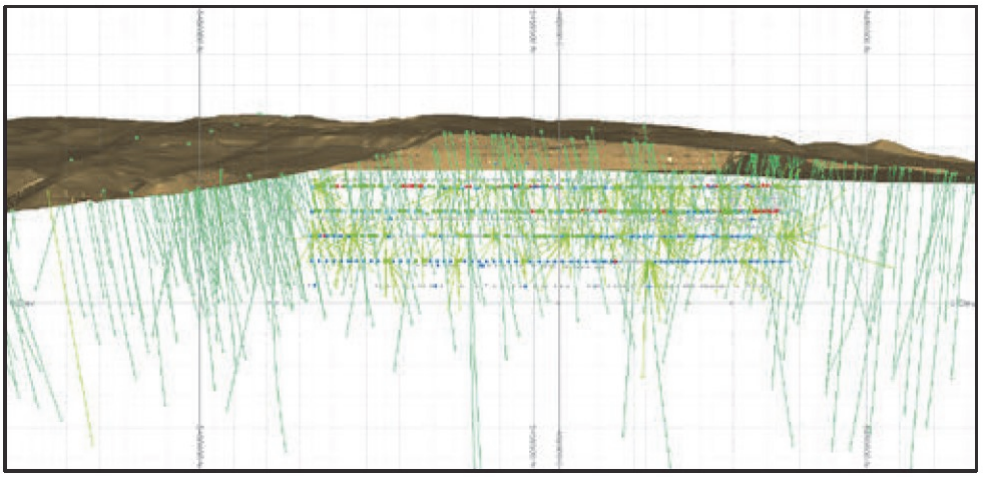


Figure 6–3 Topography Model as of December 31, 2025

The Dong'an gold mineralization is controlled by near north-south faults and mainly occurs in strongly silicified zones near the contact between granite and rhyolitic porphyry, with minor mineralization in fine-grained granite and breccia. Mineralization is steeply dipping, vein-like, with consistent geometry and well-defined boundaries. Alteration is dominated by silicification, sericitisation, adularisation, and chloritisation.

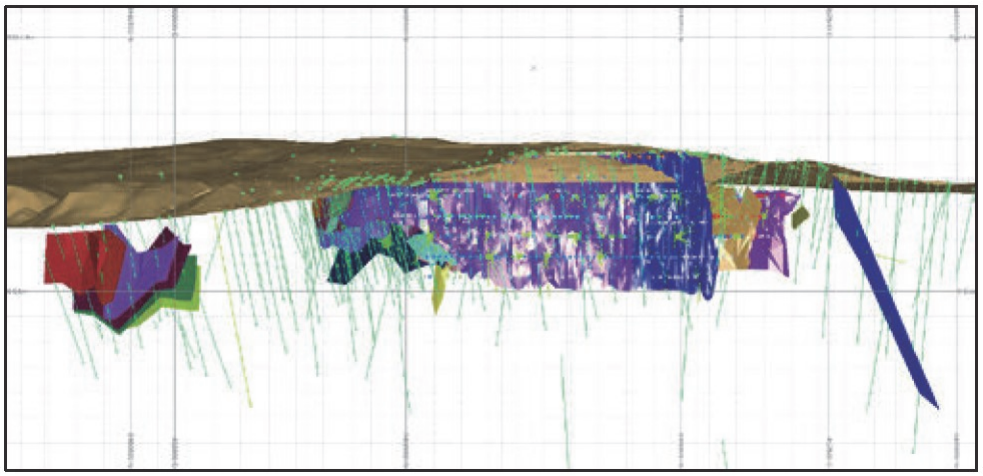


Figure 6–4 Spatial Distribution of Major Mineralised Zones

BAW received a production wireframe from the client focused primarily on gold (Au) mineralization, excluding silver (Ag). The review indicated that the model was conservative, largely confining mineralization to the main orebody. After consulting with the mine geology team, BAW refined the interpretation to include adjacent subsidiary orebodies, leading to the definition of a total of 40 domains in the subsequent resource estimation. However, oxidation and sulfide zones were not modeled due to insufficient information.

6.6 Compositing

Basic statistics on assay data were conducted to understand grade distribution and guide actions before the resource estimate. Statistics for gold (Au) grades were calculated for samples within each mineralized envelope of the main domains.

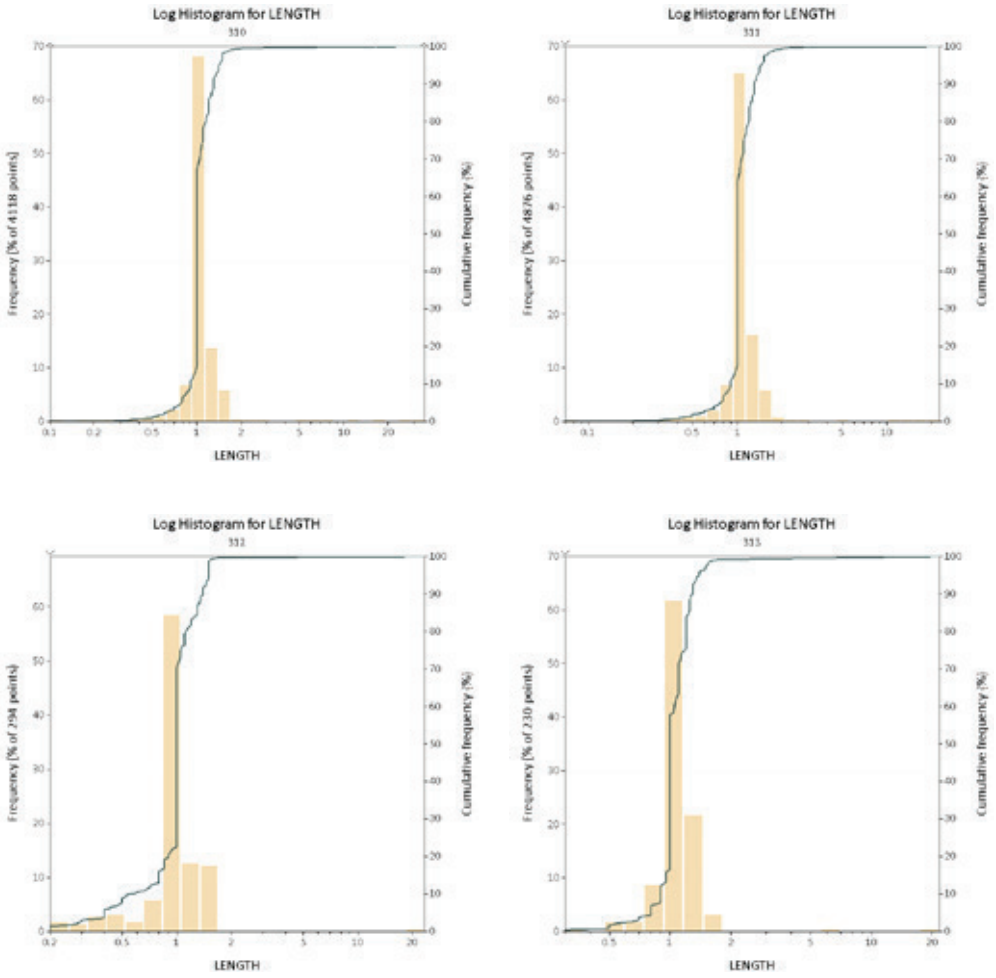


Figure 6–5 Histogram of Sample Length Distribution within Major Geological Domains

BAW analysed sample lengths within each geological domain, finding that most intervals were 1 m. To ensure consistency with mineralised thickness, minimum mineable width, block size, and sampling distribution, all samples were composited to 1-m downhole intervals, with a minimum of 0.75 m per composite. For a small number of samples near domain boundaries, composite lengths were adjusted to approximately 1 m to maintain geological integrity.

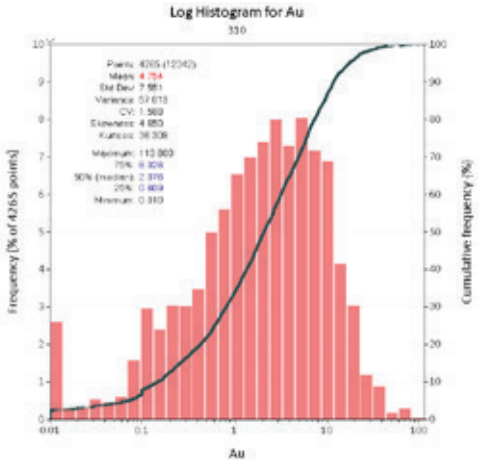
Table 6–2 Assay Length Statistics by Geological Domain (only main domains)

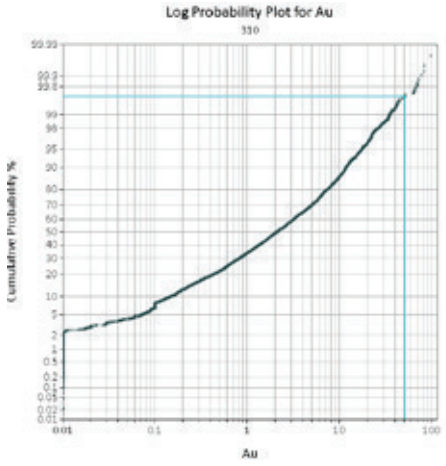
Domain	RAW	Mean	SD	Cov	Mode	Min	Media	Max
311	4,876	1.08	0.59	0.55	1.00	0.07	1.00	22.50
310	4,118	1.08	0.83	0.76	1.00	0.10	1.00	35.18
513	719	1.05	1.13	1.08	1.00	0.10	1.00	27.81
611	527	1.02	0.53	0.52	1.00	0.25	1.00	7.50
312	294	1.07	1.32	1.23	1.00	0.20	1.00	23.20
313	230	1.17	1.41	1.21	1.00	0.30	1.00	21.72
519	226	1.05	0.24	0.23	1.00	0.50	1.00	1.90
315	189	1.29	3.01	2.33	1.00	0.10	1.00	39.60
411	132	1.06	0.51	0.48	1.00	0.25	1.00	6.25
612	130	1.13	1.25	1.11	1.00	0.27	1.00	11.52

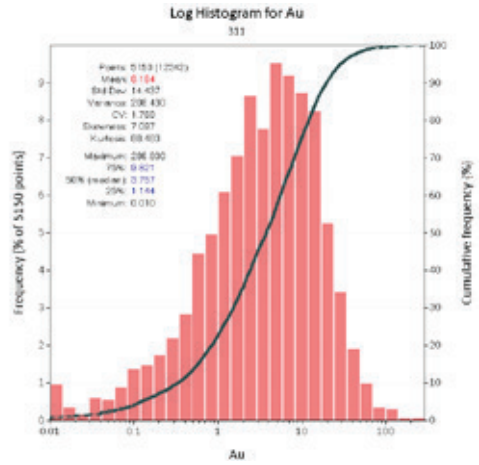
BAW conducted univariate statistical analyses on raw assay data for 1-m composites within each geological domain to assess the population characteristics. The data exhibit a log-normal distribution, with several extreme high-grade samples identified within the defined geological domains.

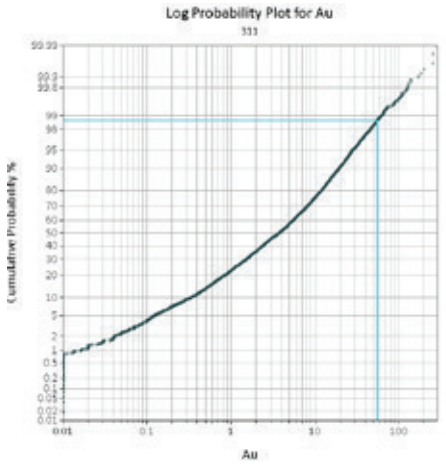
Table 6–3 Summary of Composites against Raws of Main Domain

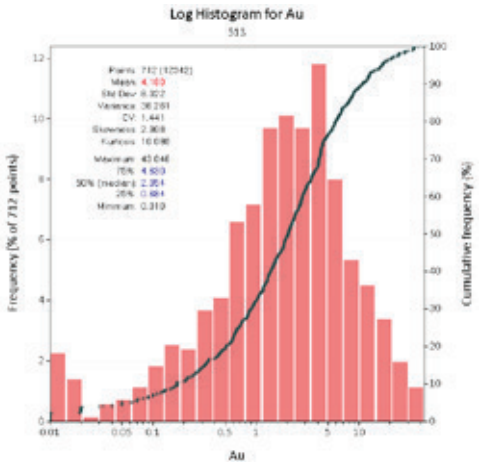
	Original Assay						Composite Assay				DIFF			
Item	Domain	RAW	Mean	Cov	Min	Max	Mean	Cov	Min	Max	Mean	Cov	Min	Max
Au.	311	4,864	8.14	1.88	0.01	286.80	8.16	1.77	0.01	286.80	0%	–6%	0%	0%
Au.	310	4,092	4.74	1.73	0.01	124.00	4.75	1.59	0.01	113.80	0%	–8%	0%	–8%
Au.	513	714	4.28	1.55	0.01	62.00	4.18	1.44	0.01	43.05	–2%	–7%	0%	–31%
Au.	611	524	10.41	3.54	0.01	612.00	9.33	2.44	0.01	256.00	–10%	–31%	0%	–58%
Au.	312	293	6.64	1.56	0.01	75.70	5.95	1.39	0.02	60.17	–10%	–11%	100%	–21%
Au.	313	228	3.73	2.43	0.01	67.80	3.63	2.33	0.01	67.06	–3%	–4%	0%	–1%
Au.	519	226	3.34	1.45	0.07	37.81	3.26	1.29	0.07	36.18	–2%	–11%	0%	–4%
Ag.	311	4,837	88.74	1.60	0.01	995.00	88.73	1.50	0.01	995.00	0%	–6%	0%	0%
Ag.	310	4,090	40.21	1.98	0.01	982.00	40.09	1.84	0.01	933.00	0%	–7%	0%	–5%
Ag.	513	713	61.92	1.35	0.01	554.00	61.03	1.26	1.00	516.90	–1%	–6%	9,900%	–7%
Ag.	611	518	82.12	1.73	0.10	860.00	81.68	1.61	0.10	785.00	–1%	–7%	0%	–9%
Ag.	312	293	45.96	1.76	0.10	571.82	45.51	1.66	0.10	571.82	–1%	–6%	0%	0%
Ag.	313	228	45.94	1.14	1.00	349.00	46.55	1.06	1.00	349.00	1%	–7%	0%	0%
Ag.	519	226	31.24	2.04	0.48	566.34	31.13	1.80	1.11	540.11	0%	–12%	131%	–5%

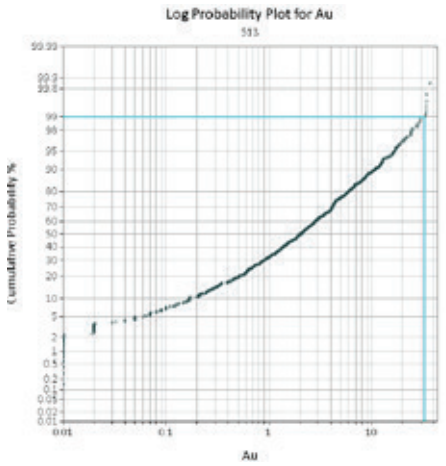

Log Histogram for Au
330
Frequency (% of 4265 points)
Cumulative frequency (%)
Au


Log Probability Plot for Au
330
Cumulative Probability %
Au


Log Histogram for Au
331
Frequency (% of 5150 points)
Cumulative frequency (%)
Au


Log Probability Plot for Au
331
Cumulative Probability %
Au


Log Histogram for Au
333
Frequency (% of 732 points)
Cumulative frequency (%)
Au


Log Probability Plot for Au
333
Cumulative Probability %
Au

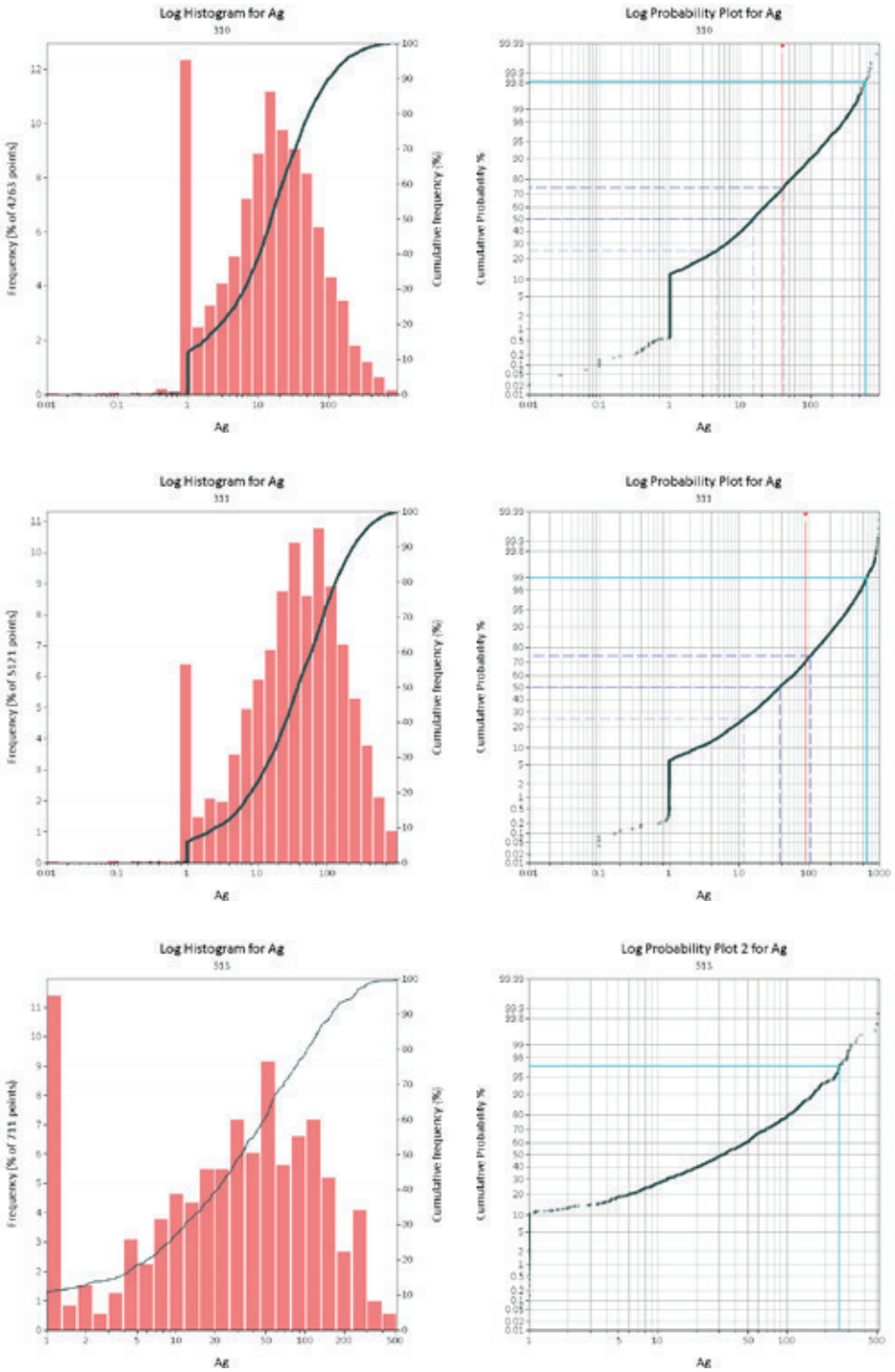


Figure 6–6 Histograms and Cumulative Frequency Plots of Sample Distributions within Major Geological Domains

6.7 Grade Capping

BAW applied grade capping to the 1-m composited assay data on a domain-by-domain basis to mitigate the influence of high-grade outliers. Statistical analyses, including histograms, log-probability plots, and cumulative frequency distributions, were performed to assess grade distribution, as shown in Figure 6–6. Additionally, a visual check for outliers in 3D space was conducted within each domain to identify the appropriate capping values.

Based on these analyses, domain-specific capping thresholds were established, ranging from 32.7 g/t to 53.5 g/t for gold and from 273 g/t to 828 g/t for silver.

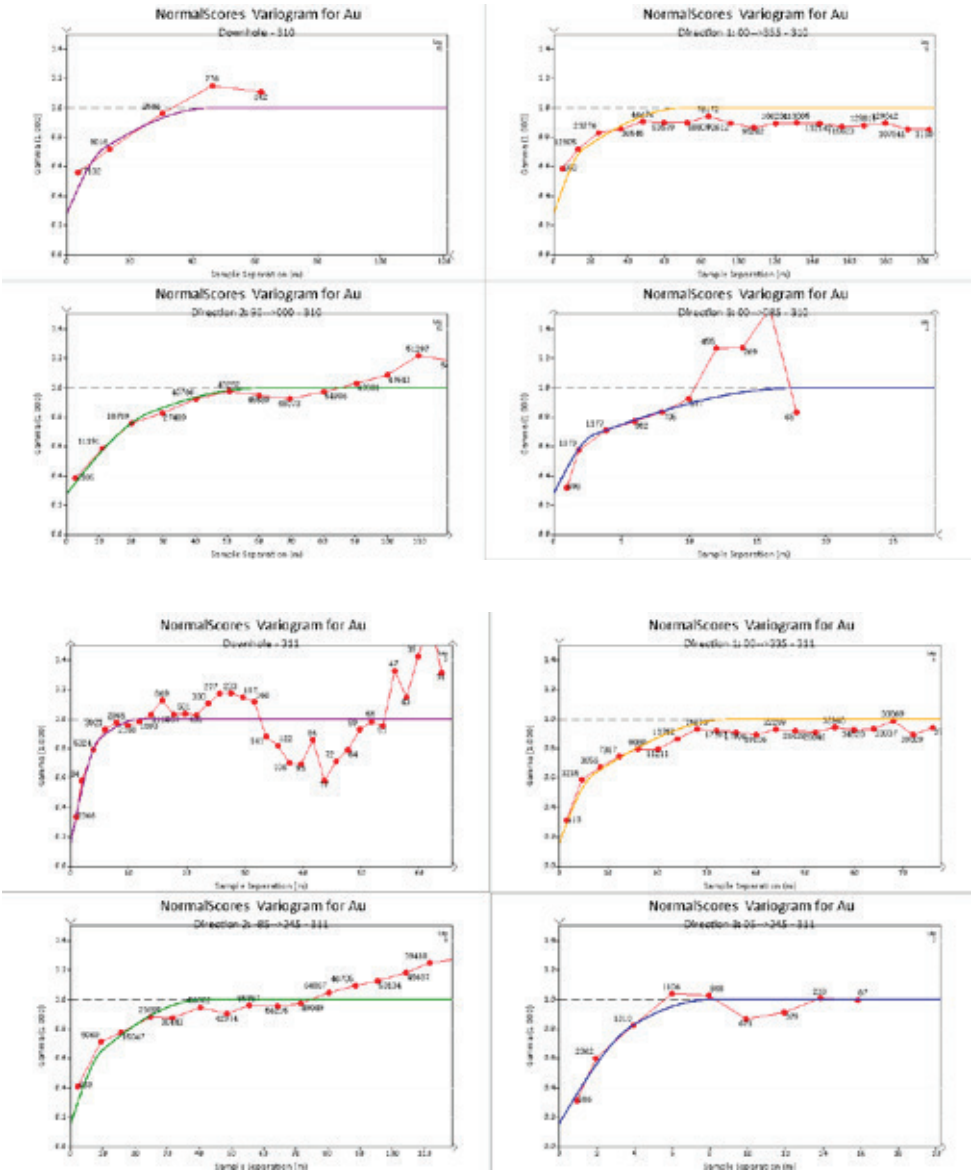
Table 6–4 Statistical Analysis for Capped Composites In Main Domains

	Domain	Capping Value	No. of Replaced Composites	Capped Ratio	Mean Before Capping	Mean After Capping	Difference
		g/t		(%)			(%)
Au	310	50.7	14	0.34%	4.75	4.67	–2%
	311	53.5	74	1.52%	8.16	7.62	–7%
	513	32.7	8	1.12%	4.18	4.15	–1%
	611	52.5	15	2.86%	9.33	7.44	–20%
	Other	53.5					
Ag	310	597	9	0.22%	40.09	39.80	–1%
	311	670	51	1.05%	88.73	87.30	–2%
	513	254	11	1.54%	61.03	59.90	–2%
	611	500	15	2.86%	81.68	77.40	–5%
	Other	670					

Given the mineralisation BAW implemented a combined strategy of grade capping and restricted spatial influence to appropriately manage the impact of extreme high-grade values on the Mineral Resource estimate, influence of high-grade samples was tightly constrained during the first interpolation pass. Specifically, only one high-grade composite was permitted to contribute within a confined ellipsoid of 1 m × 1 m × 0.5 m (along strike, dip, and across thickness), and a minimum of four drillholes (at least 8 composites)was required within this search range to support interpolation. This approach ensures that high-grade zones are neither overestimated nor excessively diluted, thereby delivering a balanced, geologically credible, and statistically robust Mineral Resource estimate.

6.8 Variogram Study

BAW conducted a semi-variogram study to guide the grade interpolation search strategy. The study focused on capped composites within the mineralised domain, preparing downhole variograms and omnivariograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as the spherical search ellipse parameters for Ordinary Kriging interpolation, ensuring accurate grade estimation based on the spatial variability of gold mineralisation.



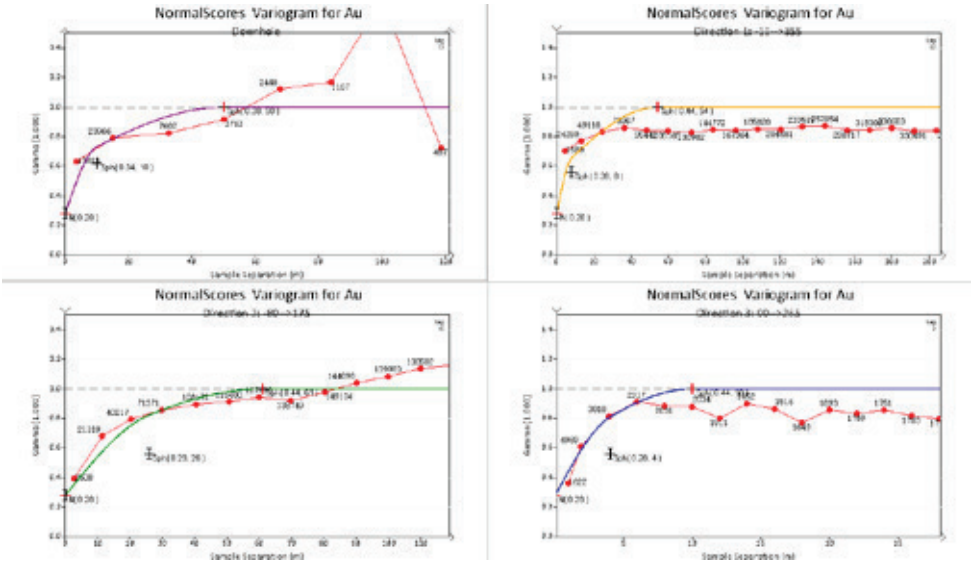
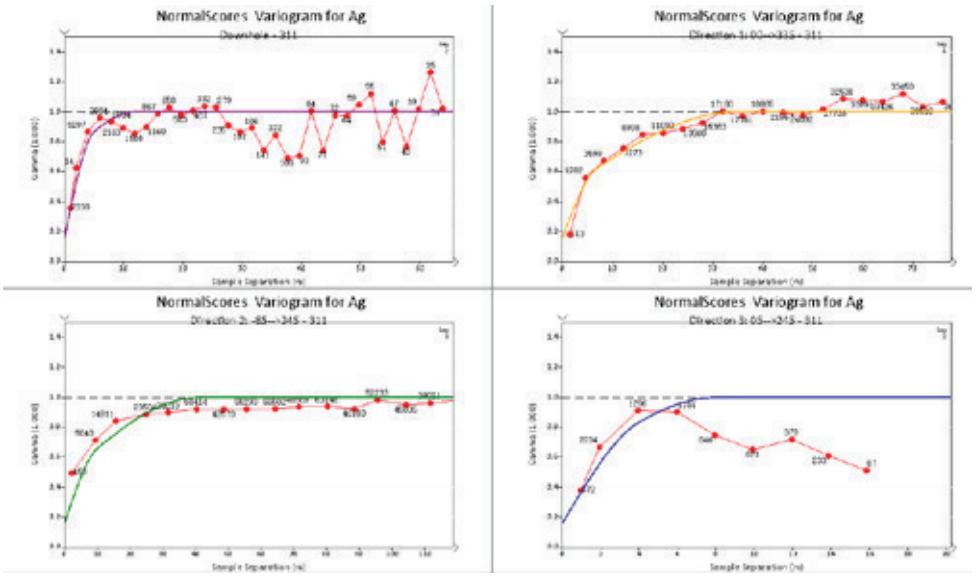


Figure 6–7 Au Variograms of Major Mineralized Domains



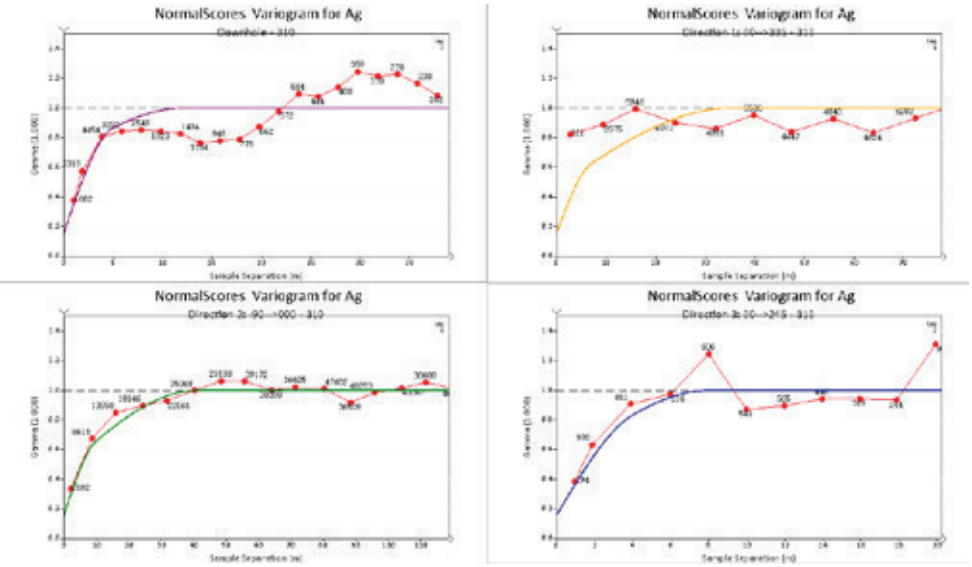


Figure 6–8 Ag Variograms of Major Mineralized Domains

BAW conducted a variogram study on the main orebody and used the results for Ordinary Kriging (OK) interpolation, while also performing variogram analysis on both Au and Ag for all thresholds. Except for the 310/311/513/611 Domain, BAW did not identify well-structured variogram models. Directional variogram modelling within several geological domains demonstrated that the orientation of mineralisation, both in strike and dip, was consistent with the geological interpretation and geological assumptions. These provided sufficient confidence for defining the search parameters and informing the estimation strategy applied in the resource model.

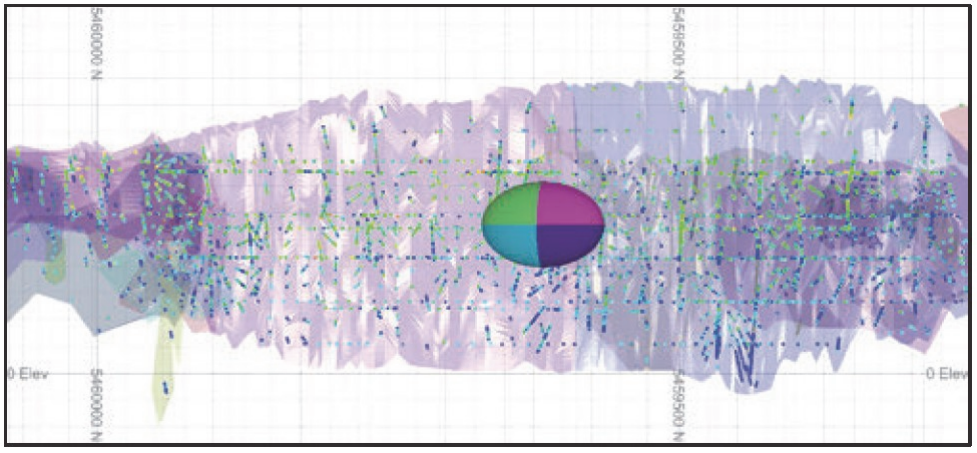


Figure 6–9 Variography Search Ellipse in 3D Space Long Section

Table 6–5 Variogram Parameters

	Rotation		Spherical 1				Spherical 2			
Zone	ZXY	Nugget	Sill 1	Range 1	Range 2	Range 3	Sill 2	Range 1	Range 2	Range 3
A	0/–90/–95	0.39	0.24	16	26	7	0.37	61	60	18
B	0/90/115	0.39	0.23	16	9	4	0.38	61	45	8
C	–155/0/–60	0.31	0.1	29	50	4	0.59	65	105	14

Zone A: Domain 110–124,211–214,310;Zone B: Domain 311–316, other;Zone C: Domain 411- 413

6.9 Bulk Density

BAW obtained 81 special gravity measurements from an initial set of 95 samples collected during the exploration stage from underground workings and drill core. Four samples were rejected due to quality issues. The retained samples covered the main domains at multiple elevations. Given the limited dataset, an average density of 2.60 t/m^3 was adopted for resource estimation.

6.10 Block Modeling

BAW constructed an unrotated block model for resource estimation. To accurately reflect the spatial geometry of the mineralization, parent block dimensions were set at 4 m (X) by 2 m (Y), with a vertical height of 2 m. Sub-blocks were defined with dimensions of 1 m along strike, 1 m perpendicular to strike, and 1 m vertically, allowing for finer resolution within the model.

Table 6–6 Block Model Definition

Direction	Origin	Max	# of Blocks	Block Size	Sub-block Size	Rotation
X	491,700	492,604	226	4	1	0
Y	5,458,998	5,460,750	876	2	1	0
Z	–240	290	265	2	1	0

Block models were created for domain codes, density, grade, and classification. Domain codes and density values were assigned based on the parameters outlined in the preceding sections.

Given the variogram performance and mineralization style, BAW employed Ordinary Kriging, IDW^3 and Nearest Neighbor methods to estimate grades into parent blocks using 1-meter composites. During grade interpolation, the influence of high-grade samples was capped by applying a distance constraint of 1 m along strike, 1 m across strike, and 1 m vertically. Three interpolation passes were utilized in the estimation process.

The passes were implemented to ensure that blocks with better data availability were interpolated first. Informing data included search ellipse parameters, as well as the minimum and maximum number of composites used to interpolate a given block, along with the maximum number of composites considered per drill hole. By setting a minimum number of composites required for interpolation in each pass, combined with the maximum number of composites per hole, the methodology implicitly determined the minimum number of drill holes necessary for that pass. The estimation parameters are summarised below.

Table 6–7 Estimation Parameters for IDW^3, OK and Nearest Neighbour (NN) Methods

Domain	Pass	Rotation ZXY	Strike Range (m)	Down Dip Range (m)	Across Dip Range (m)	Max # composites per Hole	Optimum # composites per Hole	Min # composites	Max # composites
A	I	0/–90/–95	40	40	10	3	2	7	20
	II		80	60	20	3	2	5	14
	III		120	120	30	2	1	1	9
B	I	0/90/115	40	40	20	3	2	7	20
	II		80	60	20	3	2	5	14
	III		120	120	60	2	1	1	9
C	I	–155/0/–60	40	40	15	3	2	7	20
	II		80	60	20	3	2	5	14
	III		120	120	45	2	1	1	9

6.11 Resource Classification

The classification of Mineral Resources follows the JORC Code (2012) and industry best practices, incorporating an integrated assessment of geological continuity, drilling density, data quality, variogram performance, and estimation confidence.

BAW adopted a classification strategy that reflects confidence in geological interpretation and grade continuity, supported by both the spatial configuration of drilling and the results from three-pass Ordinary Kriging estimation. The following criteria were applied to define the confidence categories:

- **Measured Mineral Resources**: Assigned to blocks estimated within 40 m of at least four drillholes, using a minimum of seven composites for grade estimation (first search volume), and located within zones exhibiting strong geological continuity and high data density. No measured resources were defined in areas with poor variogram performance.

- **Indicated Mineral Resources**: Defined as blocks estimated within 40 to 80 m of the master domain, using at least two drillholes and a minimum of four composites for grade estimation (second search volume).

- **Inferred Mineral Resources**: Assigned to blocks estimated during the second or third search passes, within a maximum distance of 120 m, and supported by at least one drillhole. These areas are characterized by lower drill density and more limited confidence in geological and grade continuity, although mineralization is reasonably interpreted as continuous.

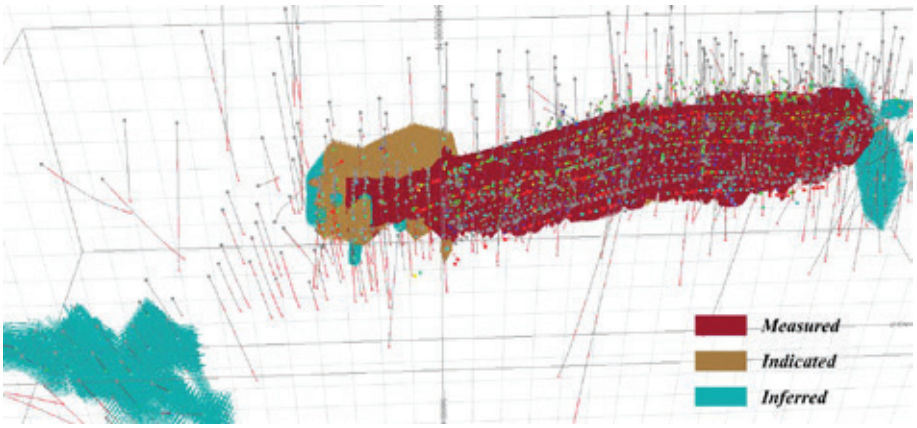


Figure 6–10 Mineral Resource Classification Distribution of the Heihe Property

BAW is confident that the geological modeling accurately reflects the current geological information and understanding. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological knowledge, meeting the requirements for public reporting under the JORC Code (2012).

6.12 Model Validation

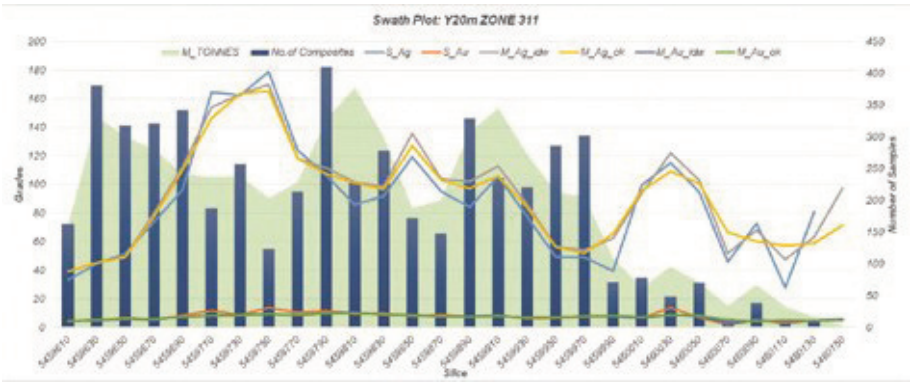
BAW conducted a comprehensive validation of the interpolated model, which included visual inspections, comparisons of gold grades between the IDW^3 and OK methods, and swath plot analyses. BAW concluded that the OK method better reflects the geological characteristics of the deposit.

Swath plots for gold within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals. Given the number of mineralized domains, BAW selected several representative zones for analysis. The block models and composites were found to be well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates.






Swath Plot:X20 m ZONE 311
M_TONNES
No.of Composites
S_Ag
S_Au
M_Ag_idw
M_Ag_ok
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice


Swath Plot: Y20m ZONE 311
M_TONNES
No.of Composites
S_Ag
S_Au
M_Ag_idw
M_Ag_ok
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice


Swath Plot:Z 20M ZONE 310
M_TONNES
No.of Composites
S_Ag
S_Au
M_Ag_idw
M_Ag_ok
M_Au_idw
M_Au_ok
Grades
Number of Samples
Slice

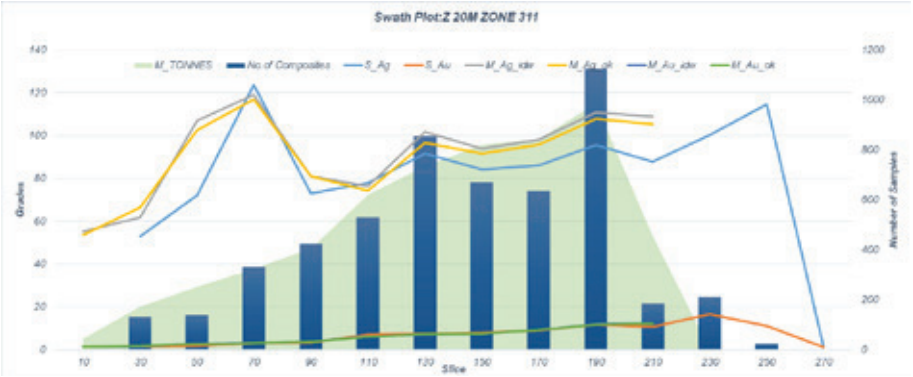


Figure 6–11 Swath Plot for Au Grade within Mineralised Zone

6.13 Metal Equivalent and Cut-Off Estimation

Based on the three-year average metal prices, gold equivalent (AuEq) grades were calculated to combine gold and silver into a single gold-equivalent value. A gold price of USD2,000/oz and a silver price of USD25/oz were applied, together with metallurgical recoveries of 97.19% for gold and 72.79% for silver. These parameters yield a silver-to-gold equivalence factor of 0.00946 (USD/g), whereby 106.82 g/t Ag is equivalent to 1 g/t Au. The AuEq grade was calculated using the formula:

$$\mathrm{AuEq\,(g/t)} = \mathrm{Au\,(g/t)} + \frac{\mathrm{Ag\,(g/t)} \times P_{\mathrm{Ag}} \times R_{\mathrm{Ag}}}{P_{\mathrm{Au}} \times R_{\mathrm{Au}}}$$

The Mineral Resources for the Heihe Property have been reported only where reasonable prospects for eventual economic extraction (RPEEE) can be demonstrated. The assessment of RPEEE was based on the following considerations:

- **Commodity Price**: A gold price of USD2,600 per ounce was adopted, based on the three-year historical average and deemed a reasonable long-term assumption.
- **Underground Potential**: Blocks were evaluated for potential underground extraction, applying an appropriate underground break-even cut-off grade.

Table 6–8 Cut Off Grades Adopted for In-Pit and Out-Pit Resources

Parameters	Unit	Underground
USD To RMB		7
Gold Price	$/oz	2,600
	RMB/g	585.14
Mining Operating Cost	RMB/t	175.6
Processing & Smelting Operating Cost	RMB/t	193.79
General & Administrative	RMB/t	151.93
Royality	RMB/t	23.74
Selling Costs/Transport Costs	RMB/t	1.75
Refining	RMB/t	0.9
Mining Dilution	%	3.00%
Mining Recovery	%	97.00%
Total Recovery of Processing and Smelting	%	97.20%
In Situ Au Cut-Off Grade	g/t	0.98
AuEq Cut-Off Grade	g/t	1.00

6.14 Mined Out Blocks

The mine management provided laser scan data of the mined-out stopes, which BAW used to generate the "Mined Out" block model with dimensions of 1 m (X) by 1 m (Y) by 1 m (RL). Additionally, isolated remnant blocks adjacent to the mined areas were manually assigned the "Mined" attribute. The depletion has been applied to reflect the status of mining as of December 31, 2025.

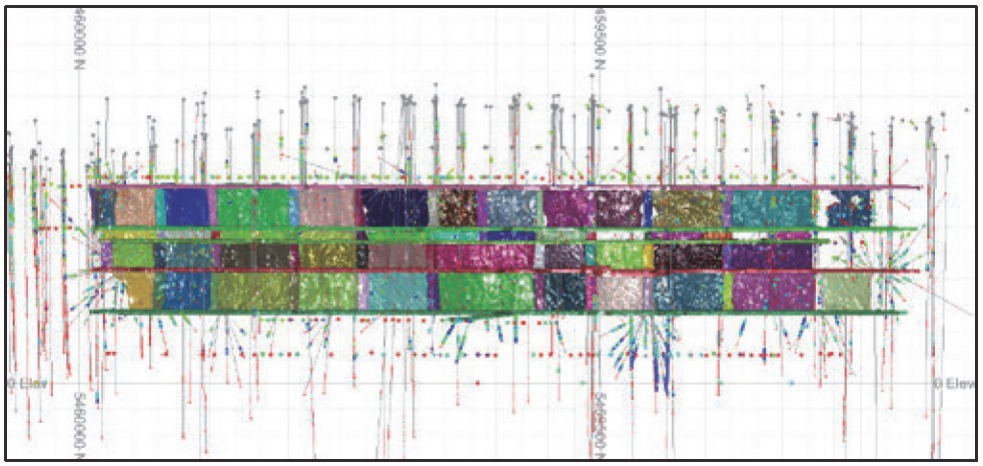


Figure 6–12 Mined out blocks as of December 31, 2025

6.15 Mineral Resources Statement

The Mineral Resources of the Heihe Property were estimated as of December 31, 2025 with the following key assumptions:

- Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured mineral resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

- The Mineral Resource estimate is reported as of December 31, 2025.

- Au and Ag grades were estimated using both OK and IDW^3. Gold equivalent (AuEq) grades were calculated from historical metal prices and production recoveries, AuEq = Au_ok + Ag_ok/106.8.

- Underground Mineral Resources are reported using an underground mining break-even cut-off grade (BCOG) based on the an AuEq cut-off grade of 1.0 g/t. Long-term metal price assumptions of USD2,600/oz Au were applied.

- Totals may not add up.

Table 6–9 Mineral Resources Statement Prepared by BAW for the Heihe Property as of December 31, 2025

Site	Cutoff	CAT	Tonnes	Au_eq	Au	Gold	Ag	Silver
			(kt)	(g/t)	(g/t)	(t)	(g/t)	(t)
DongAn Mining	1.0g/tAu_eq	Measured	1,277	6.04	5.48	7.00	59.38	75.84
		Indicated	18	3.21	2.98	0.05	25.08	0.45
		M+I	1,295	6.00	5.44	7.05	58.91	76.29
		Inferred	6	8.36	7.59	0.05	82.51	0.53
		Total	1,301	6.01	5.46	7.10	59.04	76.82
DongAn Exploration . .	1.0g/tAu_eq	Measured	499	5.65	5.10	2.55	58.59	29.24
		Indicated	451	5.02	4.74	2.14	29.56	13.32
		M+I	950	5.36	4.94	4.69	44.80	42.56
		Inferred	441	3.07	2.87	1.27	21.67	9.55
		Total	1,391	4.64	4.28	5.96	37.46	52.11
Stokpile		Measured	338	3.03	2.15	0.73	93.54	31.64
		Indicated		—		—		—
		M+I	338	3.03	2.15	0.73	93.54	31.64
		Inferred		—		—		—
		Total	338	3.04	2.16	0.73	93.61	31.64
Total		Measured	2,114	5.47	4.86	10.28	64.67	136.72
		Indicated	469	4.94	4.67	2.19	29.36	13.77
		M+I	2,583	5.37	4.83	12.47	58.26	150.49
		Inferred	447	3.16	2.95	1.32	22.55	10.08
		Total	3,030	5.05	4.55	13.79	52.99	160.57

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao consents to the reporting of this information in the form and context in which it appears.

6.16 Comparison with Previous Estimates

The previous Mineral Resource estimate for the Heihe Property, prepared by BAW in March 2025, was based on data as of December 31, 2024, as reported in the Client's 2024 Year-End Mineral Resources and Ore Reserves Statement. The most recent Mineral Resource estimate for the Heihe Property was completed by BAW utilizing exploration and production data as of December 31, 2025.

Compared to the 2024 estimate, total contained gold has increased by approximately 22%, primarily due to the incorporation of new drilling and production data, as well as the inclusion of northern orebodies that were not covered in the previous model. A significant portion of the newly verified underground and production drillholes enabled the upgrade of resources from the Inferred and Indicated categories to Measured, substantially increasing confidence in the model. The estimation continued to utilize Ordinary Kriging (OK) with refined geological domains, and the cut-off grade was adjusted to reflect updated market prices and operating costs. A summary of the comparison is presented in Table 6–10 below.

Table 6–10 Comparison of Previous and Current Mineral Resource Estimates of the Heihe Property

	Resource as of December 31, 2024			Resource as of December 31, 2025			% Difference in
Category	Tonnage	Gold Grade	Contained Gold	Tonnage	Gold Grade	Contained Gold	Contained Gold
	(kt)	(g/t)	(t)	(kt)	(g/t)	(t)	
Measured	925	4.60	4.25	2,114	4.86	10.28	142%
Indicated	874	4.69	4.10	469	4.67	2.19	–47%
Inferred	881	4.53	3.99	447	2.95	1.32	–67%
Total	2,680	4.60	12.34	3,030	4.55	13.79	12%

6.17 Exploration Potential

The Dong'an Gold Mine is situated on the southeastern margin of the Xiaoxing'anling within the Kuerbin fault-controlled depression. Mineralisation is primarily controlled by NNE-trending deep-seated faults and their subsidiary structures, and is hosted within strongly silicified alteration zones developed in andesite, dacitic tuff, and K-feldspar granite. Ore bodies occur as veins or large lodes. The No. 5 orebody is the principal lode, characterised by large scale, good continuity, and local branching and composite structures. Both thickness and grade vary along strike and dip, with higher grades concentrated in the upper sections and a gradual decrease with depth. The orebody remains open at depth and along its northern and southern extensions, with recent drilling confirming continuous mineralisation, indicating clear potential for resource expansion.

Exploration in recent years has delineated multiple subsidiary lodes in the hangingwall, footwall, and parallel zones to the No. 5 orebody. Surface geochemical anomalies and geophysical responses are well coincident with alteration zones, demonstrating the integrity of the mineralising system and favourable conditions for the formation of new orebodies. Results show that mineralisation commonly occurs as clusters of closely spaced veins, with clear structural controls and well-developed alteration halos, consistent with the characteristics of shallow low-sulfidation epithermal gold systems.

In summary, the Dong'an Gold Mine retains significant exploration potential, with the No. 5 orebody remaining open at depth and along strike, and multiple verified anomalies in the surrounding area providing strong evidence for the discovery of additional economic mineralisation. The overall metallogenic system is intact, with well-defined controlling structures, supporting continued resource growth and extension of mine life.

6.18 Conclusions and Recommendations

The current interpretation suggests that mineralization remains open both along strike and at depth, presenting significant potential for resource growth. To realize this potential, BAW recommends the following actions:

- **Undertake targeted step-out and infill drilling** to extend known mineralized zones and upgrade existing resource classifications.
- **Review and incorporate peripheral mineralized intervals** adjacent to the current wireframes into future resource models.
- **Expand the program of specific gravity measurements** to strengthen the reliability of bulk density assignments across all lithologies and mineralization styles.
- **Intensify near-mine and regional exploration** to identify additional mineralized structures and satellite lodes.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Heihe Property presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

- *An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.*

- *A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.*

- *A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.*

- *Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedures

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructures, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected optimized stope shapes for surface constraints and potential interactions with planned production operations.

- **Mineable Stope Shape Optimization:** The position and shape of the underground mining is optimized given the geological and economic parameters of the deposit as well as the mining, processing, and market parameters. Within the license and above the minimum cut-off grade before mining losses and dilution.

- **Mine Design and Development Review:** Conduct a comprehensive audit of planned or existing production and development systems. Verify compliance with production processes and plans against technical, industry, and regulatory standards. Evaluate system rationality through on-site inspections, data analysis, and expert input, identifying bottlenecks and risks.

- **Mine Production Schedule**: Schedule the material within optimized stope shapes according to feasible tonnage and processing plant targets.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.3 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the JORC Code (2012), BAW reviewed a number of technical studies prepared for the Heihe Property and made reference to the actual operation and current mining plan. The confidence level in the Modifying Factors demonstrated in those technical studies is considered by BAW to be akin to a pre-feasibility study level and are suitable to support Ore Reserve estimation. The technical studies reviewed by BAW include:

- Feasibility Study Report on 450 tpd Mining-Processing-Smelting Project of Dong'an Gold Mine, Heihe Luoke Mining Development Co., Ltd. Jan 2009;

- Pre-feasibility Study Report on 1,250 tpd Reconstruction and Expansion Project of Dong'an Gold Mine Beneficiation Project, Heihe Yintai Mining Development Co., Ltd. Nov 2018.

- Design Report of the 1,250 tpd Underground Reconstruction and Expansion Project of the Dong'an Gold Mine, Heihe Luoke Mining Development Co., Ltd. Dec 2024.

- Pre-Feasibility Study Report on Dong'an Gold Mine (Expanded Mining Area) of Heihe Locke Mining Development Co., Ltd., Shandong Gold Design & Consulting Co., Ltd. March 2025 (2025 PFS).

7.4 Cut-Off Grade

The cut-off grade for gold in the ROM feed are generally calculated using the following formula.

$$Cut-off\ Grade = \frac{Mining\ Cost + Processing\ Cost + G\&A\ Cost}{(Price - Offsite\ Cost) * Processing\ Recovery}$$

The unit cost of mining, processing, general and administrative, and processing recovery from 2022 to 2025Q2 were provided by the mine management, as detailed in Table 7–11. The cut-off grade is estimated to be 1.20 g/t, based on the adjustment from average historic three-year unit costs, while also considering processing recovery and royalty factors, as shown in Table 7–2.

Table 7–1 Unit Cost of the Heihe Property from 2022 to 2025Q2

	Unit	2022	2023	2024	2025Q2	Average
Mining Cost	RMB/t	192.0	212.0	164.9	133.4	175.60
Processing Cost	RMB/t	212.2	212.6	185.7	164.7	193.79
G&A Cost	RMB/t	112.2	119.9	225.7	150.0	151.93
Total	RMB/t	516.4	544.5	576.3	448.1	521.31

Source: provided by the Heihe and summarized by BAW

The parameters used in estimating the cut-off grade are detailed in the Table 7–2. The preferred cut-off grade is rounded up to the nearest 0.1 for practical application.

Table 7–2 Cut-Off Grade Analysis for the Heihe Property

Parameters		Value
Unit Conversion		
Exchange Rate	RMB/USD	7.000
Convert	g/oz	31.1035
Unit Cost	$/t	521.31
Mining Cost	RMB/t	175.60
Processing Cost	RMB/t	193.79
G&A Cost	RMB/t	151.93
Offsite Costs	USD/oz	0.09
	RMB/g	20.65
Refining	RMB/g	0.90
Selling Costs/Transport Costs	RMB/g	1.75
Mineral Extraction Tax (4% of gold extracted)	RMB/g	18.00
Gold Price	USD/oz	2,000.00
	RMB/g	450.11
Processing Recovery	%	97.2%
Breakeven Cut-off Grade	g/t	1.2

Source: summarized by BAW

7.5 Dilution and Mining Loss

The determination of dilution and loss rates involves consideration of the national standards, geological conditions and mining methods. This process references practices from similar operating mines, incorporates tech-economic optimization, and complies with resource protection policies. Specific rates are defined alongside control measures and risk analyses.

At the mine site, dilution estimates are based on the 2025 PFS, detailing the dilution and loss associated with each mining method, as outlined in Chapter 8. Dilution and mining loss of recent years are tabulated in Table 7–3.

Table 7–3 Loss and dilution of the Heihe Property from 2022 to 2025Q2

	Unit	2022	2023	2024	2025Q2
Loss	%	3.03	2.89	2.25	2.73
Dilution.	%	14.45	13.34	13.80	14.13

Source: provided by the Heihe and summarized by BAW

Given the elevated price of gold, there is a heightened incentive to maximize metal extraction, which can lead to an increase in the dilution rate and a corresponding decrease in the loss rate. For the current Ore Reserves estimation, the dilution which is derived from the results of MSO optimization is 14%, compared with historical records, BAW considered this dilution was reasonable for Ore Reserve estimation, while the mining loss is based on actual production data, established at 3%.

7.6 Ore Reserves Statement

The Ore Reserves of the Heihe Property were estimated as of December 31, 2025 with the following key assumptions:

- All of the Ore Reserves are included within Mineral Resources.
- Based on the need to recover the crown pillar when transitioning from open-pit to underground mining, the fact that approximately 50% of the orebody lies within the exploration license, and considering the Pre-Feasibility Study Report and related factors, the planned mineable ore reserves have been classified as Inferred Resources.
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. their mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- The mine production system includes the parts within the scope of the mining permit and exploration permit. The mine operator is currently converting the exploration permit to a mining permit and anticipates conducting mining operations as an integrated system in the future. Therefore, BAW has reported Ore Reserves based on the mining permit and exploration permit, and has taken them into unified consideration in the production plan.
- BAW has reported the stockpile as of December 31, 2025. The material from the stockpile classified as a Probable Ore Reserve of 338 kt at an average grade of 2.15g/t gold and 93.54g/t silver, containing 0.73t of gold and 31.64t of silver. It should be noted that this part does not require consideration of the factors of losses and dilution.
- Adopted cut-off grade: 1.2 g/t Au, based on a gold price of US$2,000/oz;
- Mining recovery: 97%;

- Mining dilution: 14%;
- Totals may not add up.

The Ore Reserve statement for the Heihe Property as of December 31, 2025 at a cut-off of 1.2 g/t Au is shown in Table 7–4.

Table 7–4 Ore Reserves Statement Prepared by BAW for the Heihe Property as of December 31, 2025

Item	Classification	Tonnes	Au_eq	Au	Gold	Ag	Silver
		(kt)	(g/t)	(g/t)	(t)	(g/t)	(t)
Mining License	Proved						
	Probable	632	5.13	4.58	2.90	52.23	33.00
	P+P	632	5.13	4.58	2.90	52.23	33.00
Exploration License	Proved						
	Probable	771	3.61	3.30	2.54	33.22	25.60
	P+P	771	3.61	3.30	2.54	33.22	25.60
Stockpile	Proved	338	2.45	2.15	0.73	93.54	31.64
	Probable	—	—	—	—	—	—
	P+P	338	2.45	2.15	0.73	93.54	31.64
Total	Proved	338	2.45	2.15	0.73	93.54	31.64
	Probable	1,403	4.40	3.88	5.44	41.79	58.61
	P+P	1,741	4.02	3.54	6.17	51.85	90.25

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Introduction

The Heihe Property exemplifies a successful transition from open-pit to underground mining operations. The open-pit operation was completed in the first half of 2020. Construction of the underground mining project, designed for a processing capacity of 450 tpd, began in July 2018 and reached full operational status by August 2020.

On December 8, 2020, the mine site was granted a new mining license, revising the production capacity to 375 ktpa while maintaining the mining type, method, validity period, mining depth, and mining area.

Following this, the mine site initiated a reconstruction and expansion project to increase its underground capacity to 1,250 tpd. Construction commenced on January 20, 2021, and was completed by March 25, 2021, leading into a trial operation period. During this phase, all safety facilities and equipment were operationally optimized. The project successfully passed the safety facilities acceptance inspection on April 20, 2021. Currently, the mine site operates as a fully functional underground mine with a production capacity of 1,250 tpd.

In 2025, the company entrusted a qualified entity to conduct the reconstruction and expansion of its underground mining operations. The mining scope includes the extraction of pillars at the junction of the open-pit to underground mining transition. In March 2025, the company obtained official approval and consent for this plan from the government. This scope also constitutes one of the key focus areas for the current resource and reserve estimation.

8.2 Geotechnical Conditions

The Heihe Property is located in a low mountainous area characterized by generally stable and hard rock formations. The region exhibits overall good stability and is situated within a VI-degree seismic intensity zone, which has minimal impact on mining operations.

Key Geotechnical Parameters & Conditions

- **Primary Rock Types and Strength**: The dominant rock types include coarse-grained alkali feldspar granite, fine-grained alkali feldspar granite, altered quartzite (ore), and hidden explosive breccia. These are classified as hard rocks with high mechanical strength.
    - **Coarse-grained alkali feldspar granite**: Average compressive strength of 102.43 MPa, with a rock mass quality (RQD) ranging from 47.72 to 94.66 and M values of 0.15 to 0.31, categorizing it as Class III (moderately sturdy).
    - **Fine-grained alkali feldspar granite**: Average compressive strength of 114.20 MPa.
    - **Altered quartzite (ore)**: Average compressive strength of 147.23 MPa, with an RQD of 59.84 and M values of 0.14 to 1.44, also classified as Class III.
    - **Hidden explosive breccia**: Average compressive strength of 120.70 MPa, RQD averaging 74.19, and M values from 0.22 to 0.36, categorized as Class III.
    - **Softer rhyolite and sub-rhyolite**: Present as well, with sub-rhyolite exhibiting a minimum compressive strength of 4.36 MPa, classifying it as a soft rock. Flowing rhyolite has an average RQD of 30.33 and M values of 0.06 to 0.08, indicating Class IV (poor) rock mass quality.

- **Loose Quaternary Deposits**: These deposits are thin and located at a distance from the ore body, posing minimal impact on mining operations.

Faults and Fissures

Faults and fissures are primarily oriented in the N-S, NNE, NNW, and NW directions, recognized as the main controlling structures for rock and ore. Generally simple and discontinuous, these faults have a minor impact on overall rock mass stability. However, significant faults or crushed zones, especially when influenced by groundwater, can result in localized instability, caving, or spalling, necessitating proactive support measures, particularly during the rainy season.

Slope Stability

A notable geotechnical challenge was encountered with the eastern slope, composed of softer rhyolite, which experienced a large-scale landslide in 2024. Successful remediation measures, including slope cutting, anti-slide piles, drainage holes, and uphill interception ditches, have stabilized this area. A slope stability analysis conducted in September 2024 confirmed that the treated eastern slope is in a stable state, with safety factors exceeding acceptable limits under all analyzed conditions.

Mine Workings and Support

The mine and tunnel wall rocks are predominantly classified as sturdy to moderately sturdy, featuring intact tunnel linings and roofs, indicating good general stability. Extensive support is typically unnecessary under normal conditions. In areas of instability, support measures such as shotcrete and anchor-shotcrete are employed. Additionally, timely backfilling of mined-out areas with cemented fill is utilized to maintain the stability of overlying rock layers and prevent surface subsidence. Overall, the mine's engineering geological conditions are classified as simple, primarily characterized by hard and semi-hard rock layers.

8.3 Hydrogeological Conditions

The hydrogeological conditions at the mine site are generally classified as medium complexity, primarily influenced by bedrock fissure water. This water is chiefly recharged by atmospheric precipitation and weathering fissure water. While aquifer connectivity is favorable, water richness is uneven, with unit water inflow varying from 0.04 L/s • m to 0.202 L/s • m.

Nearby surface water bodies, including the Kuerbin River (1.2 km north) and the seasonal Wusonggang River (1.2 km south), serve as indirect recharge sources with minimal direct impact on mine inflow. Although exploration has identified large crystalline voids with diameters up to 4.8 m, current mine workings have not encountered water-filled voids; however, these voids present a risk of sudden water ingress due to their connectivity.

The maximum predicted mine inflow is 7,125 m^3/d, with a normal predicted inflow of 4,750 m^3/d. The existing drainage system, located at the 25 m middle section and equipped with three MD360–60 × 5 pumps, is capable of effectively managing this inflow. Under maximum conditions, the system can drain the inflow within 9.41 hours, meeting regulatory requirements.

A critical safety measure includes the construction of a 1.5 m thick reinforced concrete artificial false roof at the pit bottom (213 m elevation) to prevent surface water infiltration. Water quality generally complies with Grade III groundwater standards, though elevated levels of iron and manganese have been noted.

8.4 Mining Method

According to the original design, the mining elevation range at the mine site extends from 213 m to 25 m. Currently, all stoping operations at the underground 145 m mining level have been completed. A small amount of orebody remains to be extracted at the 65 m mining level, while the 105 m mining level serves as the primary production level. The 25 m mining level has been developed but has not yet entered the stoping phase.

The latest revised design stipulates that stoping of the orebody at the 25 m mining level and within the elevation range of 185 m to 213 m will commence only after all stoping operations in the 65 m to 185 m elevation range are completed. Emphasis will also be placed on researching the stoping operations for the 185 m to 213 m section.

Three new mining methods are utilized at the mine site including Sublevel Open Stoping with Delayed Backfill, Shrinkage Stoping with Delayed Backfill and Overhand Drift and Fill Mining Method for the space-constrained or specific locations.

Based on the current production efficiency and orebody stability analysis, the current mining method named stage open stoping with delayed backfill will continue to be used, particularly in the –25 Level.

8.4.1Stage Open Stoping with Delayed Backfill

This mining method is used for steep, thin to medium-thick gold ore veins, typically over 5m thick in 25m sections. These ore bodies generally have a simple shape, dipping southwest at 70°–89°, with an average thickness of 6.7m, and are surrounded by firm to relatively firm rock.

The stope structure involves ore blocks laid out along the strike of the ore body, each 55m long and 40m high, with a width matching the ore body's thickness. These blocks are divided into 45m-long stoping rooms and 10m-wide pillars. The mining sequence is "excavate one, leave one," where pillars are extracted before the stoping rooms. Essential infrastructure includes mucking drifts, inclined bypasses, drilling chambers for long-hole drilling, and undercut drifts at the bottom of the stoping rooms.

The mining process begins with drilling and blasting, using down-the-hole drills to create upward parallel long holes (around 6m deep) and downward parallel deep holes (30–35m deep). Blasting starts by creating a central free face, followed by staged side blasting. Mucking is carried out by $4m^3$ remote-controlled Load-Haul-Dump (LHD) machines, which transport the broken ore through mucking drifts to loading chambers, where it is loaded into 20t underground dump trucks for transport to the surface. Ventilation ensures fresh air enters the working faces from upper levels and exits through raise-borer raises and blind return air raises. Support involves initial scaling after blasting, with shotcrete, rock bolts, or mesh-shotcrete applied as needed based on rock stability. Finally, backfilling is a critical step, where both pillars and stoping rooms are filled with cemented backfill, aiming for a strength of at least 5MPa. In stoping rooms, the top and bottom 10m sections use cemented backfill, while the middle 20m uses waste rock backfill.

This method is shown in Figure 8–1.

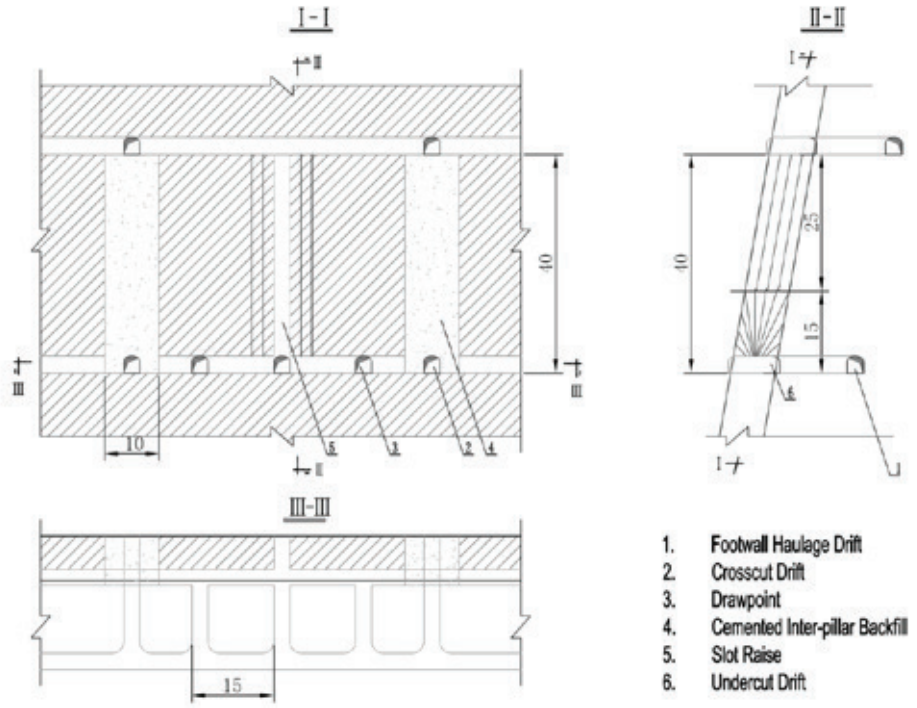


Figure 8–1 Stage Open Stoping with Delayed Backfill Mining Method

8.4.2Sublevel Open Stoping with Delayed Backfill

This method is primarily employed for mining ore bodies at the 25 m mining level that exceed 5 m in thickness. It involves extracting ore in large open stopes, with the mined voids subsequently filled with backfill material. For the 25 m mining level, the process typically unfolds in two stages: first, pillars are mined using cemented backfill, followed by the extraction of the rooms.

In this approach, the top and bottom 10 m of the rooms are filled with cemented backfill, while the middle 20 m may utilize waste rock for filling. This method ensures ground stability and promotes efficient resource recovery. A schematic diagram of the Sublevel Open Stoping with Delayed Backfill mining method is illustrated in Figure 8–2.

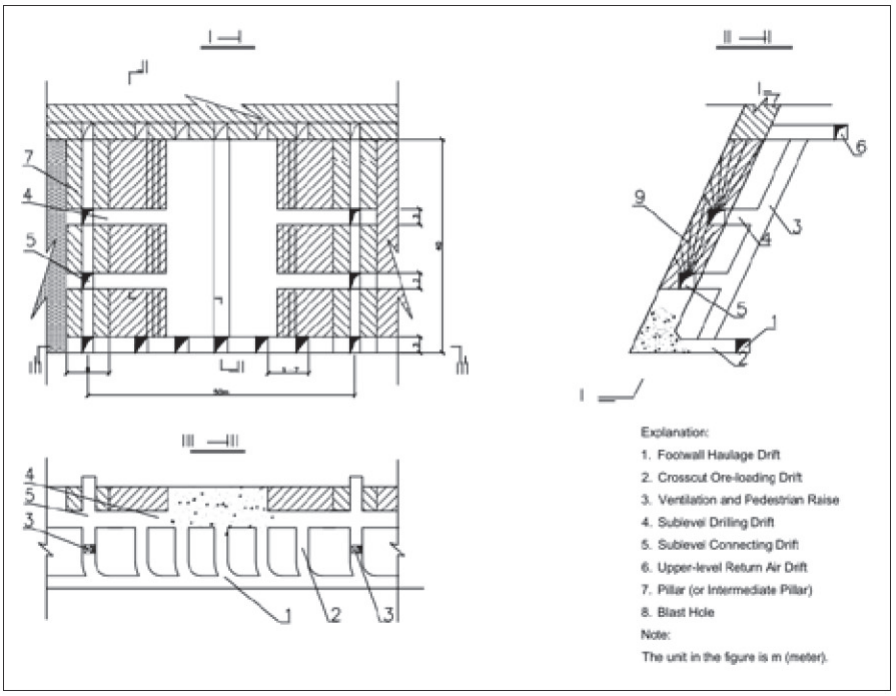


Figure 8–2 Sublevel Open Stoping with Delayed Backfill Mining Method

8.4.3Shrinkage Stoping with Delayed Backfill

This method is applied for mining marginal and scattered ore bodies in the 25m mid-level with a thickness less than 5m, particularly those with a dip angle greater than 55°. It involves drilling small-diameter holes and blasting, with a portion of the broken ore temporarily left in the stope to provide support. After the ore is drawn, the stope is then filled, typically with cemented sand backfill. The schematic diagram of shrinkage stoping with delayed fill mining is shown in Figure 8–2.

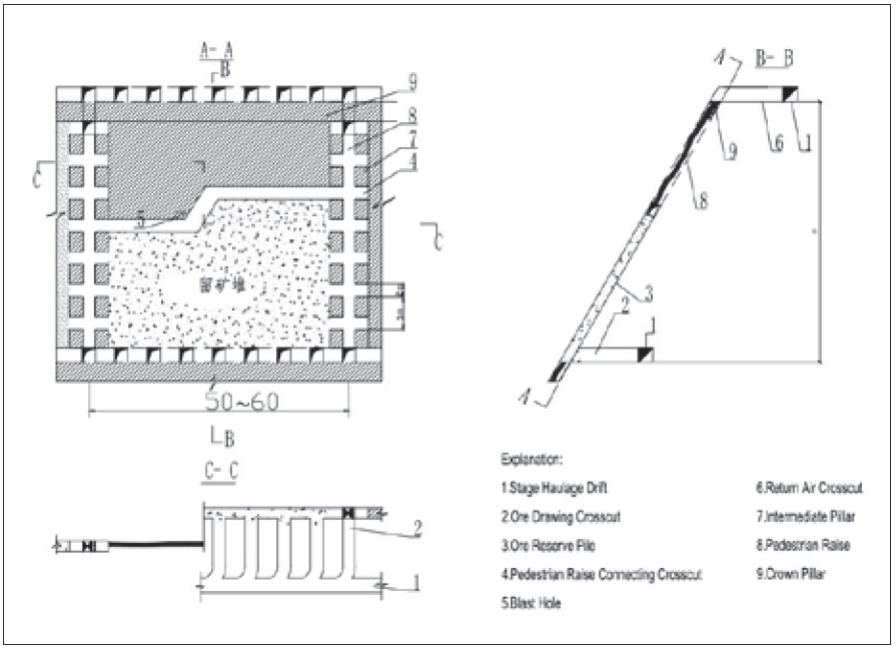


Figure 8–3 Shrinkage Stoping with Delayed Backfill Mining Method

8.4.4Overhand Drift and Fill Mining Method

This method is specifically utilized for the recovery of ore bodies located at 200m to 213m elevations. It is a critical part of a broader strategy that also involves the construction of an artificial false roof prior to mining. Mining proceeds in horizontal slices, advancing upwards, with each mined slice being immediately filled to provide continuous support. This is crucial for maintaining stability beneath the artificial false roof and preventing any connection or water ingress from the former open pit. The schematic diagram of overhand drift and fill mining method is shown in Figure 8–3.

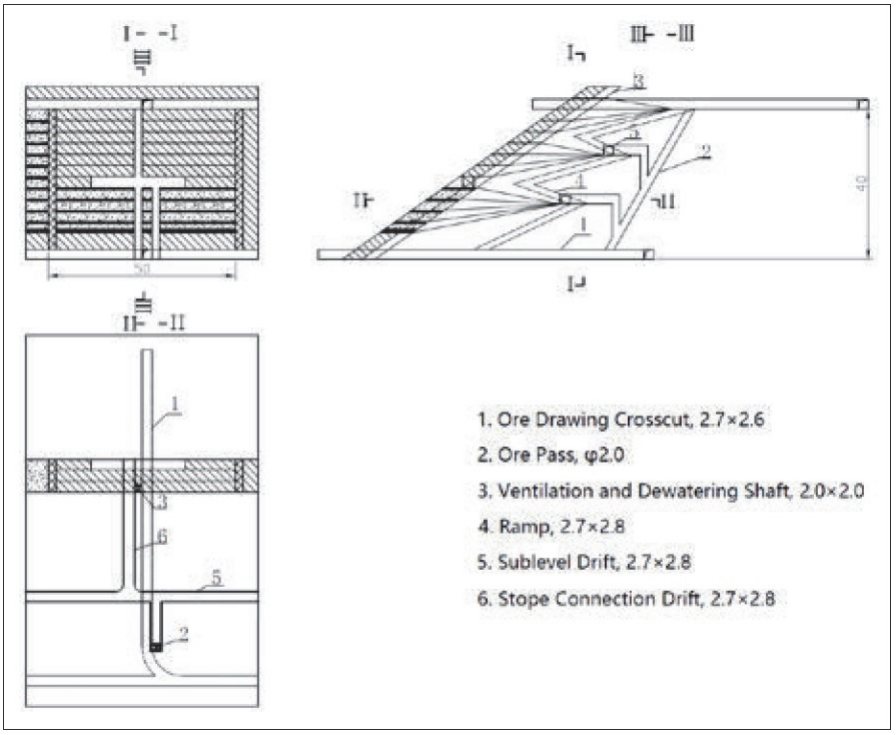


Figure 8– Overhand Drift and Fill Mining Method

Parameters of various mining methods was summarized in Table 8–1.

Table 8–1 Summary of Parameters of Various Mining Methods

Mining Method	Stage Open-Stope with Delayed Backfill	Sublevel Open-Stope with Delayed Backfill	Overhand Drift and Fill Mining Method	Sub-Level Open Stoping with Delayed Backfill	Shallow Hole Shrinkage with Delayed Backfill
Mining Area	25m RL thickness > 5m	25m RL to 185m RL Slope > 50 thickness > 5m	200m RL to 213m RL	185m RL to 200m RL Slope > 50 thickness < 5m	Others vein (Not #5) thickness < 5m
Stope Length (m)	55	50	50	50	50
Stope Width (m)	Ore body thickness	Ore body thickness	Ore body thickness	Ore body thickness	Ore body thickness
Stope Height (m)	40	40	13	40	40
Sub-Level Height	40	13/13/14	3/3/3.5/3.5	5	2
Pillar Width (m)	10	10	0	8	8
Ore Loss Rate (%)	11	11	5	12	12
Ore Dilution Rate (%)	13	13	5	12	12
Stope Production Capacity (t/d)	450	300	100	100	100

Source: PFS and summarized by BAW

The five-year mining plan, prepared by mine management and reviewed by BAW, identifies stage/sublevel open stoping with delayed backfill as the primary mining method, selected for its high production capacity.

8.5 Stope Optimization

Mineable stope optimization is carried out as part of the strategic mine planning for the underground mine, to determine the optimal size, shape, and location of stopes based on a block model. The designed stopes were then assessed economically to eliminate any uneconomical stopes based on factors such as development and mining costs. The parameters adopted in the stope optimization are summarized in Table 8–2. The optimized stopes are illustrated in Figure 8–4.

Table 8–2 Stope Parameters adopted for the Heihe Property

	Unit	Value
Stage/Sublevel Open Stoping with Delayed Backfill		25m RL/25m RL to 185m RL
Height	m	13/13/14
Length	m	6
Minimum Width	m	0.8
Minimum Stope Pillar	m	2
Dilution	m	0.4 each side
Cut-Off Grade	g/t	1.2
Sub-level Open Stoping with delayed Backfill		185m RL to 200m RL
Height	m	15
Length	m	6
Minimum Width	m	0.8
Minimum Stope Pillar	m	2
Dilution	m	0.4 each side
Cut-Off Grade	g/t	1.2
Overhand Drift and Fill Mining Method		200m RL to 213m RL
Height	m	3/3/3.5/3.5
Length	m	6
Minimum Width	m	0.8
Minimum Stope Pillar	m	2
Dilution	m	0.4 each side
Cut-Off Grade	g/t	1.2
Shrinkage Stoping with Delayed Backfill		Others vein
Height	m	2
Length	m	6
Minimum Width	m	0.8
Minimum Stope Pillar	m	2
Dilution	m	0.4 each side
Cut-Off Grade	g/t	1.2

Notes:

1. Stope heights are determined based on floor-to-floor elevations. The sub-stope height corresponds to the sub-level of the Stage/Sublevel Open Stoping with Delayed Backfill mining method, which are currently the primary mining technique employed.

2. Stope lengths are assumed to extend longitudinally along the strike.

3. Minimum and maximum stope widths incorporate an additional 0.5 m of dilution from both the hanging wall and footwall.

The mining system combines Stage Open Stope with Delayed Backfill and Sublevel Open Stope with Delayed Backfill, both based on the principle of sequential stoping followed by backfilling. The Stage method is suited to thick orebodies in competent ground, providing high productivity through large stopes, while the Sublevel method is applied to medium-thickness orebodies in moderately stable conditions, ensuring safe extraction through smaller stoping units and systematic backfilling.

By integrating both methods, the mine plan accommodates variations in orebody thickness, dip, and rock stability, thereby expanding recoverable reserves and improving metal recovery in transition zones. The combined approach also enhances production efficiency in thick ore zones while maintaining ground control and safety in deeper or less stable conditions.

Based on the stope height, the underground stopes have been optimized by integrating the two methods, with isometric views of the stopes optimized by BAW are shown in Figure 8–4 below.



Figure 8–4 Isometric view of Mineable Stopes of the Heihe Property

It should be specially noted that the area at the elevation of 185m to 213m involves the extraction of pillars at the junction of open-pit to underground mining transition. Corresponding parameters have been adopted in the MSO Optimization. Furthermore, as an area with relatively high grade, this region is also the key production area of the mine in the next 1–2 years.

During the site visit, existing stopes were inspected and verified. Representative photographs of stope top and bottom of No. 16 (mine's internal numbering) are provided in Figure 8–5.



Figure 8–5 Photographs of the stope's upper (Left) and lower (Right) openings at stope No. 16

8.6 Production System

8.6.1Mine Design and Access

The development system at the mine site primarily relies on a main ramp, which serves as the central conduit for ore, waste rock, materials, equipment, personnel, fresh air intake, and emergency egress. This ramp extends down to the 25 m level, ensuring efficient transportation throughout the mine.

Currently, the existing infrastructure includes several key components: the cable shaft, which is used for utilities and emergency egress; the central return air shaft, which functions as both a ventilation shaft and an emergency exit; and the south and north blind return air shafts, which provide additional ventilation support.

Significant modifications are planned for the new 185 m — 213 m mining area. A new north return air shaft will be constructed on the surface to serve as the main exhaust and an emergency exit. Additionally, the existing waste rock fill shaft between the 145 m and 185 m levels will be repurposed into a reverse section return air shaft to enhance deep-level ventilation. The 145 m level drift will also be converted into the main return air drift for areas below 185 m, and new 206 m section drifts and a district ramp will be developed to facilitate access and material transport from the 185 m to 213 m ore body.

This comprehensive system ensures efficient material handling, ventilation, and safety access across all operational levels. The current development as-built are shown in Figure 8–5.

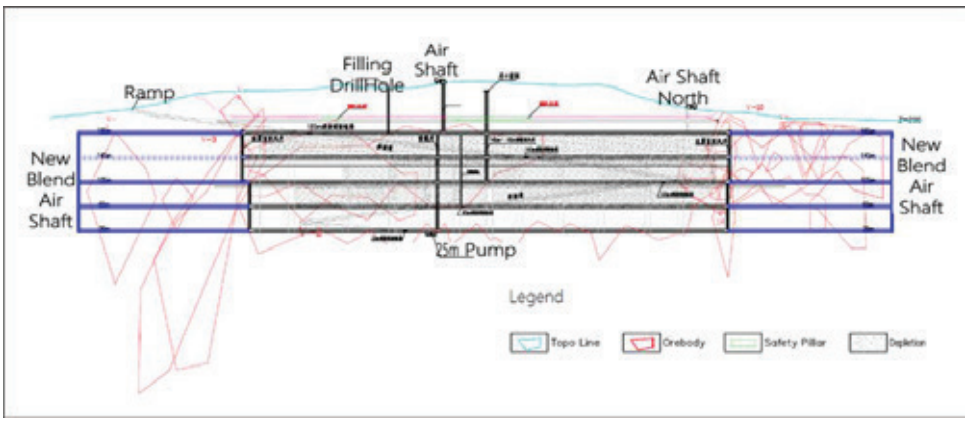


Figure 8–6 The Development system at the Heihe Property

8.6.2Material Handling

Ore Transportation

The mine's ore transportation system ensures efficient movement from various underground stopes to the surface for processing. Ore is primarily loaded using remote-controlled Load-Haul-Dump (LHD) machines, with 4 m^3 LHDs deployed for ore extraction at the 25 m level and 3 m^3 LHDs utilized in the newly targeted 185 m-213 m stopes. Once loaded, the ore is transferred to 20-ton underground dump trucks. The mine currently operates seven 20-ton trucks, with five in active use and two serving as spares, effectively meeting the expanded production capacity.

The transportation route involves these trucks directly loading ore from the stopes and conveying it via the main ramp to the surface. Upon reaching the surface, the ore is transported along the mine's internal roads to the raw ore bins located at the concentrator.

Waste Rock Transportation

Waste rock management at the mine varies by project phase. During the 10-month construction period, approximately 65,000 tons of waste rock are generated, most of which is transported to the surface via the main ramp. On the surface, this waste rock is utilized for essential infrastructure development, including industrial site leveling, slope protection, and road construction. A smaller portion is transferred underground for backfilling stopes.

In contrast, during the production phase, the mine generates around 300 tons of waste rock daily. Notably, all waste rock produced during this phase is exclusively used for underground backfilling and is not brought to the surface. Underground dump trucks transport this waste rock via the ramp to the upper sections of the levels, where it is poured into mined-out areas through drawpoints for backfilling. This strategy efficiently recirculates materials within the mine, minimizing surface impact and optimizing resource utilization.

8.7 Underground Services

8.7.1 Ventilation System

The underground ventilation system for the mine site is redesigned due to new mining areas (185m-213m ore body). It will now operate as a centralized intake, partitioned exhaust system. Fresh air enters via the ramp. The 185m-213m area will exhaust through a newly added North Return Air Shaft, while areas below 185m utilize the existing central return air shaft, with some drifts repurposed.

The total air demand is recalculated to 93.0 m^3/s, distributed between the two main shafts. Existing main fans are re-verified, and a new main fan will be installed, both confirmed to meet requirements. The existing preheating system is deemed sufficient. Local fans will enhance ventilation at development faces and challenging stopes. Strict ventilation management, including monitoring and environmental measures like tail gas purification for diesel equipment and low-noise fans, is crucial for safe and efficient operation. The ventilation system is shown in Figure 8–6.

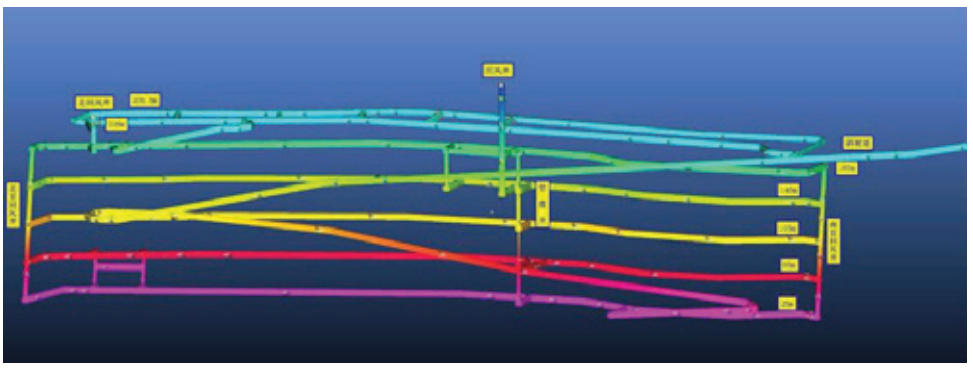


Figure 8–6 Ventilation System of the Heihe Property

8.7.2Water Management

Underground water management at the mine site is a comprehensive system designed for both safety and efficiency. The existing one-stage drainage system, located at the 25 m mid-level, utilizes three MD360–60x5 pumps, which have been re-verified to meet the expanded production requirements. This system can handle a normal daily inflow of 4,750 m^3 and a maximum inflow of 7,125 m^3, primarily resulting from atmospheric precipitation and geological fissures.

Regarding water supply, a centralized system draws from a 300 m^3 surface high-level tank, providing water for various production needs, including wet drilling and dust suppression. It also includes a dedicated 200 m^3 reserve for firefighting and rescue operations. The system features pipe extensions to new mining areas and incorporates pressure regulation as necessary.

8.8 Mining Equipment

The feasibility study meticulously calculated production capacities for various equipment types. This approach ensured that production capacity demands were met while fully considering safety and environmental protection requirements. By integrating these calculations with the mine's current production status and operational needs, specific equipment models and quantities were determined. The main equipment to be used by the mine is listed in following Table 8–3.

Table 8–3 Main Excavation and Mining Equipment of the HeiHE Property

No.	Equipment	Equipment Model	Unit	Quantity		
				Working	Standby	Total
	Mining and Drilling Equipment					
1. .	DTH Drill	KQG-150	Set	1	0	1
2. .	Tunneling Drilling Jumbo	DD2710	Set	2	0	2
3. .	Tunneling Drilling Jumbo	Boomer 281 DC15	Set	1	0	1
4. .	Short-hole Drilling Machine	YT-29	Set	2	2	4
5. .	Raise Borer	AT-2000L	Set	1	0	1
	Ore and Slag Hauling Equipment					
1. .	$3m^3$ Remote-controlled LHD	LH307	Set	1	1	2
2. .	$3m^3$ Remote-controlled LHD	FL06A	Set	1	0	1
3. .	$4m^3$ Remote-controlled LHD	WJD-2	Set	1	0	1
	Ancillary Equipment					
1. .	Concrete Sprayer	PC8I	Set	2	1	3
2. .	Underground Scaling Jumbo	XMPYT-55/450J	Set	1	0	1
3. .	Local Fan	FBYN№4.0/5.5	Set	6	2	8
4. .	Local Fan	FBYN№5.0/11(II)	Set	10	4	14
5. .	Local Fan	FBD№5.6/2 × 11	Set	2	1	3
6. .	Charging Machine	BQF-100	Set	1	1	2
7. .	Air Compressor	MH200-A/C	Set	2	0	2
8. .	Mobile Air Compressor	KLGF20.5/ 20–200T	Set	1	0	1

The current main mining equipment was inspected during site visit and shown in Figure 8–7.



Figure 8–7 The existing main mining equipment simba1254



Figure 8–7 The existing main mining equipment Sandvik DD2710

8.9 Historic Production

The historic production from 2022 to 2025 is shown in Table 8–4.

Table 8–4 Historic Production from 2022 to 2025 of the Heihe Property

	Unit	2022	2023	2024	2025
Waste Volume . .	k bcm	22.8	22.9	44.6	55.7
Waste Rocks . . .	kt	59.0	59.2	115.4	144.4
Ore	kt	482.04	461.72	465.17	530.99
Gold Grade	g/t	5.74	4.85	4.76	4.79
Contained Gold .	t	2.76	2.24	2.22	2.55
Silver Grade. . . .	g/t	57.02	71.84	66.92	47.99
Contained Silver.	t	27.49	33.17	31.13	25.48

8.10 LOM Production Schedule

The production schedule of the Heihe Property from 2026 till the end of LOM is shown in Table 8–5.

Table 8–5 LOM Underground Production Schedule of the Heihe Property

	Unit	Total	2026	2027	2028	2029
Development	km	18.5	5.7	4.7	4.3	3.8
Ore Mined	kt	1,403	324	377	370	332
Gold Grade	g/t	3.88	6.01	3.70	3.71	2.19
Silver Grade	g/t	41.79	46.52	33.23	36.66	52.59
Contained Gold	t	5.44	1.94	1.39	1.37	0.73
Contained Silver	t	58.61	15.05	12.53	13.56	17.47

Source: BAW

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.

9 PROCESSING

9.1 Metallurgical Test Work

9.1.1Metallurgy test

Results of previous metallurgical tests are discussed and summarized in this section.

1. *Dongan Gold Mine 5# Ore Body Metallurgical Test*

   Conducted by Jilin Province Metallurgical Research Institute, June 2003

   A representative ore sample of 500 kg was collected by the 707 Team of Heilongjiang Nonferrous Metals Geological Exploration. The sample composition is detailed in Table 9–1.

Table 9–1 Sample Representativeness

Number	Proportion (%)	Gold Grade (g/t)
XK14	7.0	0.30
XK13	8.0	0.40
XK21	19.0	4.50
XK12	18.0	3.80
XK15	18.0	7.60
XK16	13.0	7.15
XK20	8.5	11.45
XK19	15.0	44.80
XK18	1.0	68.00
XK17	1.0	98.00
ROM Ore	100.0	7.55

Test Conditions

- Grinding fineness: **90% passing 75** μm
- Sodium cyanide dosage: **0.6 kg/t**
- Calcium oxide dosage: **4.0 kg/t**
- Alkaline pre-leaching: **2 hours**
- Cyanide leaching: **8 hours**
- Pulp density: **40% solids by weight**

Results

- Feed gold grade: **7.70 g/t**
- Feed silver grade: **68.90 g/t**
- Gold leaching recovery: **94.81%**
- Silver leaching recovery: **73.15%**
- Gold adsorption rate: **99.79%**
- Silver adsorption rate: **99.73%**

2. *Dongan Gold Mine Small-Scale Metallurgical Test*

Conducted by Beijing General Research Institute of Mining & Metallurgy, February 2009

Test Samples

The study utilized composite samples (DZH1-DZH23), high-grade samples (DGP1-DGP3), wall rock samples (DLW1, DLW2, DHG1, DHG2), six regular samples (DLP1-DLP6), two sulfide-bearing samples (DLH1, DLH2), three high-grade samples (>10 g/t, DSP1-DSP3), and three low-grade samples (~2 g/t, DDP1-DDP3).

Results

- Among the 17 samples, 14 single samples showed gold leaching recoveries above 90%, except DLP2, which had a recovery of 81.16%.
- Analysis of DLP2's cyanide leach residue revealed that the remaining gold primarily existed as exposed particles. The lower recovery was attributed to coarse gold grain size, suggesting improvements by:
  1. Increasing grinding fineness.
  2. Extending leaching time.
  3. Raising cyanide concentration.

3. *Metallurgical Test by Changchun Gold Research Institute March 2019*

A comparison of the test results and the operational data of the 1,250 tpd processing plant is presented in Table 9–2.

Table 9–2 Test Results vs. Existing Plant Performance

Name	Au ROM Grade (g/t)	Au Leaching Recovery (%)
Test Report 2019	27.16	98.82
Avg. Results 2019–2024	8.65	97.38

Findings

The 2019 test achieved a 98.82% gold recovery at a feed grade of 27.16 g/t, while the 2019–2024 average showed 97.38% recovery at a lower feed grade of 8.65 g/t under similar grinding conditions (200 mesh, 92% passing).

Conclusion

The metallurgical test results demonstrate consistent high gold leaching recoveries (94.81–98.82%) across multiple independent studies (2003–2019). Plant-scale performance (97.38% recovery) validates the reliability of the testwork, with minor variability attributed to coarse gold in isolated samples.

9.1.2Mineralogy Study

The primary ore consists of low-sulfide silver-gold and low-sulfide gold-silver ores, with a small amount of mixed ore found in the strongly weathered surface zone.

- Metallic Sulfides: Predominantly pyrite, followed by arsenopyrite, galena, chalcopyrite, chalcocite, covellite, and sphalerite.
- Valuable Components: Gold (Au) and silver (Ag).
- Harmful Components: Arsenic (As), sulfur (S), carbon (C), and antimony (Sb) in extremely low concentrations.

Pyrite accounts for 1.144% of the ore and is partially oxidized to limonite near the surface. Gold and silver content in pyrite is low but closely associated with Au and Ag mineralization.

Gold Mineral Composition

- Dominantly electrum.
- Occurrence states
  1. Intergranular gold: 57.3% (associated with quartz and sulfides).
  2. Fracture gold: 34.9% (in cracks and voids).
  3. Encapsulated gold: 7.8% (within quartz and pyrite).
- Particle sizes
  1. Coarse gold (> 0.074 mm): 1.1%
  2. Medium gold (0.074–0.037 mm): 14.3%
  3. Fine gold (0.037–0.01 mm): 63.1%
  4. Ultrafine gold (< 0.01 mm): 21.5%

Table 9–3 Chemical Composition Analysis

Element	Cu	Pb	Zn	Fe	Mn	S	As	SiO_2
Content (%). . .	0.009	0.017	0.043	1.21	0.043	0.27	< 0.001	79.39

Element	Al_2O_3	C	CaO	MgO	P_2O_5	Sb	Au (g/t)	Ag (g/t)
Content (%). . .	15.53	0.085	0.50	0.14	0.045	< 0.005	9.95	40.78

9.1.3Ore Characteristics

- Simple mineral composition with minimal metallic minerals.
- Gold is predominantly fine to ultrafine, closely associated with gangue minerals and limonite.
- Harmful elements (As, Sb) are negligible, making cyanidation highly suitable.

9.1.4BAW's Commentary

The ore is classified as a low-sulfide, partially oxidized gold-silver deposit, dominated by quartz and pyrite/limonite. Gold occurs mainly as fine to ultrafine intergranular and fracture-hosted electrum. The low levels of harmful elements and favorable liberation characteristics make it highly amenable to cyanidation.

9.2 Processing and Metallurgical Facilities

9.2.1Processing Description

The processing plant commenced operations in May 2021, achieving its designed processing capacity of 1,250 tonnes per day ("**tpd**") by October 2021. This was the result of an expansion project initiated in 2020, which upgraded the existing 400 tpd plant.

Key Upgrades and Enhancements

1. Crushing and Grinding Circuits
    - o The expansion included the construction of new crushing and grinding circuits.
    - o The plant adopted a flowsheet comprising primary crushing, followed by semi-autogenous grinding (SAG) and ball milling.
2. Ore Particle Size Optimization
    - o To improve production efficiency, grinding fineness, and product recovery, the crushed ore particle size was adjusted during operation from 150 mm to 90–120 mm.

3. Carbon Stripping and Electrowinning Process

   - o In December 2021, the carbon stripping and electrowinning process was upgraded.
   - o The conventional ambient conditions system was replaced with a high-temperature, high-pressure (cyanide-free) system.
   - o This upgrade enhanced process efficiency while reducing operational costs.

Current Processing Flowsheet

The existing plant consists of the following main units: Crushing, Grinding, Carbon-in-Leach (CIL), Carbon Stripping and Electrowinning, Carbon Regeneration, Smelting, CIL Tailings Cyanide Destruction, and Tailings Disposal. Below is a detailed description of each unit: The current 1,250 tpd processing flowsheet is illustrated in Figure 9–1.

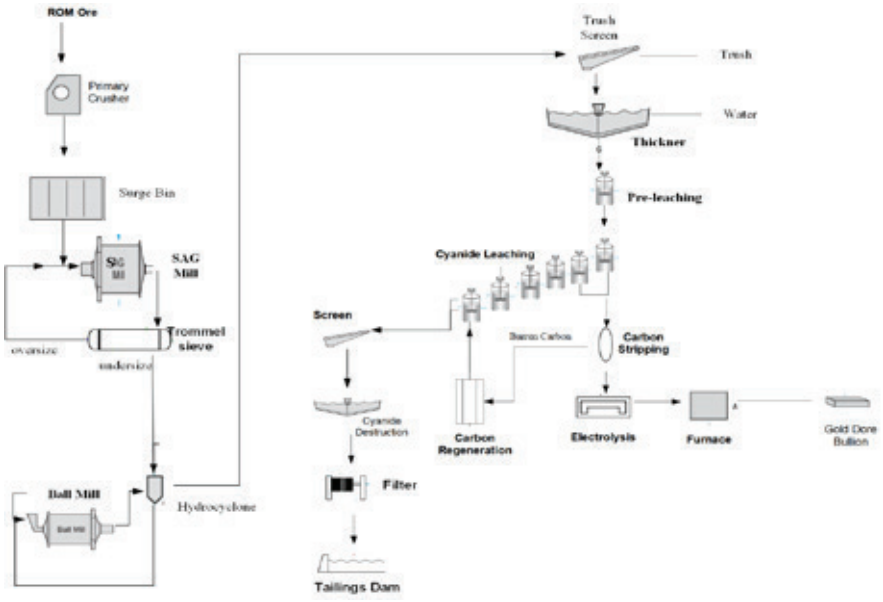


Figure 9–1 Processing Flowsheet Diagram

1) Crushing

   - Run-of-Mine (ROM) Handling
     - o ROM ore is delivered by truck and dumped into the ROM bin.
     - o An apron feeder transports the ore to the primary jaw crusher (C116).

- Crushed Ore Handling
    - o The crushed product discharges onto Belt Conveyor #1, which transports it to the crushed ore storage bin.
    - o Material from the storage bin is fed by a vibrating feeder onto Belt Conveyor #2, which delivers it to the SAG mill.

2) Grinding

- SAG Mill Circuit
    - o SAG mill discharge passes through a trommel screen.
    - o Undersize reports to Pump Pond #1, while oversize (pebbles) is conveyed to Belt Conveyors #3, #4, and #5, forming a closed circuit with the SAG mill.
- Hydrocyclone and Ball Mill Circuit
    - o Slurry from Pump Pond #1 is pumped to a hydrocyclone cluster.
    - o Cyclone overflow reports to the ball mill, while underflow passes through a trash screen (linear vibrating screen).
    - o Screen oversize is collected in a trash bin, while undersize flows to the slurry distributor and subsequently to the air-removal feed box of Thickener #1 or #2, ahead of the CIL circuit.

3) Carbon-In-Leach (CIL) Circuit

- The CIL system consists of eight tanks
    - o Tanks #1 and #2: Serve as pre-leach stages with lime slurry addition.
    - o Tanks #3-#8: Sequentially cascade the slurry and are equipped with interstage screens to retain loaded carbon.
- Reagents
    - o Air and sodium cyanide (NaCN) are introduced into Tanks #3 to #8.
- Carbon Transfer
    - o Loaded carbon is lifted currently from Tank #8 to Tank #3.

- The carbon is then transferred to the loaded-carbon separation screen, where:
  - Oversize carbon is sent to storage.
  - Undersize carbon is returned to Tank #3.

4) Carbon Stripping and Electrowinning

- Stripping Process
  - Loaded carbon undergoes acid washing in a column before entering the elution column for stripping.
- Electrowinning:
  - Pregnant solution from stripping is electrolyzed in electrowinning cells, where $Au(CN)_2^-$ is reduced to metallic gold.
  - Gold is deposited on cathodes or settles as sludge.
- Gold Recovery
  - Gold sludge is filtered, dried, and smelted into doré.
  - Stripped carbon is regenerated for reuse.

5) Carbon Regeneration

- Dewatering
  - Eluted carbon is dewatered, and oversize carbon is transferred to a regeneration kiln.
- Reactivation and Storage
  - Reactivated carbon is quenched in a water tank, screened, and stored.
  - Undersize carbon reports to the recycle water system.

6) Smelting

- Gold Recovery
  - Gold sludge is vacuum-filtered and dried into a cake.
  - The gold cake is smelted in a furnace to produce gold alloy, which is securely stored.

- Inclination Tailings
  - o These are processed separately.

7) CIL Tailings Cyanide Destruction

- Residual Carbon Recovery
  - o Tailings from Tank #8 pass through a safety screen to recover residual carbon.
- Cyanide Destruction
  - o Screen underflow is pumped to cyanide destruction tanks (Tanks #1-#4).
  - o Copper sulfate and sodium metabisulfite are added, reducing cyanide levels to < 1 ppm.

8) Tailings Disposal

- Treated Slurry Handling
  - o Treated slurry is pumped to buffer tanks, then filtered in a filter press.
- Tailings Storage
  - o Filter cakes are conveyed to the TSFs.

9.2.2Expansion and Upgrading of Processing Plant

Crushing and Grinding Circuit

The original 450 tpd processing plant at the Dong'an Gold Mine utilized a two-stage closed-circuit crushing and screening process and a single-stage closed-circuit grinding circuit. The expansion project upgraded the plant to a 1,250 t/d crushing and grinding circuit within the existing crushing and screening plant. This upgrade adopted a primary crushing + SAG mill + ball mill flowsheet. Test results verified that this modification increased the –0.074 mm fraction to 93.5%.

The upgraded circuit comprises a C116 jaw crusher for primary crushing and a two-stage closed-circuit grinding system, which includes a Φ4.88 m $\times$ 2.29 m SAG mill and a Φ3.81 m $\times$ 7.32 m overflow ball mill, achieving a target grinding fineness of 90% passing 0.074 mm.

Processing Flowsheet

The expanded plant retains the whole-ore cyanidation process from the original 450 tpd plant, reusing existing equipment for leaching/adsorption, elution/electrowinning, smelting and carbon regeneration. However, the operating schedule was optimized to achieve the target 1,250 tpd capacity.

Leaching Circuit

The original design featured a six-stage simultaneous leaching/adsorption process with no dedicated pre-leach tanks and a 51-hour retention time. During actual construction, the configuration included two pre-leach tanks in addition to six leaching tanks, although the last two tanks were underutilized. Subsequent modifications leveraged these previously idle tanks, reducing the overall leaching time to 32 hours and enabling a throughput of 1,250 tpd.

Smelting

Under the original 450 t/d operation, there was one smelting campaign per month, whereas the upgraded 1,250 t/d operation increased smelting frequency to three to four campaigns per month.

Key Processing Parameters

1. Pre-leach Thickening
    - o Two Φ15 m high-rate thickeners, producing a 40% solids slurry for leaching
2. Leaching/Adsorption:
    - o 2-stage pre-leach + 6-stage CIL in 8 × Φ8.5 m × 9.5 m tanks
3. Loaded Carbon Grade
    - o 4,500 g/t Au
4. Elution/Electrowinning
    - o Processes 12 t/d loaded carbon in batch mode, with increased annual operating days
5. Cyanide Destruction
    - o Employs the SO_2-air oxidation (INCO method).
    - o Dewatering is done using 4 × XAMZ1060/2000-U chamber filter presses.
    - o Filter cakes are transported via conveyor to the dry tailings storage facility.

The operational equipment diagram of the mineral processing plant is shown in the Figure 9–2 and Figure 9–3 below.



Crusher



Ball Mill

Figure 9–2 Operational Equipment(Crusher and Ball Mill)



Hydrocyclone



Leaching Tank

Figure 9–3 Operational Equipment(Hydrocyclone and Leaching Tank)

9.2.3Equipment List

Table 9–4 details significant upgrades including feeder replacement, optimized CIL tank retention time, reuse of existing tanks, and increased operational frequency for smelting and carbon regeneration.

Table 9–4 Modified Equipment List

Equipment	Model/Specification	Unit	Qty	Notes/Modifications	
Crushing & Grinding System					
Feeder	GBZ150–8	Each	1	/	
Primary Crusher . . .	C116	Each	1	/	Replaces old equipment
SAG Mill	4.88m × 2.29m	Each	1	/	
Ball Mill	3.81m × 7.32m	Each	1	/	
Milling and Leaching System					
CIL Tanks	Φ8.5 × 9.5	Each	8	Retention time reduced to 32 hours	
Elution Columns . . .	Φ1300 × 10200	Each	2	6t loaded carbon capacity per column	
Gold Smelting System	/	Set	1	Increased to 3–4 operations/ month	Reuse
Carbon Regeneration System	/	Set	1	Increased to 4 cycles/month	
Cyanide Destruction System	/	Set	4	—	

9.2.4Material Consumption

As shown in Table 9–5, sodium metabisulfite has the highest annual usage at 5.37 kg per tonne of ore, followed by sodium cyanide and quicklime, underscoring their critical roles in mineral processing. Cast balls and forged balls together represent a significant consumption rate (2.63 kg per tonne of ore), reflecting the substantial cost of grinding media in operations. In contrast, the usage of reagents such as activated carbon remains minimal.

Table 9–5 Processing Plant Material Consumption 2024

Material Name	Annual Consumption (t)	Material Consumption (kg/t ROM)
Sodium Cyanide	1,356.26	3.12
Quicklime	1,163.13	2.67
Sodium Metabisulfite	2,337.67	5.37
Copper Sulfate	117.69	0.27
Zinc Sulfate	144.90	0.33
Forged Balls	396.00	0.91
Cast Balls	750.00	1.72
Hydrochloric Acid	134.35	0.31
Sodium Hydroxide	44.32	0.10
Activated Carbon	47.00	0.11
Diesel	165.13	0.38

BAW reviewed the data and notes that the processing flowsheet and equipment configuration demonstrate sound technical rationale. The upgraded primary crushing combined with the SAG/ball mill circuit achieves the target grinding fineness (90–93.5% passing 0.074 mm), supporting high gold recoveries of approximately 97%. Additionally, the CIL process and high-pressure cyanide-free stripping system further enhance operational efficiency and cost-effectiveness. Material consumption data aligns with industry benchmarks for low-sulfide gold ores, reinforcing the robustness of the process design.

9.3 Recovery Rates and Product Quality

9.3.1Recovery Rates

Based on the production data (2022–2025Q2) shown in Table 9–6, the ore processing volume remained high, peaking at 434.90 kt in 2022 and 435.01 kt in 2024. The average gold head grade has continued its declining trend, from 6.78 g/t in 2022 to 4.87 g/t in the first half of 2025, while gold recovery rates have remained highly stable, consistently above 96.8%.

Silver grades have fluctuated within a range of 54.74–62.25 g/t during this period. Silver recovery rates have varied, with the highest rate (72.80%) achieved in 2024.

Table 9–6 Historic Production Metrics

Metric	Unit	2022	2023	2024	2025Q2
Throughput	kt	434.90	427.06	435.01	222.21
Head Grade — Gold	g/t	6.78	5.19	5.15	4.87
Head Grade — Silver	g/t	55.37	56.91	62.25	54.74
Overall Recovery — Gold	%	97.63	97.33	97.10	96.84
Overall Recovery — Silver	%	72.38	68.92	72.80	72.78
Gold Recovered	kg	2,974	2,136	2,209	1,054
Silver Recovered	kg	17,988	16,497	20,232	8,993

Table 9–7 demonstrates high efficiency in 2024 gold processing, achieving an overall gold recovery of 97.1% from a head grade of 5.15 g/t Au. This includes exceptional leaching (97.7%) and smelting (99.8%) rates, resulting in the production of 2,209 kg of gold, with a low tailings grade of 0.149 g/t. For silver, the head grade was 62.25 g/t, with an overall recovery of 72.79%. This lower recovery reflects losses during leaching (87.71%) and adsorption (83%), but high smelting efficiency (99.7%) still enabled the production of 20,232 kg of silver.

Table 9–7 Operational Parameters 2024

		Unit	2024
Head Grade	Au	g/t	5.15
	Ag	g/t	62.25
Tailings Grade	Au	g/t	0.149
	Ag	g/t	16.86
Cyanide Leaching Rate	Au	%	97.7
	Ag	%	87.71
Adsorption Rate	Au	%	99.42
	Ag	%	83
Smelting Recovery Rate	Au	%	99.8
	Ag	%	99.7
Overall Recovery Rate	Au	%	97.1
	Ag	%	72.79
Metal Produced	Au	kg	2,209.46
	Ag	kg	20,231.89

9.3.2Production Forecast

Table 9–8 summarizes the forecasted production from the second half of 2026 to 2030. Gold recovery remained consistently high at 97% throughout the period. Silver recovery ranged from 72.45% to 77.45%, with the highest recovered amount occurring in 2030 at 21.39 t, corresponding to a head grade of 93.54 g/t. Annual ore throughput varied, with the highest value reaching 375,500 tonnes in 2027. Fluctuations were observed in ore grades (Au: 2.15–6.03 g/t; Ag: 33.23–93.54 g/t), yet the process demonstrated strong stability, as reflected in the sustained high gold recovery rates.

Table 9–8 Production Forecast

Parameters	Unit	Total	2026	2027	2028	2029	2029
Throughput	kt	1,741	323.63	376.89	369.77	375.00	295
Gold Head Grade	g/t	3.5438	6.01	3.70	3.71	2.19	2.16
Gold Recovery	%	97.00	97.00	97.00	97.00	97.00	97.00
Gold Recovered	t	5.98	1.89	1.35	1.33	0.80	0.62
Silver Head Grade	g/t	51.8501	46.52	33.23	36.66	57.25	93.62
Silver Recovery	%	75.42	73.45	74.45	75.45	76.45	77.45
Silver Recovered	t	57.44	11.06	9.33	10.23	16.41	21.41

BAW considers that the historical production data (2022–2025H2) and 2024 operational metrics demonstrate highly consistent and technically justified recovery performance. Gold recoveries have remained above 96.8% despite declining head grades, supported by robust leaching (97.7%), adsorption (99.42%), and smelting (99.8%) efficiencies. Silver recoveries, ranging from approximately 72% to 79%, reflect inherent mineralogical constraints but remain within expected ranges for low-sulfide Au-Ag ores processed by cyanidation.

9.4 Tailings Storage Facility ("TSF")

TSF includes both the old TSF and the new TSF. The old storage area, located south of the processing plant, has been closed following sealing and reclamation works. The tailing pond's total catchment area is 0.68 km^2.

The new TSF, located in a valley 1.2 km northeast of the processing plant, covers 288,665 m^2 and utilizes a dry stacking method. The dam will reach a maximum height of 31.5 m at a final crest elevation of 255 m, providing a total storage capacity of 2.2 million m^3 and a projected service life of 20.8 years. A filter press workshop is situated on the western ridge of the dam to support dry stacking operations. The TSF's storage capacity is sufficient for current and future tailings discharge requirements, and ongoing plant renovations will continue to utilize this facility without affecting its approved capacity.

A phased construction approach is being implemented for the Tailings Dam, using the downstream method for stability and safety. The first phase is designed for a service life of at least 20 years. The dam will be constructed in three phases:

- **Phase 1:** Crest elevation of 245 m, with a construction volume of approximately 198,000 m^3
- **Phase 2:** Crest elevation of 250 m, with a construction volume of approximately 161,000 m^3
- **Phase 3:** Crest elevation of 255 m, with a construction volume of approximately 286,000 m^3

The TSF demonstrates robust engineering and long-term viability. The dry-stack tailings dam, with its 2.2 million m^3 capacity and 20.8-year service life, meets modern safety standards through phased downstream construction, comprehensive catchment management (0.68 km^2 internal drainage controlled by diversion ditches), and the potential for expansion beyond 5 million m^3. Remediation of the closed, old tailings pond mitigates legacy environmental risks, ensuring compliance with operational and regulatory requirements.

9.5 Comments

The ore is a low-sulfide, partially oxidized gold-silver type with simple mineralogy, predominantly composed of quartz and pyrite/limonite. Gold primarily occurs as fine to ultrafine intergranular and fracture-hosted electrum, making it highly amenable to cyanidation. Historical metallurgical tests and plant operations (2022–2025H2) have consistently achieved high gold recoveries ($>96.8\%$) despite declining head grades (from 6.78 g/t to 4.87 g/t Au), while silver recoveries reflect typical mineralogical constraints.

The upgraded primary crushing combined with a SAG/ball mill circuit achieves optimal grinding fineness (90–93.5% passing –0.074 mm). The optimized CIL process (32-hour retention) and high-pressure cyanide-free stripping system further enhance recovery and cost efficiency. Material consumption aligns with industry benchmarks, although grinding media costs (2.63 kg/t) are relatively high due to the transition to harder ore.

The new dry-stack TSF (2.2 million m^3 capacity, 20.8-year lifespan) utilizes phased downstream construction, ensuring both stability and scalability (potential expansion beyond 5 million m^3). Remediation of the closed old pond mitigates legacy environmental risks, while dry stacking further reduces environmental liabilities.

Overall, the project demonstrates strong technical and environmental compliance, with high recoveries, scalable infrastructure, and proactive tailings management. Although declining grades highlight the need for continued optimization, the adaptable flowsheet and expandable tailings capacity underpin the project's long-term operational viability.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Business License

Details of the business license for the Heihe Property issued by the State Administration for Industry and Commerce are presented in Table 10–1 below.

Table 10–1 Details of the Business License for the Heihe Property

Property	Business License No	Issue Date	Permitted Activities
Heihe Luoke Mining Development Co. Ltd. . .	91231100663888397E	October 2007	Gold exploration, mining, and processing

10.1.2 Land Use Permit

Details of the land use permit for the Heihe Property issued by the Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Land Use Permit for the Heihe Property

No.	Land Use	License ID	Area (m^2)	Issued Date
1–2	Construction	0002413–0002414	448.25	August 2021
3–18	Construction	0002416–0002430	492,752.94	August 2021
19	Construction	0002382	173.58	August 2021
20–37	Construction	0002396–0002412	501,085.38	August 2021

10.1.3 Mining Licenses

Details of the mining licenses for the Heihe Property issued by the Ministry of Natural Resources are presented in Table 10–3 below.

Table 10–3 Details of the Mining Licenses for the Heihe Property

License Holder	Heihe Luoke Mining Development Co. Ltd
Name of Property.	Heihe Luoke Mining Development Co. Gold Property
License Type	Mining
License ID	C1000002016044210142237
Area (km^2).	0.1386
Elevation (m)	–100 to 280
Permitted Production Capacity. .	375ktpa
Type of Commodities	Gold, Silver
Mining Method	Open-pit and Underground
Valid Period.	May 2016 to May 2033

10.1.4 Safety Production Permit

Details of the Safety Production Permits for the Heihe Property issued by the Ministry of Emergency Management are presented in Table 10–4 below.

Table 10–4 Details of the Safety Production Permits for the Heihe Property

No.	License Holder	License ID	Type	Mining Method	Valid Period
1	Heihe Luoke Mining Development Co. Ltd	(Hei) FMSP (2022) DXB5132	Gold	Open-pit, Underground	
2	Heihe Luoke Mining Development Co. Ltd	(Hei) FMSP (2022) WKBY0025	Tailing	Tailing	

10.1.5 Waste Discharge Permits

Details of the Waste Discharge Permit for the Heihe Property issued by the Ministry of Ecology and Environment are presented in Table 10–5 below.

Table 10–5 Details of the Waste Discharge Permit for the Heihe Property

License Holder	Heihe Luoke Mining Company Ltd
License Type	Gold mining and processing; silver mining and processing
License ID	91231100663888397E001V
Valid Period	August 2020 to August 2025

10.2 Environmental Management

10.2.1 Ecological Impact

The property is situated in the southeast of Xunke County, Heihe City. The area features a three-layered vegetation structure, comprising an arbor (tree) layer, a shrub layer, and a herbaceous layer. Both the shrub and herb layers are relatively sparse, and bird populations in the forest are limited. The region is sparsely populated, with no large-scale production activities, allowing the natural forest landscape to remain predominant.

Lush coniferous-broadleaved mixed forests and secondary broad-leaved forest ecosystems in the area retain complex internal structures and robust ecological functions. These forests continue to play a vital role in stabilizing and regulating the region's ecological environment. Overall, the quality of the natural ecological environment in the region remains fundamentally good.

Historically, a small number of important wild plant species — such as the Amur corktree, Tilia amurensis, and Rhododendron dauricum — were distributed in the forested land surrounding the mining area. However, with the operation for a period of time, human activities have impacted the local environment, leading to changes in the distribution of wildlife. Large wild animals that once inhabited the region have gradually moved away due to these disturbances. During the operational period, noise from mining equipment and ongoing human activity means that the animals remaining near the project area are primarily birds and small to medium-sized mammals with a strong tolerance for disturbance. Less adaptable species are likely to migrate to similar, more suitable habitats in surrounding areas.

The primary impact on vegetation during the operational phase is caused by dust generated from mining and transportation activities, which affects both artificial and natural vegetation near the project site. When dust settles on plant leaves, it reduces photosynthesis, clogs leaf pores, and hinders respiration and transpiration through the stomata. This can lead to leaf tips losing moisture, drying out, and eventually falling off, ultimately resulting in reduced crop yields and overall plant vitality.

To address these concerns, strict dust prevention and control measures are implemented during mining, crushing, and transportation processes to effectively minimize the impact of dust on vegetation throughout the operation period. After mine closure, timely ecological restoration will be carried out on the surfaces of the mining area, tailings pond, and other affected sites, further reducing the impact on plant life.

Additionally, noise and vibration reduction measures are adopted during operations to lessen the effects of equipment-generated noise on local wildlife. With the implementation of ecological greening projects in the mining area, animals are expected to gradually adapt to changes in their environment, and the impact of mining activities on wildlife will diminish over time, resulting in minimal long-term effects on the diversity and abundance of wild animal species in the region.

Following the operational period, the surface of the mining area will be regularly monitored for deformation. If cracks or localized subsidence are detected, corrective actions such as filling and replanting trees will be taken to mitigate ecological impacts resulting from ground deformation due to mining activities.

10.2.2 Solid Waste

During the construction phase, solid waste generated is centrally collected and regularly transported away by the municipal authorities. Stripped topsoil is stockpiled in the existing temporary topsoil yard for future on-site greening and land reclamation activities. Waste rock from infrastructure construction and underground mining is retained within the mine and entirely used for underground backfilling. All tailings are stored in the new tailings pond, which will undergo ecological restoration after the end of LOM.

Newly generated waste lubricating oil, laboratory waste liquids, and packaging materials (such as barrels and bags) from chemical agents are temporarily stored in the existing hazardous waste storage facility and entrusted to qualified agents for safe disposal. Dust collected by dust collectors during the crushing and grinding processes in the processing plant is reused in production, while boiler ash and slag are utilized for underground backfilling. All solid wastes generated by this property are properly managed and disposed of, resulting in minimal impact on the external environment.

10.2.3 Water Conservation

Mine water generated from the production, after clarification, is primarily used for underground wet drilling, dust suppression through sprinkling, and as make-up water for the filling station. The remaining water is utilized in mineral processing, for dust suppression on stockpiles and plant roads, and for greening activities.

Wastewater from the mineral processing workshop — both process and cleaning water — is centrally collected, treated for cyanide removal, and fully recycled within the production system, with no external discharge. Leachate from the raw ore stockyard is settled and reused for dust suppression. Wastewater from the tailings pond is recycled for mineral processing, dust suppression, and firefighting. Boiler wastewater is treated and reused in mineral processing. Under normal conditions, the project discharges no wastewater.

Groundwater protection follows the principles of source control, zonal prevention, pollution monitoring, and emergency response. Key anti-seepage measures are in place for critical areas such as workshops, hazardous waste storage, and chemical warehouses, while areas with lower pollution risk have basic anti-seepage protections.

BAW confirms that the water conservation and management design at the Heihe Property meet the requirements of relevant government agencies, ensuring full environmental compliance.

10.2.4 Soil Conservation

Within the area affected by surface displacement from mining activities, there are no sensitive sites such as villages, residential areas, water facilities, highways, railways, rivers, or other key infrastructure. The structures at the pithead and mineral processing sites are also outside the zone of displacement impact. Comprehensive analysis confirms that underground mining will not affect surrounding communities, important facilities, or project infrastructure, nor will it cause subsidence of the site or roads. The impact on soil, vegetation, erosion, and water loss is minimal, and the associated environmental risks are acceptable.

No large-scale collapse or damage has occurred in the mining-affected area. The construction unit has established four surface subsidence monitoring points around the open-pit to prevent potential surface collapse. A long-term surface monitoring plan is in place, with dedicated funds reserved for ecological restoration in case of settlement, deformation, cracks, or local collapse. If significant changes are detected, targeted filling and restoration measures will be implemented, including replanting and reforestation in areas where forest cover is severely affected.

10.2.5 Tailing Storage Facility

The concentrator uses a full-slime cyanidation process to produce gold concentrate. Tailings slurry is dehydrated in a filter-press workshop and then trucked to the tailings pond for dry stacking. Significant leakage or instability at the tailings dam foundation could cause tailings to escape, potentially resulting in mud flows, especially during heavy rain or floods. Such events can pollute downstream water and soil, block rivers, and damage local ecology and landscapes. However, these risks are considered low and manageable.

To prevent such incidents, the tailings dam were built to meet the design standards with sufficient strength and high construction quality. Anti-seepage measures and monitoring points should be implemented as needed. Any abnormal signs, such as leakage or quicksand, require immediate action. Monitoring should be intensified during the rainy season, and any issues should be addressed promptly to maintain dam stability, ensure effective flood control and drainage, and prevent tailings release.

10.2.6 Rehabilitation

Reclamation will be carried out in the industrial area, mineral processing auxiliary area, and tailings pond, focusing on restoring surface vegetation, land management, and ecological restoration. After the mine closure, abandoned waste rock and demolished building materials will be used to backfill the mine shaft, which will then be sealed with masonry and mortar. The shafts will be further sealed with cement walls, covered with soil, and replanted with native vegetation to prevent invasive species.

Areas prone to landslides or debris flows will be stabilized with appropriate measures. Mine buildings will be demolished, with construction waste recycled where possible; non-recyclable waste will be transported to designated sites. Planting for greening will also prioritize dust and noise reduction. Abandoned industrial sites and waste dumps will be rehabilitated and revegetated, ensuring that the negative environmental impacts of land occupation gradually disappear.

After the end of LOM, regular monitoring for surface deformation will continue. Any cracks or subsidence will be promptly addressed, and affected areas will be replanted to further reduce ecological impacts.

According to the rehabilitation study, the rehabilitation program commenced in 2023, with incurred costs to date totalling RMB1,672,638.67. The estimated cost for the open-pit rehabilitation program is approximately RMB1,139,600; however, no estimate has been provided for the underground section at this time.

10.3 Occupational Health and Safety

The mine management places a high value on the health and safety of all personnel. In response to the occupational hazard characteristics present at the mine, effective preventive measures have been implemented to combat pollution factors like dust and noise, as well as risks related to fire, explosions, natural disasters, and other unsafe conditions.

Advanced and rational production techniques are adopted in the property, alongside the use of safe and reliable equipment to maximize mechanization in the production process, thereby reducing or eliminating unsafe factors that could jeopardize human health. These measures ensure compliance with labor safety and hygiene standards, safeguarding the well-being of workers at the worksite.

The mine site boasts a Safety and Environmental Protection Department comprising dedicated staff members responsible for environmental management, monitoring, safety, and hygiene within the mine. A comprehensive record of all on-site injuries and fatalities are summarized as below.

Table 10–6 Details of Injuries and Fatalities for the Heihe Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	1	0	1
Lost Days due to Injury at Work	n/a	0	n/a

10.4 Social and Community Contributions

Social responsibility and community building are integral components of the Heihe Property's culture. Since 2022, the Heihe Property has allocated over RMB460,000 towards its charity and community support initiatives. These endeavors encompass various facets such as education donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.

The Heihe Property has been recognized and honored by both the local community and governmental bodies for its commitment to community development and its substantial financial contributions. The accolades received serve as a testament to the Heihe Property's dedication to making a positive impact on the community and fostering social welfare.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Heihe Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of gold. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do not incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable raw for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable gold products sold before transportation charges.

Our economic analysis adopted the recent metal prices of the PRC. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Metal Prices

USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	3,250	3,000			2,500
Berenberg	3,300	3,200	3,000	2,200	
BMO Capital	3,500	2,988	2,700	2,575	2,200
BoA — Merrill Lynch	3,659	3,141	2,761	2,380	2,000
BNP Exane	2,750	2,500			1,750
Canaccord	3,196	3,279			3,478
CIBC	3,600	3,300			
Citi	2,750				2,200
Cormark	3,000				
Deutsche Bank	3,069				3,000
Goldman Sachs	3,492	3,562			2,850
Hannam	2,700	2,400			2,100
Haywood	3,000	2,800	2,800	2,800	
HSBC	3,125	2,925	2,878	2,802	2,350
Intesa	2,800	2,900			
JP Morgan	2,900	3,020			
Jefferies	3,400	3,200	3,000	2,700	2,500
Liberum	2,463	2,175	2,023	1,975	1,740
Macquarie	2,850	2,550	2,650	2,775	
Morgan Stanley	3,313	2,625	2,500	2,200	2,129
National bank of Canada	3,500	3,200	3,000	2,800	2,600
Raymond James	3,000				2,500
RBC	3,489	3,300	3,000	3,000	2,600
TD Securities	3,400				3,000
Scotiabank	3,200	2,800	2,300		2,300
Societe Generale	4,130				
UBS	3,500	3,250	3,000	3,100	2,800
Average	**3,198**	**2,958**	**2,739**	**2,609**	**2,452**

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX for further mine development, Sustaining CAPEX for mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program and environmental work. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, underground drilling, sampling, sample prep and geochemical analysis. BAW considers that the overall CAPEX budgeting practice is reasonable and conformable with the industry practice.

The CAPEX projected for the Heihe Property is summarized in Table 11–2 for the period from 2026 till the end of LOM.

Table 11–2 Projected CAPEX for the Heihe Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	12.9	66.8	11.4	3.0	0.0
Development and Expansion CAPEX	0.0	0.0	0.0	0.0	0.0
Rehabilitation CAPEX	0.3	4.3	0.2	2.1	0.0
Exploration CAPEX	17.6	5.0	1.8	3.9	0.0
Total.	30.4	76.2	13.4	9.0	0.0

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in RMB.

Based on the information provided by the management, the forecasted operating cash costs and production costs for the Heihe Property for the period from 2026 till the end of the LOM are summarised in Table 11–3 below.

Table 11–3 Operating Unit Cash Costs for the Heihe Property

Operating Cash Costs	Unit	2022	2023	2024	2025	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Total Mining Costs	RMB/t ore	192.0	212.0	164.9	197.3	209.5	209.5	209.5	209.5	209.5
Total Processing Costs	RMB/t ore	212.2	212.5	185.7	162.5	245.2	245.2	245.2	245.2	245.2
Total Selling, General & Admin (G&A) Costs	RMB/t ore	125.0	132.1	150.4	151.1	194.8	132.6	117.8	87.1	n/a
Total Operating Cash Costs	RMB/t ore	529.2	556.6	501.0	510.9	649.5	587.3	572.5	541.7	445.7

Table 11–4 Total Operating Cash Costs for the Heihe Property (RMB in Million)

Item	2026	2027	2028	2029	2030
Workforce Employment	29.4	29.5	28.9	28.3	16.0
Consumables	37.5	37.7	37.0	36.9	25.3
Fuel, electricity, water and other services	23.7	23.8	23.3	23.1	14.6
On and off-site administration	114.1	93.8	89.6	72.0	22.5
Environmental protection and monitoring	13.2	8.6	7.9	5.1	4.2
Transportation of workforce	0.0	0.0	0.0	0.0	0.0
Product marketing and transport	1.0	0.6	0.6	0.4	0.3
Non-income taxes, royalties and other governmental charges	9.3	6.6	6.8	10.5	2.2
Contingency allowances	25.5	25.6	25.1	24.4	13.2

All-In Sustaining Cost (AISC) is a key performance metric used in the mining industry, especially in precious metals mining, to provide a comprehensive view of the true cost of producing a unit of metal (commonly expressed as cost per ounce or per pound), introduced in 2013 by the World Gold Council. BAW has estimated the AISC for the Heihe Property, which includes, in addition to the direct operating cash costs, sustaining costs and rehabilitation costs of ongoing operations as shown below.

Table 11–5 All-In Sustaining Cost ("AISC") for the Heihe Property

	Unit	2026	2027	2028	2029	2030 till the end of LOM
AISC	RMB in Million	267.0	279.6	220.7	194.0	91.1
LOM Average AISC	RMB/kg	184,906.2				
LOM Average AISC	USD/oz	822.1				

11.5 Taxation

BAW understands that the application for the favourable corporate income tax rate was not initiated yet and therefore, the ordinary corporate income tax rate of 25% is used throughout the rest of the LOM in our economic analysis.

In accordance with the "Notice on Gold Tax Policy Issues" (Cai Shui [2002] No. 142) issued by the Ministry of Finance and the State Taxation Administration, gold production and operating entities are exempted from Value-Added Tax ("**VAT**") on sales of gold. Additionally, urban maintenance and construction tax and education surcharges are exempted for gold-related transactions. Non-income taxes, royalties and other government charges are projected to be RMB14.5/t, RMB24.9/t, RMB17.6/t, RMB18.6/t, RMB31.9/t for 2025, 2026, 2027, 2028, and 2029 respectively.

11.6 Discounted Cashflow Projection

In order to assess the overall economic feasibility of the Heihe Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as *Net Operating Profit After Tax + Depreciation — Change in Net Working Capital — Capital Expenditure*. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated.

Weighted Average Cost of Capital ("**WACC**") is adopted as the basis for determining the discount rate, representing the average rate of return expected to pay the capital providers through both equity and debt holders. It is calculated by weighting the cost of equity and the after-tax cost of debt according to the proportion of the capital structure.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in previous sections together with the abovementioned discount rate, the NPV for the Heihe Property is estimated to be RMB5,040,000,000 at a discount rate of 6% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified by economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal prices, OPEX and CAPEX at a discount rate of 6%. The resulted changes of after-tax NPV are summarized in Table 11–5 and plotted in Figure 11–1 below.

Table 11–6 Sensitivity Analysis of After-Tax NPV (RMB in million)

Parameters	–15%	–10%	–5%	Base Case	5%	10%	15%
Metal Prices	4,769	4,859	4,949	5,040	5,130	5,220	5,311
OPEX	5,135	5,103	5,071	5,040	5,078	4,976	4,944
CAPEX	5,057	5,052	5,046	5,040	5,034	5,028	5,022

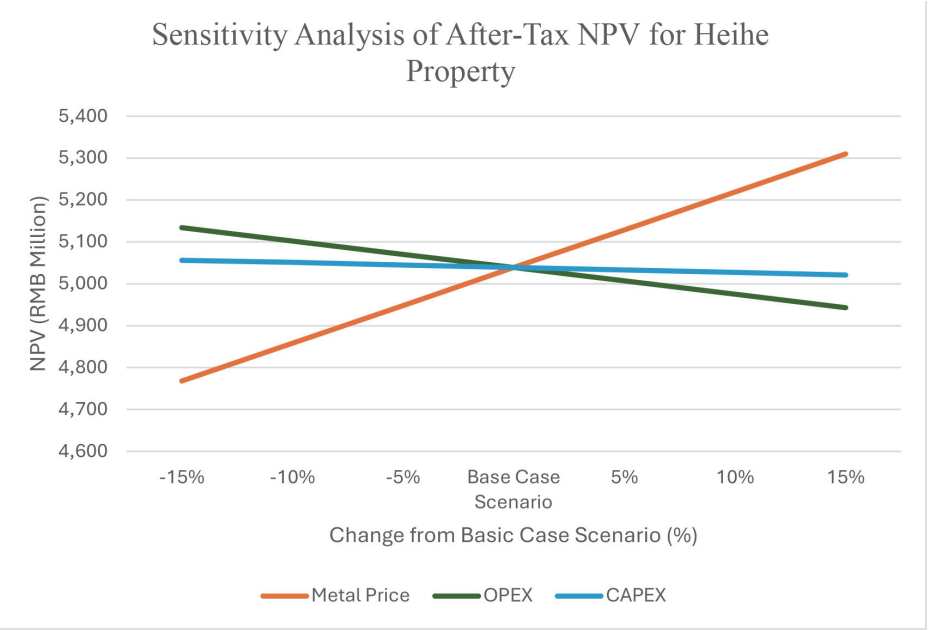


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Heihe Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Heihe Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

Key metrics of the Heihe Property are tabulated as below.

Table 11–7 Key Metrics of the Heihe Property

Metrics	Unit	Value	
Total Gold Resources	t	13.79	
Total Gold Reserves	t	6.17	
LOM	years	4.5	from 2026 to 2030
Mining Production Capacity	ktpa	375	Underground
Processing Recovery	%	97.1	
LOM Average AISC	US $/oz	822.1	
NPV	RMB million	5,040	

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

1. High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (> 15%) on the project cash flow and performance and could potentially lead to project failure.

2. Moderate Risk: the factor, if uncorrected, could have a significant impact (> 10%) on the project cash flow and performance unless mitigated by some corrective action.

3. Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risks Factors in association with the Heihe Property

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.
Resources	Low	The earliest drilling and exploration program were carried out in the 1990s. Further supplemental exploration programs were subsequently undertaken. In addition, the mining operation has been ongoing in the region for years. The geology, mineralization and resources of the properties are relatively well-known or defined in terms of spatial extent and continuity. The geological modeling accurately reflects the current geological information and understanding. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological knowledge, meeting the requirements for public reporting under the JORC Code (2012).	Additional in-fill drilling activities may further reduce the resource risk for subsequent mine planning. Acquisition of exploration properties to expand the resource portfolio.
Geotechnical and hydrogeological Status	Low to Moderate	During actual production, no major geotechnical or hydrogeological risks have been reported. This positive safety record reflects existing practices, but continuous vigilance is paramount, necessitating the strengthening of relevant research and management efforts to proactively control any potential risks that may arise	The mining methods have all been upgraded to incorporate backfilling, which is more conducive to maintaining surrounding rock stability and reducing potential risks.
Mining Operation . . .	Low to Moderate	Extraction is planned to be carried out in the way of Cut and Fill mining and Shrinkage mining which are common mining methods adopted in the mining industry. BAW is of the opinion that this mining method reasonable and appropriate for this type of underground deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly.	The mine management can allocate more financial and human resources to further improve its operation management and skillsets of mining operation to achieve a mining plan.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Production Targets . .	Low to 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. Variation of the mining dilution factor from time to time may cause variation in mining recovery and processing recovery factors, resulting in variation in quantity of the finished products. The faults encountered as mining advances may also cause some production short fall in some short periods.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. A more coordinated production scheduling may be necessary in order to achieve maintain the production target when mining activities proceed to those relatively lower grade zone.
Processing	Moderate	Declining head grade (from 15.38 g/t to 4.88 g/t Au) may reduce economic viability and increase processing cost per ounce. Silver recovery significantly lower than gold, resulting in lost revenue from valuable by-product.	Introduce ore sorting or selective mining; optimize blending; explore potential for processing lower-grade stockpiles. Test alternative lixiviants or adsorbents for silver; optimize cyanide concentration and retention time for silver leaching.
Infrastructure.	Low	Part of the access roads are rugged near the mines. Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment. Construction of small-scale reservoir will reduce the risk of water shortage.
CAPEX	Moderate to High	Detailed long-term projection of sustaining CAPEX and Development and Expansion CAPEX have not been prepared.	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	Moderate	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.

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. Recognizing the need to improve its production safety record, the mine management has prioritized resources to ensure operations comply with national safety regulations. Mine management is dedicated to social responsibility and community engagement. Their efforts include a range of initiatives, such as educational donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation for rural revitalization, and various other assistance projects.	Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects.
Community	Low	Inadequate research of local needs may result in resource mismatches, such as insufficient funding in certain sectors.	Develop long-term plans to maintain a sustainable relationship with the local community.

13 REFERENCE

1. 707 Brigade, 2003. Exploration Report of the Exploration Line 19–44, No.5 Ore Body, Dong'an Gold Deposit, Xunke County, Heilongjiang Province.

2. Heihe Luoke Mining Development Co., Ltd., 2017. Resource/Reserve Verification Report of the No. 5 Ore Body, Exploration Line 19–44, Dong'an Gold Deposit, Xunke County, Heilongjiang Province.

3. Heihe Luoke Mining Development Co., Ltd., 2025. Resource/Reserve Verification Report of the Expanded Mine Zone of Dong'an Gold Deposit, Xunke County, Heilongjiang Province.

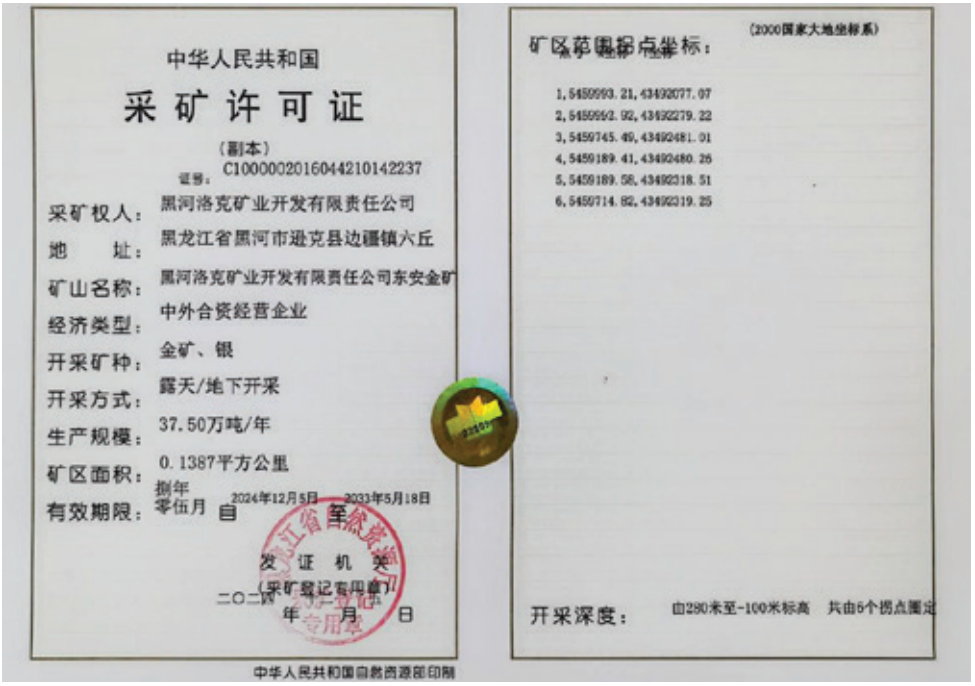
4. Liu, Y., Sun, J., Han, J., Ren, L., Gu, A., Zhao, K., Feng, Y. and Chu, X., 2021. Constraints of magmatic differentiation on epithermal mineralization at Dongan, NE China: Insights from zircon geochronology, elements and Sr-Hf-Nd isotope geochemistry. Journal of Geochemical Exploration, 226, p.106768.

5. Ouyang, H., Wu, X., Mao, J., Su, H., Santosh, M., Zhou, Z. and Li, C., 2014. The nature and timing of ore formation in the Budunhua copper deposit, southern Great Hingan Mountain: Evidence from geology, fluid inclusions, and U-Pb and Re-Os geochronology. Ore Geology Reviews, 63, 238–251.

6. Yintai Gold Corporation Ltd., Annual Reports 2016–2022. Shenzhen Stock Exchange.

14 APPENDIX A — EXPLORATION AND MINING LICENSES

Dong'an Gold Mining License



中华人民共和国

采矿许可证

（副本）

证号：C1000002016044210142237

采矿权人：黑河洛克矿业开发有限责任公司

地　　址：黑龙江省黑河市逊克县边疆镇六丘

矿山名称：黑河洛克矿业开发有限责任公司东安金矿

经济类型：中外合资经营企业

开采矿种：金矿、银

开采方式：露天/地下开采

生产规模：37.50万吨/年

矿区面积：0.1387平方公里

有效期限：捌年零伍月 自 2024年12月5日 至 2033年5月18日

发证机关（采矿登记专用章）

二〇二四年十二月五日

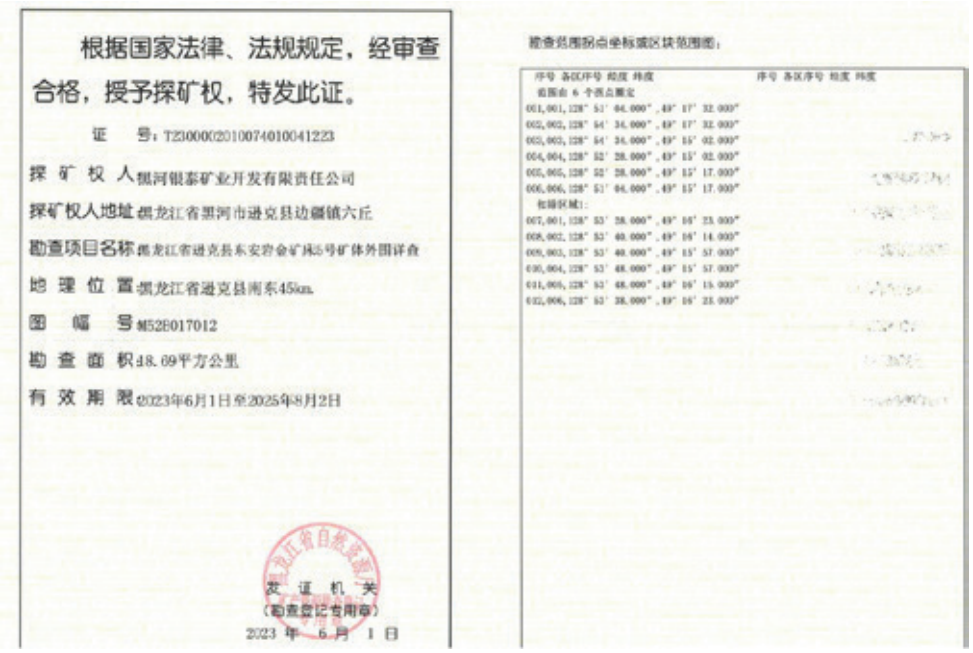
中华人民共和国自然资源部印制

矿区范围拐点坐标：（2000国家大地坐标系）

1, 5459993.21, 43492077.97
2, 5459992.92, 43492279.22
3, 5459745.49, 43492481.91
4, 5459189.41, 43492480.26
5, 5459189.58, 43492318.51
6, 5459714.82, 43492319.25

开采深度：由280米至-100米标高　共由6个拐点圈定

Dong'an Gold Mine No. 5 Orebody Periphery Exploration License



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T23000(2010074010041223

探 矿 权 人 黑河银泰矿业开发有限责任公司

探矿权人地址 黑龙江省黑河市逊克县边疆镇六丘

勘查项目名称 黑龙江省逊克县东安岩金矿床5号矿体外围详查

地 理 位 置 黑龙江省逊克县南东45km

图　　幅　号 M52E017012

勘 查 面 积 18.09平方公里

有 效 期 限 2023年6月1日至2025年8月2日

发证机关（勘查登记专用章）

2023 年 6 月 1 日

勘查范围拐点坐标或区块范围图：

15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	*JORC Code explanation*	*Commentary*
Sampling techniques.	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• *Sampling comprised diamond-core drilling (HQ/NQ) with nominal 1 m intervals, underground and surface channel samples (0.5–1.5 m), and trenching. All methods followed national standards and international industry practice, providing representative coverage of the orebodies.* • *Channels were cut perpendicular to orebody contacts, core was sawn in half for assay, and duplicates/blanks were inserted. Drill collars and trenches were surveyed with RTK/GPS and total station. Sample preparation (drying, crushing, splitting, pulverising) followed standardized protocols to ensure consistency.* • *Mineralisation occurs in NNE-trending, steeply dipping silicified lodes. The main No. 5 orebody demonstrates robust continuity, verified by drilling, tunnelling, and production sampling. These factors are critical for defining grade continuity and resource estimation.* • *Most sampling used standard fire assay for gold and AAS for silver, with QA/QC cross-checks. Nugget effect and coarse gold issues were mitigated through duplicate pulp checks and umpire assays. No unusual or unconventional sampling considerations (e.g., nodules, marine deposits) apply to this project.*

Criteria	*JORC Code explanation*	*Commentary*
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Drilling has been entirely diamond-core, conducted in multiple phases (2001–2003, 2007–2009, and 2019–2025). Surface drilling was predominantly HQ core, while underground drilling mainly used NQ core. Downhole surveys were taken at 30–50 m intervals, with additional readings at collar and end-of-hole. Average core recovery exceeded 90%, meeting industry standards for reliability.* • *Drilling contractors employed oriented core techniques where structural interpretation was required. All drillholes were cement-sealed after completion and permanently marked. Core was logged for lithology, alteration, structure, and mineralisation prior to sampling.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery was measured during logging by comparing recovered length to drilled interval, with results recorded in the geological database. Reported average recovery exceeded 95% for most boreholes, indicating reliable sampling quality.* • *Standard diamond drilling techniques, appropriate drilling fluids, and careful handling during core retrieval minimized sample loss. Broken ground was controlled by reducing drilling advance and stabilizing with drilling mud where necessary.* • *No systematic bias has been identified. Occasional core loss in fractured zones is not considered material to the overall resource estimation. Nugget effect in high-grade zones was addressed through duplicate sampling and QA/QC checks.*

Criteria	*JORC Code explanation*	*Commentary*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All diamond core and channel samples were systematically logged for lithology, alteration, mineralisation, and geotechnical parameters. Logging supports Mineral Resource estimation, mine planning, and metallurgical studies.* • *Logging included both qualitative descriptions (rock type, alteration style, mineral occurrence) and quantitative records (sample intervals, recovery, RQD, structural measurements).* • *All drill core was photographed prior to sampling and stored in a dedicated core shed. Over 95% of drilled intervals were logged, ensuring nearly complete coverage.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Diamond core was sawn lengthwise with a diamond saw; half-core was submitted for assay, while the remaining half was retained for reference. Intervals were generally 1.0 m, adjusted to lithological or mineralisation boundaries (0.5–1.5 m).* • *Channel samples were cut across mineralised zones using a diamond-tipped saw (10 cm × 5 cm channel), ensuring representative material. Trench samples followed the same protocol.* • *At the mine-site lab, samples were dried at 105 °C, crushed to 4 mm, riffle-split, then milled to 0.074 mm. Duplicate pulps were prepared for QA/QC purposes. Procedures conform to national standards and industry practice.* • *Field duplicates, pulp duplicates, blanks and standards were inserted systematically. These measures ensured representivity and monitored potential bias or contamination during preparation.*

Criteria	*JORC Code explanation*	*Commentary*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Gold was assayed mainly by fire assay with AAS finish since 2017; earlier work also included aqua regia digestion with foam absorption-AAS. Silver was determined by aqua regia digestion and AAS. These are industry-standard, total digestion techniques suitable for Au-Ag mineralisation.* • *Samples were processed at the mine-site laboratory, the 707 Brigade Laboratory, and umpire laboratories including HPNM and ALS/SGS. ALS and SGS are internationally accredited; the Chinese provincial labs hold national certifications.* • *Internal QA/QC included pulp duplicates (*~10%) and blanks/ standards; external QA/QC used umpire pulp duplicates (~5%) sent to accredited labs. HARD, Q-Q, and scatter plots confirmed acceptable precision and accuracy (*>95% of duplicates within ±20%).* • *Analytical methods are appropriate for this deposit type, with minor nugget-effect variability at very high grades. BAW considers assay data reliable for Mineral Resource estimation.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *BAW conducted site verification in July 2025, including inspection of drill rigs, core sheds, and underground workings. A total of 48 independent core samples were collected and assayed at ALS Guangzhou, with results generally consistent with original assays.* • *Collar coordinates were checked by handheld GPS against database records; locations and sealing of drillholes were confirmed in the field. Assay datasets were validated for consistency and errors removed before resource modelling.* • *No dedicated twinned holes were drilled; however, duplicate pulp assays and umpire assays were systematically applied to confirm reproducibility.* • *No grade adjustments were made other than capping of extreme values during resource estimation.*

Criteria	*JORC Code explanation*	*Commentary*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill collars, trenches, and underground workings were surveyed by independent contractors using RTK/GPS (South Polaris 9600) and total-station instruments. Downhole surveys were conducted every 30–50 m using inclinometers or downhole cameras.* • *Early work used the Xi'an 1980 system; subsequent surveys employed CGCS2000 (China Geodetic Coordinate System 2000), which is consistent with national standards.* • *A digital terrain model (DTM) was built from RTK data and updated to September 2025. This provides adequate accuracy for geological modelling and resource estimation.*
Data spacing and distribution .	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Drillhole spacing within the main orebody is generally 40 × 40 m to 80 × 80 m, with localized infill down to 25 × 25 m, and step-out drilling up to 120 × 120 m in peripheral zones. This density is sufficient to define Measured, Indicated, and Inferred categories under JORC (2012).* • *Trenches were spaced at 25–50 m along strike, and underground channels were sampled every 40–80 m. This ensures representative coverage of orebody geometry and grade continuity.* • *For estimation, assay intervals were composited to 1 m lengths, consistent with sampling practice and orebody thickness.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Drillholes and channel samples were designed to intersect ore lodes as close to perpendicular as practical, minimizing bias. The main No. 5 orebody is steeply dipping (70–89°), and drilling/underground sampling orientations were aligned accordingly.* • *No significant bias due to drilling orientation has been identified. Local deviations in highly fractured zones may occur but are not considered material to resource estimation.*

Criteria	*JORC Code explanation*	*Commentary*
Sample security	• *The measures taken to ensure sample security.*	• *All core and channel samples were transported directly from site to the preparation facility under supervision. Chain-of-custody records were maintained from collection through preparation to analysis.* • *Samples were stored in sealed, labelled bags, kept in locked storage before dispatch. Independent checks during BAW's site visit confirmed reasonable compliance with protocols.* • *No evidence of tampering or contamination was noted. Security measures are considered adequate to ensure validity of assay results.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *BAW reviewed the QA/QC protocols and assay database as part of the 2023 and 2025 JORC-compliant technical studies. Results were found consistent with industry standards.* • *Independent assays of 48 core samples at ALS Guangzhou confirmed the reliability of original assays. Variations observed at high grades were attributed to nugget effect rather than systematic bias.* • *No material issues were identified during audits or reviews. The sampling data is considered robust and suitable for Mineral Resource estimation.*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	*JORC Code explanation*	*Commentary*
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The Heihe (Dong'an) Project comprises one mining license (0.1386 km^2, valid until May 2033, 375 ktpa capacity) and one exploration license (18.69 km^2, valid until August 2025). Both licenses are held 100% by Heihe Luoke Mining Development Co., Ltd., a wholly-owned subsidiary of Shanjin International. All licenses are reported in good standing with no known impediments to operation.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Initial exploration was conducted by Heilongjiang Nonferrous 707 Brigade (1998–2003), followed by Sino Gold/ Eldorado Gold (2007–2016). Since 2016, Yintai Gold (now Shanjin International) has undertaken systematic exploration, drilling, and production. Historical data has been verified by BAW for use in JORC-compliant resource and reserve estimation.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposit is a low-sulfidation epithermal Au-Ag system hosted in Early Cretaceous volcanic rocks and controlled by NNE-trending faults. Mineralisation occurs in silicified lodes with stable geometry; the No. 5 orebody is the principal lode, averaging 6.7 m thick, extending > 350 m vertically, and remaining open along strike and depth.*

Criteria	*JORC Code explanation*	*Commentary*

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ◦ *easting and northing of the drill hole collar*
	  ◦ *elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar*
	  ◦ *dip and azimuth of the hole*
	  ◦ *down hole length and interception depth*
	  ◦ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• *Not applicable for CPR; drilling details are fully incorporated into resource estimation.*

Data aggregation methods . . .	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• *Not applicable.*

Criteria	*JORC Code explanation*	*Commentary*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Figures provided in CPR body; not repeated here.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable for CPR.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Not applicable beyond what is already integrated in database verification and metallurgical testwork.*
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Focus on step-out drilling around the No. 5 orebody and peripheral anomalies; details are given in CPR recommendations.*

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	*JORC Code explanation*	*Commentary*
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *The exploration database was compiled from drillhole collars, downhole surveys, assays, and logging data provided by Heihe Luoke. Strict protocols were followed to minimise transcription and entry errors: electronic capture of assay results direct from laboratories, standardised database templates, and routine cross-checks between field logs, assay certificates, and digital records. Collar coordinates and downhole surveys were verified against survey reports to ensure positional accuracy.* • *BAW conducted multi-level validation prior to Mineral Resource estimation: (1) automated checks for overlapping intervals, negative or out-of-range values, and missing coordinates; (2) statistical comparison of raw assays vs. composites; (3) swath plots and visual comparison of block grades against drillhole grades; (4) independent field checks of selected collars and verification sampling (48 core samples sent to ALS Guangzhou). Deviations at very high grades were attributed to nugget effect rather than systematic bias. Overall, the database was deemed reliable and suitable for JORC-compliant Mineral Resource estimation.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *The Competent Person (BAW team) undertook a site visit to the Heihe (Dong'an) Project from 6 to 8 July 2025. The visit included inspection of drill rigs, core sheds, underground workings, processing plant, and tailings storage facility. Independent check sampling of 48 core samples was completed and submitted to ALS Guangzhou. Results were generally consistent with original assays, confirming data reliability. Discussions with site geologists further validated geological interpretation and mineralisation controls.*

Criteria	*JORC Code explanation*	*Commentary*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The geological interpretation of the Heihe (Dong'an) deposit is considered robust, supported by over 170,000 m of drilling, systematic trenching, underground development, and production data. The geometry of the main No. 5 orebody has been consistently validated by both exploration and mining.* • *Data inputs include drill core logging, assays, structural mapping, and underground channel sampling. Assumptions are limited to continuity along NNE-trending faults and extension of silicified lodes, consistent with field evidence.* • *Alternative models (e.g., excluding subsidiary lodes) show minimal impact on overall tonnage and grade. Variations are restricted to local branching or thickness changes, which do not materially affect global Mineral Resource estimates.* • *Geological interpretation guided the construction of wireframes, compositing intervals, grade capping, and interpolation domains, ensuring estimates align with mineralisation controls.* • *Continuity is governed by NNE-trending faults and strong silicification zones. Mineralisation is stable over hundreds of metres along strike and depth; local variability is due to fault offsets and vein thickness changes, not loss of system integrity.* • *BAW received the production model provided by the mine and reviewed each orebody individually. BAW considers the mine model acceptable and generally conservative.*
Dimensions.	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The principal No. 5 orebody extends 770 m along strike, dips steeply (70–89°) to depths exceeding 350 m, and averages 6.7 m in true thickness. Other orebodies range from 50 m to 400 m in strike length, with widths of 1–9 m and variable continuity. The overall Mineral Resource extends from near surface (~280 mRL) to at least 25 mRL, a vertical range of more than 250 m.*

Criteria	*JORC Code explanation*	*Commentary*
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Ordinary Kriging (OK) was the primary estimation method, supported by IDW^3 and nearest neighbour for checks. Domain wireframes were based on lithology and assay thresholds. High-grade outliers were treated by grade capping and restricted search ellipses.* • *Estimates were cross-checked against IDW^3 models, historic Chinese estimates (2003, 2017), and mine production data (2017–2025). Results were consistent, confirming reliability.* • *Silver was modelled alongside gold, using AuEq formula (Ag converted to Au equivalent based on price and recovery). No other by-products are considered material.* • *Elements such as As, Sb, and C occur in negligible concentrations (< 0.005%) and were not modelled. They are not expected to materially affect metallurgy or economics.* • *Parent block size was 4 m × 2 m × 2 m, with sub-blocks 1 m × 1 m × 1 m, consistent with drill spacing and orebody geometry. Three search passes were used, guided by variogram ranges.* • *No explicit SMU modelling was applied. Minimum mining width of 0.8 m and dilution assumptions (0.4 m per side) were incorporated in resource-to-reserve conversion.* • *No complex correlations between variables were applied; Au and Ag were modelled independently, with equivalence handled in AuEq conversion.* • *Geological interpretation controlled domain boundaries, compositing, grade capping, and variogram orientation, ensuring the estimate reflects mineralisation geometry.* • *High-grade outliers were capped at 32.7–53.5 g/t Au and 254–828 g/t Ag, based on statistical and spatial analysis. Capping reduced mean grades by < 10%, mitigating nugget effect.* • *Validation included visual comparison of block vs. drill grades, swath plots in three directions, and reconciliation with production records. OK and IDW^3 results were consistent, confirming robustness of the model.*

Criteria	*JORC Code explanation*	*Commentary*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Tonnages are reported on a dry basis. Bulk density measurements (water displacement on wax-coated core) were used to account for voids and natural moisture. No adjustments for in-situ moisture were required.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *Cut-off grades for Mineral Resource estimation were determined using long-term gold price, metallurgical recoveries, and operating cost assumptions consistent with current mine practice. The result of cut-off grade estimation is 1.0g/t.*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *Mineral Resource estimation assumed underground extraction by stage/sublevel open stoping with delayed backfill, applying minimum mining widths of 0.8 m, stope pillars of 2 m, and dilution allowances of ˜0.4 m per side (≈14%), consistent with recent PFS parameters and operational practice.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *The metallurgical assumptions are derived from extensive testwork (2003–2019) and operational data (2017–2025), demonstrating consistent gold recoveries (>96.8%) via cyanidation under optimized conditions (90–92% –200 mesh grind, 0.03–0.10% NaCN). However, silver recovery (72–79%) reflects inherent mineralogical limitations.* • *While historical test samples covered a range of grades (0.30–98.00 g/t Au) and ore types, the predominance of oxide/superficial ore in early testwork may underrepresent transitional/fresh ore metallurgy at depth.* • *Assumptions for low-grade domains (<2 g/t Au) and peripheral zones rely on limited test data (e.g., DDP1-DDP3 samples). The lack of systematic variability studies (e.g., by alteration type or sulfide %) introduces uncertainty.*

Criteria	*JORC Code explanation*	*Commentary*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rocks generated during mining and construction are fully utilized for underground backfilling, which helps prevent goaf subsidence and reduces surface disposal. Additionally, it is used for on-site infrastructure projects, such as leveling industrial sites and slope protection, with no external disposal. The concentrations of harmful pollutants in the waste rock meet relevant environmental standards.* • *Tailings generated from the processing, which uses full-slime cyanidation, undergo filter-press dewatering for dry stacking. Tailings are stored in a TSF with a capacity of 2.2 million m^3 and a service life of 20.8 years. The TSF wastewater is fully recycled back to the concentrator, achieving a zero-discharge status.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density was determined, not assumed. Measurements were taken using the water-displacement method on wax-coated drill core samples, covering major lithologies and mineralised zones. In total, 440 determinations were made by the 707 Brigade laboratory, with verification by the Heilongjiang Nonferrous Testing Center.* • *The wax-coating method adequately accounts for porosity, fractures, and natural moisture. Measurements were taken across fresh, altered, and oxidised zones to reflect variations in density within the deposit. Two bulk samples from adits were also tested, yielding consistent results.* • *Due to limited dataset, an average bulk density of 2.60 t/m^3 was applied to the block model for all material types. While variations exist, this conservative value is appropriate for Mineral Resource estimation. Further specific gravity work is recommended to refine estimates.*

Criteria	*JORC Code explanation*	*Commentary*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Mineral Resources were classified following JORC (2012) guidelines, using drilling density, variogram performance, estimation pass, and geological confidence. Measured: blocks within 40 m of at least four drillholes, with strong geological continuity and high data density. Indicated: blocks within 40–80 m, supported by at least two drillholes and sufficient continuity. Inferred: blocks interpolated at up to 120 m spacing, supported by limited drilling and lower confidence.* • *Classification accounts for reliability of input data, grade/tonnage confidence, and demonstrated continuity of geology and metal values. QA/QC and independent verification support the robustness of the dataset.* • *The Competent Person considers the classification appropriate, conservative, and reflective of the deposit's known characteristics and confidence levels.*
Audits or reviews.	• *The results of any audits or reviews of Mineral Resource estimates.*	• *The Mineral Resource estimates for the Heihe (Dong'an) Project have been internally peer-reviewed by BAW and found consistent with JORC (2012) standards and industry best practice. No material deficiencies were identified.*

Criteria	*JORC Code explanation*	*Commentary*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Mineral Resource estimates are considered reliable at a global level, with high confidence in the Measured and Indicated categories due to close drill spacing, robust variogram models, and consistent grade continuity. Inferred Resources carry lower confidence, reflecting wider spacing and limited supporting data.* • *The classification reflects local reliability within individual domains as well as global totals. Local estimates are appropriate for mine planning at Measured/Indicated levels; Inferred resources are excluded from mine design.* • *Block model grades were validated against drillhole composites through swath plots and statistical comparison. Reconciliation with production (2017–2025) showed good agreement, supporting the accuracy of estimates.* • *The Competent Person concludes that the estimates appropriately reflect the deposit's geology, data quality, and mining performance, and meet JORC (2012) requirements for public reporting.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	*JORC Code explanation*	*Commentary*
Mineral Resource estimate for conversion to Ore Reserves .	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Ore Reserves estimate is based on the Mineral Resource model developed by BAW as of 31 December 2025. The Measured Resources and Indicated Resources estimated have been considered for Ore Reserve conversion. Inferred Resources have been excluded from this estimate.* • *The Ore Reserves estimate is derived from stope designs and technical and economic feasible checking, accounting for mining dilution and loss. The reference point for the Ore Reserves estimates is the Run-of-Mine (ROM) Pad before the primary crusher and/or stockpiles at the processing and/or hydrometallurgy plant. The Ore Reserves is a local estimate of gold and silver minerals for the mineralized zones and surrounding wall rocks.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *A site visit was conducted from 6 to 8 July 2025 5 May and 20 May 2025. And BAW communicated all modification factors with technicians.*
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	*Main technical studies are available to review:* • *Feasibility Study Report on 450 tpd Mining-Processing-Smelting Project of Dong'an Gold Mine, Heihe Luoke Mining Development Co., Ltd. Jan 2009;* • *Pre-feasibility Study Report on 1,250 tpd Reconstruction and Expansion Project of Dong'an Gold Mine Beneficiation Project, Heihe Yintai Mining Development Co., Ltd. Nov 2018.* • *Design Report of the 1,250 tpd Underground Reconstruction and Expansion Project of the Dong'an Gold Mine, Heihe Luoke Mining Development Co., Ltd. Dec 2024.* • *Pre-Feasibility Study Report on Dong'an Gold Mine (Expanded Mining Area) of Heihe Locke Mining Development Co., Ltd., Shandong Gold Design & Consulting Co., Ltd. March 2025 (2025 PFS).*

Criteria	*JORC Code explanation*	*Commentary*
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *Table 7–2 listed the parameters used in estimation of the COG for Underground Mining of Dong'an Property.* • *The cut-off grade is estimated to be 1.20 g/t, based on the adjustment from average historic three-year unit costs, while also considering processing recovery and royalty factors.*
Mining factors or assumptions.	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• *The stope shape optimized ant modelled by BAW was used as the estimation boundary.* • *Skin dilution was applied into the stope shape as an equivalent linear overbreak slough. Subsequently, these annealed mineable shapes.* • *Factors such as ore loss were factored in using Microsoft Excel.* • *The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. their mining costs have been covered but no revenue has been assumed for the Inferred Resources).* • *The mine production system includes the parts within the scope of the mining permit and exploration permit. The mine operator is currently converting the exploration permit to a mining permit and anticipates conducting mining operations as an integrated system in the future. Therefore, BAW has reported Ore Reserves based on the mining permit and exploration permit, and has taken them into unified consideration in the production plan.* • *BAW has reported the stockpile as of 31 December 2025. The material from the stockpile is classified as a Probable Ore Reserve of 338 kt at an average grade of 2.15g/t gold and 93.54g/t silver, containing 0.73t of gold and 31.64t of silver. It should be noted that this part does not require consideration of the factors of losses and dilution.* • *Adopted cut-off grade: 1.2 g/t Au, based on a gold price of US$2,000/oz.* • *Mining recovery: 97%.* • *Mining dilution: 14%.* • *The minimum mining width used is 2 m.* • *The infrastructure was reviewed by BAW and as an operating mining, the infrastructure meets the production needs of the mine.*

Criteria	*JORC Code explanation*	*Commentary*
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The cyanidation (CIL) process is well-tested and industry-standard for this style of low-sulfide, free-milling gold-silver mineralization, with operational data (2017–2025) confirming robust recoveries (>96.8% Au, ~72–79% Ag).* • *The flowsheet — including SAG/ball mill grinding, CIL, and high-pressure stripping — is appropriate for the dominant oxide/supergene ore, though deeper sulfide-rich zones may require additional testwork to assess potential refractory challenges. The technology is not novel, minimizing technical risk.* • *Metallurgical testwork (2003–2019) covered a representative range of grades (0.30–98.00 g/t Au) and ore types, including high-grade composites (27.16 g/t Au) and low-grade samples (~2 g/t Au). However, domaining primarily reflects oxide vs. transitional material, with limited fresh sulfide ore testing. Recovery factors (e.g., 97% Au for oxide, potentially lower for sulfide) are well-supported for current reserves but may need adjustment for deeper resources.* • *Deleterious elements (As, Sb, C) are present at very low concentrations (<0.001% As, <0.005% Sb, 0.085% C), posing no material impact on cyanidation. No bulk or pilot-scale tests were conducted, but plant performance data (1,250 t/d operation) effectively validates the process at scale.* • *The reserve estimation aligns with mineralogy (electrum, native silver, argentite) and process requirements. Gold is primarily free-milling, with minor encapsulated gold (<8%) in quartz/pyrite. Silver recovery assumptions account for its association with sulfides (e.g., adsorption losses).*
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• *Three Environmental Impact Assessment (EIA) reports have been completed and approved for the Heihe Property. These reports encompass the mining operations, the processing plant, and the tailings storage, as well as the planned expansion of mining activities. This ensures compliance with environmental regulations and supports sustainable project development.*

Criteria	*JORC Code explanation*	*Commentary*
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• *The mine-site benefits from well-developed infrastructure, including easily accessible paved roads connecting to major highways and an integrated regional rail network, with the Heilongjiang River also navigable for bulk transport. Power is supplied by a 35 kV overhead line with on-site step-down substation and diesel generator backups, generally sufficient for production. Abundant water resources from the Kuerbin River and a centralized management system provide water for processing and domestic use, though dry season shortages are a moderate risk with proposed reservoir construction. Land is available and permitted for construction and a new dry-stack tailings storage facility, and local residents primarily engaged in agriculture and forestry represent a potential labor pool.*

Criteria	*JORC Code explanation*	*Commentary*
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The mine site has been in steady production for years. The projected CAPEX were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were estimated based on the actual costs aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated based on the historic financials provided by the management, taking into account the necessary receivables, inventories and payables required for operations. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.* • *The currency exchange rate of USD to RMB is used for conversion for RMB pricing demonstration.*

Criteria	*JORC Code explanation*	*Commentary*
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The mine-site has been in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is derived from the Weighted Average Cost of Capital (WACC). A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *Since 2022, the mine-site has invested over RMB460,000 in social and community initiatives. These efforts include donations for education, disaster and epidemic relief, support for vulnerable minority groups, and targeted poverty alleviation aimed at rural revitalization. As a result, the property has received recognition from local communities and government authorities.* • *Additionally, the mine management has maintained a strong occupational health and safety record, with no fatalities and only two minor injuries reported from 2022 to 2024. The mine management has also implemented ecological rehabilitation measures, starting in 2023, with RMB1.67 million spent to date. These initiatives contribute to sustainable local development while minimizing major adverse social impacts.*

Criteria	*JORC Code explanation*	*Commentary*
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• *Identified naturally occurring risks include the property's location within a VI-degree seismic intensity zone with minimal operational impact, potential localized ground instability and caving influenced by groundwater, and a risk of sudden water ingress from large crystalline voids not yet encountered.* • *Shanjin International, through its wholly-owned subsidiary Heihe Luoke Mining Development Co., Ltd., holds a 100% interest in the Heihe Property, and its gold product sales benefit from exemptions from Value-Added Tax and other specific taxes in the PRC.* • *The Heihe Property possesses a mining license (valid until May 2033, 375 ktpa capacity) and an exploration license (valid until August 2025), both reported in good standing; however, the extraction of significant Probable Reserves within the exploration license area (872 kt at 4.67 g/t Au and 51.67 g/t Ag) is contingent upon the ongoing conversion of this exploration permit to a mining permit, for which recent government approval for expansion plans provides reasonable grounds for timely receipt.*
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *There is no Measured Mineral Resources are classified as Probable Ore Reserves.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*

Criteria	*JORC Code explanation*	*Commentary*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Ore Reserve estimate demonstrates a confidence level akin to a Pre-Feasibility Study, underpinned by JORC Code (2012) compliant Measured and Indicated Mineral Resources, established through robust geological modeling, drilling density, data quality, and variogram performance.* • *The Ore Reserve estimate, totalling 1,980 kt (comprising 338 kt Proved and 1,642 kt Probable), represents local estimates derived from block modeling and resource classification criteria tied to drillhole proximity, relevant for detailed technical and economic evaluation.* • *Ore Reserve estimation procedures encompassed detailed review of the resource block model, mining studies, stope optimization, mine design, production scheduling, and economic parameters, employing key assumptions such as a 1.2 g/t Au cut-off grade, 14% mining dilution, and 97% mining recovery.* • *A material unresolved matter is the ongoing conversion of the exploration permit to a mining permit, essential for realizing 872 kt of Probable Reserves, with other uncertainties including commodity price volatility, long-term CAPEX projection, and potential impacts from environmental regulations and geotechnical/hydrogeological conditions.* • *Historical production data from 2017–2025Q2, including unit costs, dilution rates, and consistent high gold recoveries (> 96.8%), were integral to cut-off grade calculations and validating modifying factors, demonstrating alignment with the Ore Reserve estimates.*

15.5 Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	*JORC Code explanation*	*Commentary*
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• *Not applicable — no diamonds or other gemstones are present or being reported.*
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• *Not applicable*
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• *Not applicable*
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc.).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• *Not applicable*
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• *Not applicable*
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	• *Not applicable*

Criteria	*JORC Code explanation*	*Commentary*
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• *Not applicable*
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• *Not applicable*

Criteria	*JORC Code explanation*	*Commentary*
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* o *diamonds quantities by appropriate screen size per facies or depth.* o *details of parcel valued.* o *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (e.g. dealer buying price, dealer selling price, etc.).* • *An assessment of diamond breakage.*	• *Not applicable*
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• *Not applicable*
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• *Not applicable*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			**Appendix E**
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch.11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			Not applicable
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

Chapter 18				Sections in BAW's CPR
	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Ch 11, Sect 4
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**

Chapter 18			Sections in BAW's CPR
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —		
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;	
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		

Chapter 18			Sections in BAW's CPR
18.14–18.17	**CONTINUING OBLIGATIONS**		**Not applicable**
18.14	**Disclosure in reports**		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		
18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		

Chapter 18			Sections in BAW's CPR
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note:	A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.	

Chapter 18			Sections in BAW's CPR
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and	Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.	
18.25–18.26	**Disclaimers and Indemnities**		**Disclaimer section**
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.		Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.		Ch 1 Sect 8
18.27	**Obligations of sponsor**		**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.		
18.28–18.34	**REPORTING STANDARD**		
18.28–18.30	**Mineral reporting standard**		
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.		

Chapter 18				Sections in BAW's CPR
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —			
	(1)	under:		
		(a)	the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b)	NI 43–101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.			
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			

Chapter 18			Sections in BAW's CPR
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —		
	(1)	under PRMS as modified by this Chapter; or	
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.	
	Note: A Reporting Standard applied to specific assets must be used consistently.		
18.33	A Mineral Company must ensure that: —		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	

Chapter 18			Sections in BAW's CPR
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP) . . . . . A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.

Element . . . . . Chemical symbols used in this report
Al — Aluminium
Au — Gold
Ag — Silver
As — Arsenic
Ba — Barium
Cu — Copper
Fe — Iron
K — Potassium
Mg — Magnesium
Mn — Manganese
Na — Sodium
O — Oxygen
Pb — Lead
S — Sulphur
Si — Silicon
Sr — Strontium
Ti — Titanium
Zn — Zinc

Exploration Target/Results. . . . . includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves

In-situ	means rock or mineralisation in place in the ground
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals
Yuan	stands for the currency of People's Republic of China

COMPETENT PERSONS' REPORT OF THE HUASHENG PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China
100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

EXECUTIVE SUMMARY

Project Overview

The Huasheng Property is located approximately 32 km southwest of Mangshi City, Dehong Prefecture, Yunnan Province, and about 40 km northwest of the China-Myanmar border. The project is held 60% by Shanjin International through its subsidiary Mangshi Huasheng Gold Mine Development Co., Ltd. ("**Huasheng Gold**"), and 52% through Yunnan Western Mining Co., Ltd., which holds the Dagangba exploration license. The property consists of one mining license (Mangshi, valid until 2035 with a capacity of 100 ktpa) and two exploration licenses (Dagangba and Mengwen).

The deposit is characterized as a combination of Carlin-like type and lateritic gold mineralization, structurally controlled by the Longling-Ruili Fault and its subsidiary splays. Orebodies are mainly hosted in fractured dolomites of the Permian Shazipo Formation, extending over 7 km along strike.

Project Advantages

The Huasheng Project benefits from its favorable geological setting in the Baoshan-Tengchong-Gaoligong metallogenic belt. It has historically been mined (2009–2015), with established access, power, and water supply infrastructure. Planned processing includes heap leaching of low-grade oxide ore (~71% recovery), whole-ore cyanidation for high-grade oxide ore (~82% recovery), and flotation-cyanidation for primary refractory ore (~75% recovery). Dry-stack tailings and water recycling systems are proposed, supporting strong environmental compliance.

Table 1 Mineral Resource Statement — Huasheng Property (JORC 2012, as of 31 December 2025)

Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t)
Measured	5,123	2.09	10.73
Indicated	11,019	1.54	16.99
M + I	16,142	1.72	27.72
Inferred	567	1.36	0.77
Total	16,709	1.71	28.49

Table 2 Ore Reserve Statement — Huasheng Property (JORC 2012, as of 31 December 2025)

Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (t Au)
Proved	—	—	—
Probable	13.27	1.84	24.36
Total	13.27	1.84	24.36

Note: In accordance with the JORC Code (2012), all Ore Reserves have been converted from Measured and Indicated Resources into Probable Reserves.

Exploration Potential

The main orebodies remain open both at depth and along strike, with significant potential below current mining levels. The Dagangba and Mengwen exploration areas share favorable structural and alteration characteristics with the main deposit and show strong geochemical anomalies, supporting prospects for additional discoveries. The broader tectonic framework indicates a robust foundation for long-term resource growth.

Economics

Based on recent mainstream gold price forecasts, the Huasheng Project delivers an after-tax NPV of approximately RMB2.82 billion at a 6% discount rate. The life-of-mine (LOM) average AISC is estimated at ~US$905/oz, confirming sound economic viability. Sensitivity analysis indicates the project is most sensitive to gold prices, followed by operating and capital costs.

Conclusion

The Huasheng Property is a large-scale Carlin-like type gold project with reliable JORC (2012)-compliant Mineral Resource and Ore Reserve estimates. The deposit remains open at depth and laterally, with clear potential for further growth. Economic evaluation confirms strong profitability and a positive outlook for long-term development.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Huasheng (Mangshi) Property is located approximately 32 km southwest of Mangshi City and about 40 km northwest of the China-Myanmar border. The project area falls under the jurisdiction of Shangmanggang Village, Santaishan Town, Mangshi City, within the Dehong Dai-Jingpo Autonomous Prefecture, Yunnan Province. Kunming City, the capital of Yunnan Province, is situated roughly 664 km to the east. The location of the project is depicted in Figure 1–1.

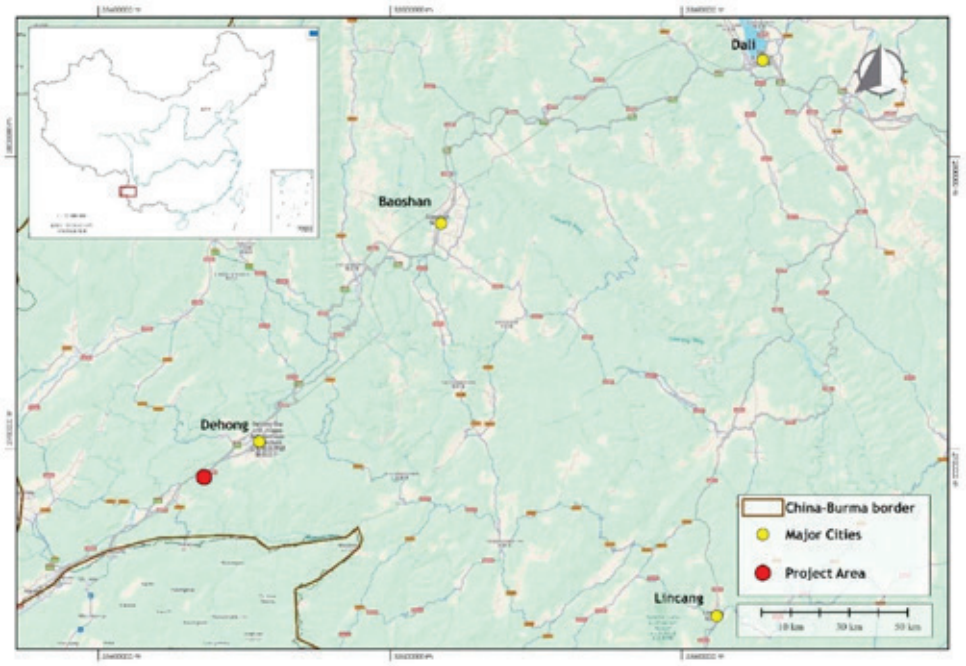


Figure 1–1 Location of the Huasheng Property

1.2 Property Ownership

The Client, through its 60% owned subsidiary, Mangshi Huasheng Gold Mine Development Co., Ltd. ("**Huasheng Gold**"), holds the Mangshi Gold mining license and the Mengwen Gold-Polymetallic exploration license encompassing all mineral resources and reserves, as well as all mining operations. Additionally, the Client, through its 52% owned subsidiary, Yunnan Western Mining Co., Ltd. ("**Western Mining**"), holds the Dagangba Gold exploration license.

1.3 Mineral Rights and Licensing

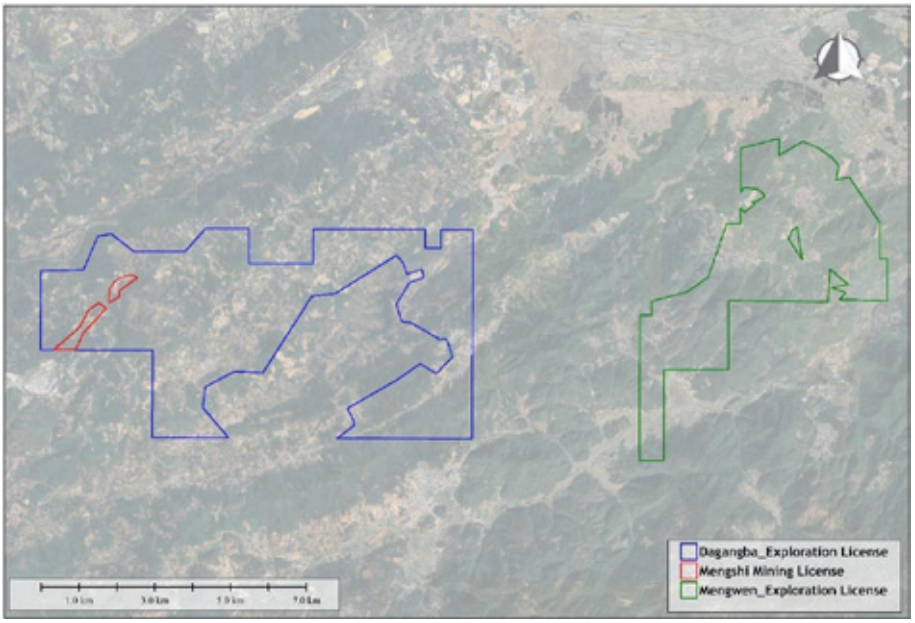


Figure 1–2 Location of the Huasheng Mineral Rights

Pursuant to the Mineral Resources Law of the PRC, all subsurface mineral resources are State-owned. Any exploration or mining activity therefore requires a government-issued exploration or mining license that defines both the geographic boundaries and the period of validity for the work. Licenses are generally renewable, provided that the application is filed with the competent provincial or State authority before expiry and all statutory obligations have been fulfilled. For an exploration license, the holder must have paid all exploration fees and satisfied the minimum expenditure requirements for the licensed area. Renewal of a mining license further requires payment of all license fees, resource taxes, and resource compensation levies.

The Huasheng Property includes one mining license. The Mangshi mining license is divided into two areas: the Maiwoba area and the Guoyuan area. Details of all licenses are summarized in Table 1–1, and their vertex coordinates are provided in Tables 1–2 through 1–4. BAW understands that all licenses pertaining to the Huasheng Property have been reported by the Client to be in good standing as of the Effective Date.

Shanjin International, through Yunnan Western Mining Co., Ltd., holds the Dagangba Gold exploration license and the Mengwen Gold-Polymetallic exploration license.

Table 1–1 Summary of Mining and Exploration Licenses, Huasheng Property

Property	License Number	Expiration Date	Area (km^2)	Permitted Production (kt)
	Mining License			
Mangshi Gold Mining Area ("**Mangshi**").	C5300002009114120045284	11/07/2035	0.6337	100
	Exploration License			
Dagangba Gold Exploration Area ("**Dagangba**")	T5300002008044010005958	25/03/2027	35.60	n/a
Mengwen Gold-Polymetallic Exploration Area ("**Mengwen**")	T5300002009114010035922	06/08/2026	20.3793	n/a

Table 1–2 Vertex Coordinates of the Mangshi Mining License, Huasheng Project

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex Coordinates No.	Eastings/m	Northings/m
Maiwoba area		
1	2689694.05	33435486.70
2	2690151.06	33435728.70
3	2690354.06	33435996.71
4	2690214.06	33436196.71
5	2689544.05	33435586.70
6	2689119.77	33435393.68
7	2689122.08	33434821.69
Guoyuan area		
8	2691088.27	33436903.10
9	2691022.48	33437021.71
10	2690661.07	33436536.01
11	2690504.07	33436532.71
12	2690371.07	33436291.31
13	2690410.07	33436264.51
14	2690716.07	33436283.70
15	2690921.57	33436434.20
16	2691000.17	33436543.10
17	2691085.07	33436816.70

The mining elevations extend from 1,500 mRL down to 1,100 mRL.

Table 1–3 Vertex Coordinates of the Dagangba Exploration License, Huasheng Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	98°21'15.848"	24°19'22.315"
2	98°21'55.848"	24°19'23.315"
3	98°22'08.849"	24°19'52.315"
4	98°22'21.849"	24°19'54.314"
5	98°22'42.849"	24°19'39.314"
6	98°23'30.848"	24°19'39.314"
7	98°23'49.848"	24°19'59.314"
8	98°24'30.847"	24°19'59.314"
9	98°24'30.847"	24°19'29.314"
10	98°25'30.846"	24°19'29.313"
11	98°25'30.846"	24°19'59.313"
12	98°27'15.846"	24°19'59.313"
13	98°27'15.846"	24°19'43.313"
14	98°27'30.847"	24°19'43.312"
15	98°27'30.846"	24°19'59.312"
16	98°28'00.847"	24°19'59.312"
17	98°28'00.849"	24°16'59.312"
18	98°25'54.012"	24°16'59.312"
19	98°26'09.822"	24°17'09.973"
20	98°26'09.272"	24°17'15.396"
21	98°26'03.739"	24°17'25.000"
22	98°26'49.469"	24°17'49.401"
23	98°27'11.839"	24°18'03.781"
24	98°27'27.096"	24°17'55.271"
25	98°27'42.208"	24°18'09.762"
26	98°27'36.570"	24°18'25.459"
27	98°27'29.930"	24°18'24.756"
28	98°27'04.052"	24°18'38.730"
29	98°26'54.485"	24°18'39.987"
30	98°26'49.339"	24°18'55.201"
31	98°27'01.457"	24°19'13.354"
32	98°27'14.920"	24°19'17.956"
33	98°27'13.115"	24°19'25.102"
34	98°26'59.294"	24°19'20.828"
35	98°26'55.519"	24°19'30.290"
36	98°26'49.263"	24°19'37.064"
37	98°25'51.588"	24°19'03.796"
38	98°25'30.033"	24°19'01.450"
39	98°24'44.388"	24°17'55.354"
40	98°24'17.477"	24°17'56.373"
41	98°23'50.613"	24°17'43.084"
42	98°23'48.130"	24°17'25.411"

Vertex No.	Eastings/m	Northings/m
43	98°24'12.575"	24°16'59.313"
44	98°23'00.847"	24°16'59.314"
45	98°23'00.848"	24°18'14.314"
46	98°21'48.595"	24°18'14.314"
47	98°21'55.609"	24°18'28.616"
48	98°22'17.134"	24°18'50.482"
49	98°22'10.015"	24°18'55.005"
50	98°22'00.541"	24°18'48.366"
51	98°21'52.033"	24°18'33.477"
52	98°21'27.946"	24°18'14.314"
53	98°21'15.847"	24°18'14.315"
Excluding		
54	98°22'42.044"	24°19'18.999"
55	98°22'46.264"	24°19'16.876"
56	98°22'29.095"	24°19'05.058"
57	98°22'29.003"	24°18'59.955"
58	98°22'20.460"	24°18'55.595"
59	98°22'19.501"	24°18'56.861"
60	98°22'20.133"	24°19'06.810"
61	98°22'25.437"	24°19'13.512"
62	98°22'29.288"	24°19'16.083"
63	98°22'38.981"	24°19'18.883"

Table 1–4 Vertex Coordinates of the Mengwen Exploration License, Huasheng Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	98°32'11.851"	24°21'10.311"
2	98°32'44.851"	24°21'18.311"
3	98°32'47.851"	24°21'18.311"
4	98°32'47.851"	24°21'04.311"
5	98°33'09.851"	24°21'16.310"
6	98°33'23.852"	24°21'11.310"
7	98°33'37.852"	24°21'02.310"
8	98°33'43.852"	24°20'55.310"
9	98°33'41.002"	24°20'43.060"
10	98°33'53.852"	24°20'45.310"
11	98°34'22.852"	24°20'06.310"
12	98°34'22.852"	24°19'35.310"
13	98°34'29.852"	24°19'35.310"
14	98°34'29.852"	24°18'59.309"
15	98°33'44.852"	24°19'00.310"
16	98°33'50.852"	24°19'06.310"
17	98°33'37.852"	24°19'10.310"
18	98°33'52.852"	24°19'13.310"
19	98°33'22.852"	24°19'26.310"
20	98°33'13.851"	24°18'58.310"
21	98°32'00.851"	24°18'59.310"
22	98°32'00.851"	24°17'59.310"
23	98°31'00.850"	24°17'59.310"
24	98°31'00.850"	24°16'41.310"
25	98°30'37.850"	24°16'41.310"
26	98°30'37.850"	24°18'46.311"
27	98°30'48.850"	24°18'46.311"
28	98°30'48.850"	24°18'58.311"
29	98°31'21.850"	24°19'06.311"
30	98°31'43.850"	24°19'19.311"
31	98°31'58.851"	24°20'05.311"
32	98°32'11.851"	24°20'05.311"
33	98°32'11.851"	24°20'18.311"
34	98°32'15.851"	24°20'15.311"
35	98°32'22.851"	24°20'22.311"
36	98°32'20.851"	24°20'24.311"
37	98°32'24.851"	24°20'24.311"
38	98°32'34.851"	24°20'29.311"
39	98°32'27.851"	24°20'35.311"
40	98°32'14.851"	24°20'36.311"
41	98°32'11.851"	24°20'32.311"

Vertex No.	Eastings/m	Northings/m
Excluding		
42	98°32'56.851"	24°19'52.310"
43	98°32'59.852"	24°19'59.310"
44	98°33'04.852"	24°20'02.310"
45	98°33'09.852"	24°19'54.310"

BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

The Huasheng Project area is easily accessible via a 2 km gravel road that connects to National Highway 320. The distance from National Highway 320 to the city center of Mangshi is 23 km, and 33 km to the Dehong Autonomous Prefecture government in Mangshi. The project area can also be accessed via the G56 Highway, which runs from Mangshi to Kunming, spanning a total distance of 829 km. Mangshi has a domestic airport offering daily flights to major cities in China, such as Kunming and Beijing. Mangshi city is situated approximately 300 km from Dali city, which has a railway station connected to the national railway network. The Dali-Ruili railway, passing through Mangshi, is currently under construction and is expected to be completed in 2028.

2.2 Climate



Figure 2–1 Plan view of the Huasheng Property

The Huasheng Project area is characterized by a subtropical monsoon climate influenced by its low latitude and mountainous topography. This climate is defined by long summers, short winters, small seasonal temperature differences, large annual temperature fluctuations, distinct dry and wet seasons, and significant vertical climatic variation. Specifically, the area experiences dry springs and winters, with wet summers and autumns. According to records from Mangshi Meteorological Station, the average annual temperature is 19.6°C, with extreme highs reaching 36.2°C and winter lows as low as 0.6°C.

The rainy season lasts from May to October, with an average annual rainfall of 1,654.6 mm. This rainy period accounts for 89.9% of the total annual precipitation, with July and August receiving the heaviest rainfall, contributing 46.8% of the total. The area experiences an average of 171 rainy days per year. Rainfall distribution varies depending on terrain, landforms, and elevation, resulting in higher rainfall in mountainous areas compared to valleys and dam areas. Rainfall also fluctuates with altitude.

The region benefits from abundant sunshine, with an annual total of 2,252.9 hours of sunlight, and experiences an average annual evaporation rate of 1,342.3 mm. The frost-free period lasts for over 300 days each year. The prevailing wind direction is from the southwest, with wind speeds typically ranging from levels 1 to 3, and a maximum of level 6. The average annual wind speed is 1.0 m/s, with a maximum of 15.7 m/s, and windless conditions occur 10.5% of the year.

2.3 Physiography

The Huasheng Project is situated at the southwestern edge of the Hengduan Mountains, within a secondary watershed southeast of the Bangdian River, a tributary of the Mangshi River. The terrain, characterized by mountains and valleys, slopes southwestward, in alignment with the predominant northeast-southwest structural trend. Slopes typically range between 20° and 30°, with some areas exceeding 60°. The highest point in the project area is Leixiu Mountain, at an elevation of 1,505.6 m, located in the southwest, while the lowest point is where the Dagang River exits in the northwest, at an elevation of 1,070 m, creating a relative elevation difference of 435.6 m.

The project area is covered by dense vegetation, with more than 80% of the land area being vegetated. It also exhibits distinct vertical zonation, influenced by terrain, topography, and climate. The predominant plant species include Chinese fir, Simao pine, and birch, while the primary animal species are peacocks, wild boars, and pheasants.

2.4 Local Resources and Infrastructure

A 110 kV substation located near the project area has sufficient remaining capacity to meet the project's power requirements. A 35 kV transmission line extends 3.6 km from the 110 kV substation to the project area.

The Dagang River, a seasonal river, is located about 2 km from the center of the project area. It flows northward and ultimately joins the Longjiang River through the Bangdian River. The domestic production water supply is sourced from the Dagang River and transported via pipelines.

Santaishan, the closest town to the project area, has a population of approximately 7,700 people, predominantly composed of the De'ang, Han, and Jingpo ethnic groups. The neighboring villages include Xiamanggang and Shangmangang.

Mangshi, the capital of the Dehong Autonomous Prefecture, is a modern city with well-developed local infrastructure. The city offers most raw materials and daily necessities. Local agriculture produces a variety of crops, including wheat, soybeans, corn, rice, sugarcane, coffee, peanuts, rapeseed, tobacco, and various vegetables. The industrial sector in the region includes sugar production, papermaking, building materials, wood processing, and hydropower. Valuable mineral resources in the area include gold, copper, lead, zinc, and coal.

3 HISTORY

3.1 Ownership History

The original Mangshi Gold mining license was granted to the No. 209 Geological Brigade of the Southwest Geological Bureau of Nuclear Industry ("**No. 209 Brigade**") in 1999. This license covered the Maiwaba and Guoyuan areas, with a total area of 0.4338 km^2. The license was extended in 2009 and later transferred to Huasheng Gold in 2014, with the area expanded to 0.6337 km^2 and a permitted annual capacity of 100 kt. In 2021, Yintai Gold Co., Ltd. ("**Yintai**") acquired a 60% stake in Huasheng Gold, becoming the largest shareholder.

In July 2023, Shandong Gold Mining Co., Ltd. acquired a controlling interest in Yintai, becoming its ultimate parent. Subsequently, in July 2024, Yintai changed its name to Shanjin International Gold Co., Ltd. ("**Shanjin International**"), which is now the owner of Huasheng Gold and the Huasheng Property.

In January 2025, Huasheng Gold acquired the Mengwen Gold-Polymetallic exploration license held by Mangshi Haihua Development Co., Ltd. In the same month, the Client entered into an agreement with Mangshi Haihua Development Co., Ltd. to acquire 52% of the shares in Yunnan Western Mining Co., Ltd. ("**Western Mining**"), thus gaining control of the Dagangba Gold exploration license owned by Western Mining.

3.2 Exploration History

In 1988, the Geological Brigade of the Southwest Geological Bureau of Nuclear Industry discovered a 12 km gold mineralization zone along the Shangmanggang fault. In 1994, the No. 209 Brigade conducted an exploration within the Guoyuan area and prepared a general exploration report on the Guoyuan area in 1995. With the mining license granted in 1999, the No. 209 Brigade began small-scale open-pit mining. In 2009, the No. 209 Brigade summarized historical exploration data and compiled the "Resource/Reserve Verification Report of the Mangshi Gold Deposit, Luxi City, Yunnan Province."

In 2009, Huasheng Gold was established through the restructuring of the No. 209 Brigade. Between 2009 and 2013, Huasheng Gold carried out systematic exploration, including topographic and geological mapping, diamond drilling, and sampling. From 2011 to 2012, a total of 27 drill holes were completed, primarily in the Maiwoba area. In 2013, Huasheng Gold submitted the "Resource/Reserve Verification Report of the Mangshi Gold Deposit, Dehong Prefecture, Yunnan Province" ("**Verification Report 2013**"). In 2014, Yunnan Hongdi Mineral Resource Co., Ltd. ("**Hongdi**"), commissioned by Huasheng Gold, conducted exploration in the Maiwoba area and completed 34 drill holes. In 2015 and 2016, SRK Consulting Ltd. ("**SRK**") performed two technical reviews for the Huasheng Project based on previous exploration results. From 2012 to 2020, Huasheng Gold conducted limited exploration work, including 18 drill holes and some sample assays.

From 2021 to 2022, Kunming Fulin Mining Co., Ltd. ("**Fulin**"), commissioned by Huasheng Gold, conducted extensive drilling focused on the Maiwoba area, completing a total of 45 drill holes. Since 2022, no significant exploration work has been conducted within the Mangshi Gold mining license area. Huasheng Gold has mainly focused on verifying and organizing historical data, conducting engineering validation of some past exploration activities, performing topographic mapping of the historical open-pit mining areas, and implementing slope reinforcement and remediation in the original open-pit excavations.

From 2022 to 2025, Huasheng Gold summarized the historical exploration work and compiled the "Resource/Reserve Verification Report of the Mangshi Gold Deposit, Yunnan Province" ("**Verification Report 2025**"). Regarding the two exploration license areas of the Huasheng Project, no exploration work information has been provided as of the current date.

3.3 Historic Resource/Reserve Estimation

Mineral Resource and Ore Reserve estimates for the mining license area of the Huasheng Property were prepared on multiple occasions in 1995, 2009, 2013, 2014, and 2025 under the PRC's domestic reporting framework. Each estimate was compiled in accordance with the applicable Chinese technical codes and approved by the Ministry of Land and Resources. While these national standards are rigorous, their classification criteria and reporting protocols do not always align with the JORC Code 2012; accordingly, the figures in those Chinese reports should not be regarded as JORC-compliant without independent verification and, where necessary, re-classification.

In April 2015, SRK completed the "Technical Review for the Mangshi Gold Project, Yunnan Province, People's Republic of China," which for the first time estimated the resource and converted the reserve in accordance with the JORC Code 2012 requirements. In 2016, SRK re-submitted an updated version of the report ("**SRK Report 2016**") and updated the resource and reserve estimates according to the JORC Code 2012.

At the request of Shandong Gold Mining Co., Ltd., BAW issued an Independent Technical Report in 2023, presenting a JORC-compliant Mineral Resource and Ore Reserve estimate for the Huasheng Property. BAW updated that estimate at the end of 2024 for the Client's annual reporting purpose.

Currently, there is no information available regarding the Mineral Resource and Ore Reserve estimates for the two exploration license areas of the Huasheng Project.

3.4 Development and Production History

Gold production within the Mangshi Gold mining license area occurred from 2009 to 2015, after which production ceased. The initial mining operations focused on shallow lateritic gold deposits, which were exhausted by 2011 in the Guoyuan area and by 2013 in the Maiwoba area. From 2013 to 2015, production shifted to the deeper Carlin-like type gold deposits. Historic production is summarized in Table 3–1.

Table 3–1 Production Summary of the Huasheng Property

Year	Production (kt)	Gold Metal Contained (kg)	Gold Bullion Produced (kg)
2009	108	85	49
2010	231	194	136
2011	104	79	54
2012	85	55	37
2013	81	92	73
2014	972	1,874	1,499
2015	1,076	1,683	1,332

4 GEOLOGICAL SETTING

4.1 Regional Geology

The Huasheng Project is situated in the southwestern section of the Baoshan Block at the southeastern edge of the Tibetan Plateau, an area composed of several micro-continental blocks and tectonic belts. Within the project area, the Baoshan Block is separated from the Tengchong Block and the Gaoligong Belt to the northwest by the Longling-Ruili Fault (Figure 4–1).

The Longling-Ruili Fault is a significant deep regional fault and forms a crucial part of the southern section of the Nujiang Fault System (Figure 4–2). It is characterized as a large-scale strike-slip and thrust fault zone. The fault trends southwest with a dip of 30° to 40°. A series of secondary local faults occur parallel or subparallel to the Longling-Ruili Fault to the southeast, such as the Shangmanggang Fault, which is genetically linked to the gold mineralization of the Huasheng Property.

To the northwest of the Longling-Ruili Fault, the Gaolinggong Belt is dominated by Mesoproterozoic metamorphic rocks, including gneiss, schist, and granulite. The Baoshan Block, acting as the footwall of the fault zone, is characterized by a complex anticline structure with Sinian-Cambrian weakly metamorphosed rocks in the hinge area and Ordovician-Tertiary sedimentary sequences on the limbs.

Mafic-ultramafic intrusions are identified within the Longling-Ruili Fault zone. The ultramafic rocks consist of harzburgite, lherzolite, and dunite, while the mafic rocks, outcropping along the local secondary faults and intruding the Triassic and Jurassic strata, are primarily composed of subvolcanic rocks. Cretaceous granitic intrusive complexes extensively occur as batholiths or stocks in the Gaolinggong Belt and Baoshan Block.

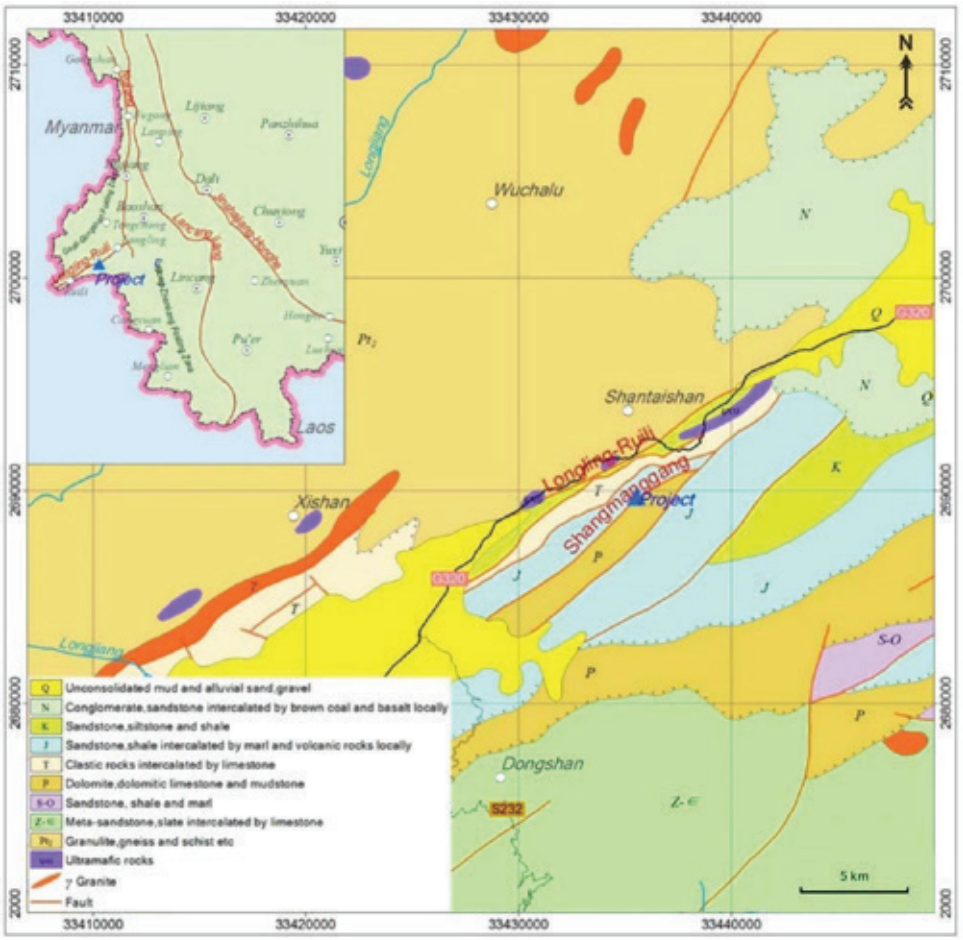


Figure 4–1 Regional Geological Map

4.2 Property Geology

The Mangshi Gold Deposit area is characterized by a northeast-trending anticline structure, with the Lower Permian Shazipo Formation forming the hinge and the Middle Jurassic and Late Triassic strata comprising the limbs. Gold mineralization is primarily hosted within the Shazipo Formation, which mainly consists of dolomite and dolomitic limestone intercalated with minor argillaceous limestone. The Jurassic stratigraphy, from bottom to top, includes the Mengjia Formation, Liuwan Formation, and Longhai Formation. The Mengjia Formation mainly comprises sandstone, siltstone, argillaceous limestone, and oolitic limestone. The Longhai Group predominantly consists of limestone, shale, and siltstone. The Nanshuba Formation primarily consists of sandstone, siltstone, and shale.

The Shangmanggang Fault (F1) is developed along the unconformity between the Shazipo Formation and the Mengjia Formation, striking at 38°–50° with an average dip of 48°. The fracture zone of the fault, ranging from 100–300 m in width, resulted from compressive shearing during the early stage and tensile faulting in the later stage. It is primarily composed of cataclastic rocks, fault gouges, karst breccia, and tectonic breccia. The occurrence of gold mineralization, extending over 7 km, is predominantly associated with the Shangmanggang Fault and is divided into four areas from southwest to northeast: Yangshishan, Guanglingpo, and the Huasheng Project's Maiwoba and Guoyuan areas. Another set of faults, F3, dips to the northwest and is present in the middle of the Maiwoba area, having formed after the mineralization and locally intersecting F1. A series of monzonite porphyry stocks intruded into the Longhai Formation and are distributed in a northeast-trending pattern parallel to the Shangmanggang Fault.

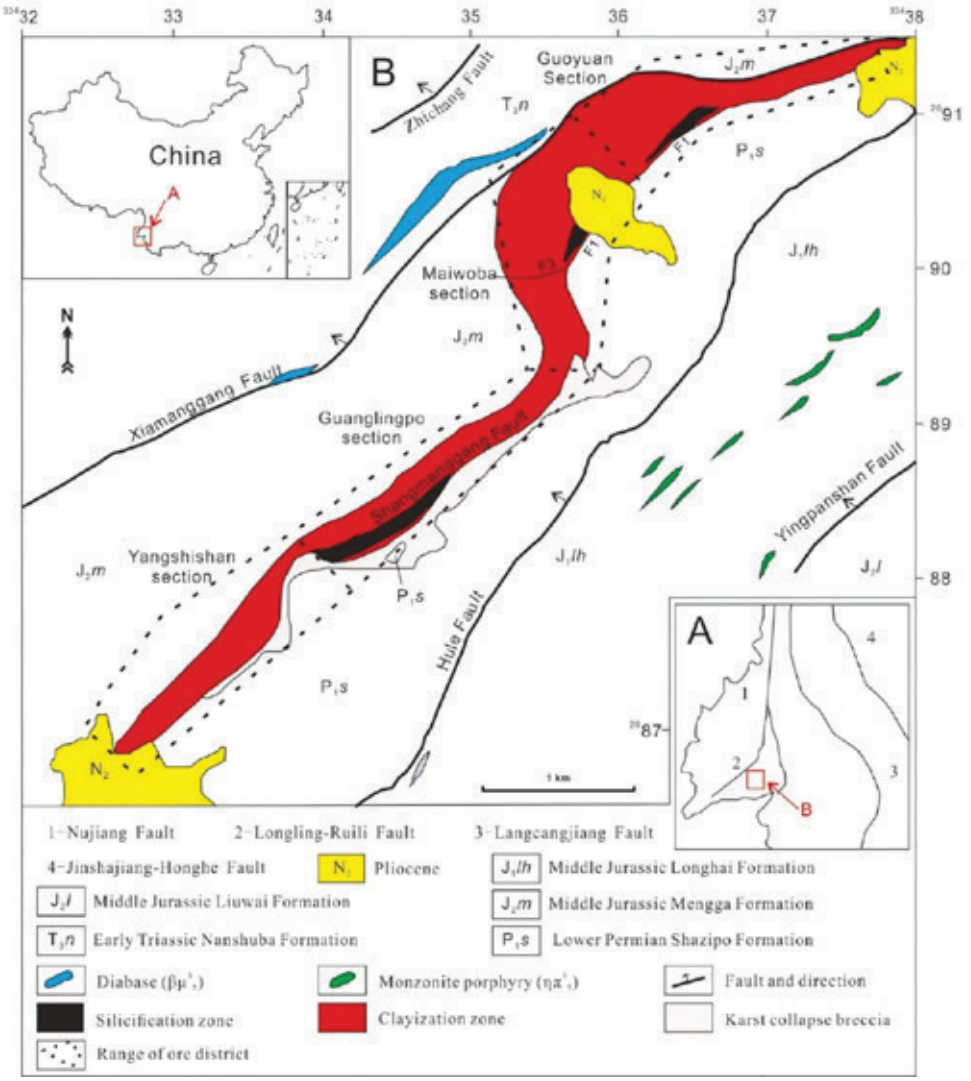


Figure 4–2 Geological Map of the Mangshi Gold Mining License Area

4.3 Alteration and Mineralization

The gold mineralization of the Mangshi Gold Deposit can be divided into two zones from bottom to top: a hypogene zone and a lateritic zone. In the hypogene zone, the gold deposit is hosted in the unweathered sedimentary rocks of the Shazipo Formation and Mengjia Formation. In the lateritic zone, gold is enriched in approximately 20 m thick, highly weathered, red clay sediments (Figure 6–5). A transition brown-gray semi-oxidized zone can also be recognized between the two zones.

The lateritic zone is primarily composed of quartz, plagioclase, limonite, illite, and kaolinite, with minor amounts of goethite, montmorillonite, alunite, and jarosite. A total of eight ore bodies were discovered within the lateritic zone, most of which were mined out before 2015. Only ore bodies GI and GII in the Guoyuan area, and MI in the Maiwaba area, remain partially preserved to the present.

In the hypogene zone, four major ore bodies — MII-1, MII-2, MII-3, and MII-4 — along with nine smaller ore bodies, have been recognized in the Maiwoba area (Figure 6–3). The major ore bodies are located at depths ranging from 50 to 350 m from the surface, with a southwest strike and an average dip of 18°–46°. The length of the major ore bodies ranges from 478 to 1,272 m, with an average thickness ranging from 7.09 to 18.23 m.

The primary alteration in the deposit area is related to intermediate-to-low-temperature hydrothermal processes and is closely associated with gold mineralization. The main alteration types include silicification, pyritization, hematitization, baritization, carbonatization, and argillic alteration.

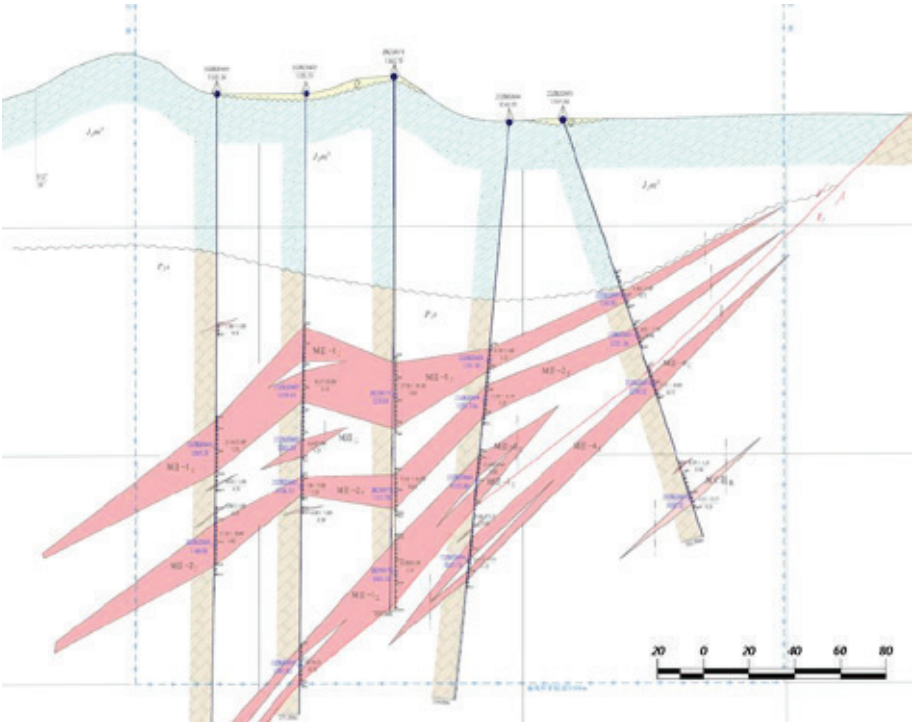


Figure 4–3 Exploration Line J26 Cross Section of the Mangshi Gold Deposit

Note: provided by Huasheng Gold

Ore minerals primarily occur as disseminations within the fractures of dolomites and consist of limonite, pyrite, siderite, and magnesite, along with minor amounts of sphalerite, chalcopyrite, hematite, magnetite, ilmenite, and galena. The dominant gangue minerals are dolomite, accompanied by calcite, quartz, feldspar, and kaolinite, with traces of sericite, zircon, and barite.

4.4 Deposit Type

The Mangshi Gold Deposit features two types of gold mineralization: Carlin-like type gold mineralization at depth and lateritic mineralization near the surface. The hypogene gold deposit shares several similarities with the Carlin-type gold deposits found in Nevada, USA, particularly in terms of ore structure, ore-controlling factors, mineral assemblage, mineral composition, gold particle size, and low silver content.

Research indicates that the Carlin-like type gold mineralization developed within faults and fractured carbonate and clastic rocks from the Early Cretaceous to Early Paleogene. This mineralization served as the primary source of gold for the lateritic zone. The deposit area experienced multiple uplift events during the Middle Cenozoic, leading to paleo-karstification and laterization of the bedrock. These processes facilitated the migration and enrichment of gold within the supergene red clay zone.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

Huasheng Gold has conducted systematic exploration since 2011, which includes topographic mapping, geological mapping, trenching, diamond drilling, percussion drilling, reverse circulation ("**RC**") drilling, and hydrological and geotechnical surveys (Table 5–1).

Table 5–1 Summary of Exploration Programs as of the Effective Date

Period	Activities	Key Outcomes
Pre-2012 . . .	Regional & local geological mapping, trenching, surface sampling	Initial mineralized anomalies delineated; mineralization confirmed at surface
2012–2013 . .	Geophysical surveys (electrical, magnetic, etc.)	Major controlling structures and mineralized belts identified; provided basis for drilling programs
2013–2022 . .	Drilling: DD, RC, percussion	Tested strike and dip continuity; established systematic geological database
2015–2022 . .	Supporting studies: bulk density, metallurgical, hydrogeological	Improved knowledge of ore properties and processing behavior; supported resource classification & economic evaluation
Post-2023. . .	Verification & consolidation of historical data	Excluded unsuitable/missing datasets (trenching, RC/ percussion drilling, mined-out DD holes); compiled validated database for MRE

To control the boundary of the open-pit mining area, eight trenches were completed between lines 14–18 in the Maiwoba mining area. The trenches were dug into the bedrock for 30 cm and were subsequently surveyed, logged, and channel sampled. Channel sampling was utilized in trenches, with samples selected based on the ore type, wall rock, and mineralization distribution. Sampling intervals ranged from 0.5 to 1.5 meters, and the channel dimensions were 10 × 5 cm. A minimum sample weight of 10 kg per meter was required. All exploration work has been conducted in accordance with the applicable People's Republic of China national exploration standards, which define the scope, technical protocols, and procedural requirements for each evaluation stage. Geological databases compiled for Mineral Resource estimation were prepared by the Client in conformity with these regulations.

All exploration activities were completed by 2022. Since 2023, Huasheng Gold has mainly focused on verifying and organizing the results of historical exploration work. Some data and results, due to the loss of original data or being unsuitable, were excluded from the database used for resource estimation. Early-stage surface trenching, RC and percussion drill hole results, and some diamond drilling results, located in mined-out areas or deemed unqualified upon verification, were not included in the current database (Table 5–1). Based on the exploration database provided to BAW, major exploration program as of the Effective Date is summarized in Table 5–2.

Table 5–2 Summary of Diamond Drilling Programs as of the Effective Date

Type	Collar	Depth (m)	Samples
Surface Diamond Drill Hole	102	24,387.1	12,211

5.2 Drilling

Surface surveys for the Huasheng Project have been conducted by Huasheng Gold personnel and independent contract surveyors using RTK/GPS receivers and total-station instruments, such as the South Lingrui S86T GPS RTK. All instruments used meet the precision tolerances required for mineral-resource evaluation and mine development. Early survey control networks were established using the Xi'an 1980 coordinate system. Subsequent surveys have been referenced to the Chinese Geodetic Coordinate System 2000 (CGCS 2000), ensuring consistency with current national standards.

The diamond drill holes were arranged along the exploration lines, perpendicular to the strike of the ore body, with a basic grid of 80 × 80 m. Locally, the grid was adjusted to 40 × 40 m or increased to 160 × 160 m.

For diamond drilling, the general initial hole diameter was PQ, with the final hole diameter being HQ and NQ. Downhole surveys were performed using a single-point inclinometer every 30–50 m. Hole depth correction measurements were taken every 50–100 m, as well as at the end of the hole. According to the drill hole database provided to BAW, with the exception of one drill hole, where the average core recovery was 85%, the core recoveries for the remaining diamond drill holes exceeded 90%. This recovery rate is considered satisfactory, given the conditions of the structure and mineralization. Upon completion of drilling, the hole was sealed with cement and marked with a permanent cement plinth.

Half-core samples were obtained at the drilling site using a saw splitter, cutting along the pre-drawn sampling line and the long axis of the core. Unconsolidated core samples were manually collected. One half of the core was bagged, sealed, and labeled for further sample preparation, while the other half was preserved in a plastic core box for future examination. Sample intervals ranged from 0.31 to 1.27 m, with sample weights between 2.5 and 5.0 kg. Continuous sampling was conducted within the ore body, and additional samples were collected at the top and bottom of the ore zone. Sampling across boundaries was avoided. Drill cores were preserved in plastic core boxes and stored in the core shed.

5.3 Sample Preparation, Analysis and Security

5.3.1 Density Determination

Since 2012, a total of 95 samples have been collected, sealed, and sent to the Yunnan Province Geological and Mineral Exploration and Development Bureau Central Laboratory Dianxi Testing Institute ("**Dianxi Laboratory**") for density measurements. These measurements were performed using the water-displacement method on wax-coated samples, resulting in an average density of 2.73 t/m^3.

5.3.2 Sample Preparation

Sample preparation for the Huasheng Property was carried out by several laboratories, including the Dianxi Laboratory, Ministry of Land and Resources Kunming Mineral Resources Supervision and Inspection Center ("**Kunming Mineral Laboratory**"), Yunnan Nonferrous Geological Bureau Testing Center ("**Yunnan Nonferrous Laboratory**"), and the Huasheng Gold Laboratory located at the mine site ("**Huasheng Laboratory**").

The standard procedure for sample preparation included the following steps: drying at 60°C, coarse crushing to 4 mm, homogenization, splitting, fine crushing to 1 mm, further homogenization, and splitting into primary and fine duplicate samples, with the remainder discarded. The primary sample was then pulverized to –200 mesh, divided into a 500–1,000 g powder primary sample for further assay, and a powder duplicate.

5.3.3 Sample Analysis

Sample analysis for the Huasheng Project was carried out by the Dianxi Laboratory, Kunming Mineral Laboratory, and Yunnan Nonferrous Laboratory. The gold content in the samples was determined using activated carbon absorption-atomic absorption spectrometry ("**AAS**"). The analytical procedure included aqua regia digestion, gold pre-concentration using activated carbon cloth, heating the Au-absorbed cloth at 650–700°C, followed by aqua regia digestion and measurement using AAS.

External checks were undertaken at Dianxi Laboratory, Ministry of Land and Resources Hangzhou Mineral Resources Supervision and Inspection Center ("**Hangzhou Mineral Laboratory**"), Kunming Mineral Laboratory, and Yunnan Nonferrous Laboratory. Analytical procedures at these facilities mirrored the primary methods described above; the only distinction noted was that the Hangzhou Mineral Laboratory employed ICP-MS as its analytical method.

Information regarding internationally accepted accreditations for these laboratories is not available. However, except for the Huasheng Laboratory, all other laboratories mentioned in the previous technical reports hold Chinese provincial or national analytical certifications. BAW did not conduct on-site inspections of the aforementioned sample-analytical laboratories.

5.3.4 Sample Security

During its site visit, BAW reviewed the sample-security procedures and observed that mine-site personnel take appropriate measures to preserve samples and maintain an accurate chain of custody.

5.4 Quality Assurance and Quality Control ("QA/QC")

Huasheng Gold has maintained a QA/QC program consistent with the applicable PRC exploration standards, routinely submitting internal and external check samples to verify routine assay results. Historic QA/QC procedures and outcomes for the Yulong Project were reviewed by BAW in its 2023 JORC-compliant Independent Technical Report.

In 2014–2015, SRK conducted a series of quality verification activities for the Huasheng Project, which included twinned hole verification for two drill holes and the re-assaying of 1,019 drill samples previously analyzed. The results and analyses of these verification activities are summarized in the SRK Report 2016. SRK concluded that the verification results were generally consistent with the original exploration results and that the quality and precision of the assay data were adequate for the JORC resource estimation at that time. It should be noted that the original data for these verification activities was not provided to BAW for independent analysis, and BAW had to rely on SRK's conclusions regarding the verification results.

For the current review, quality-control data provided by Shanjin International primarily stems from exploration work conducted between 2012 and 2022. However, due to issues related to the preservation of historical raw data, only partial data could be made available to BAW for further review. These data include internal and external checks. Sample analysis precision was evaluated using Half Absolute Relative Difference (HARD), scatter, and quantile-quantile (Q-Q) plots. HARD for each duplicate pair is calculated as$|x_1 - x_2|/(x_1 + x_2) \times 100\%$, while Q-Q plots compare the cumulative distributions of original and duplicate assays to assess their equivalence.

5.4.1 Internal Check

Internal check samples, collected as pulp duplicates, have been used to evaluate laboratory assay precision. A total of 453 internal check samples were provided to BAW for analysis and review. Of these, 96.9% of duplicate pairs fall within the 20% Half Absolute Relative Difference (HARD) envelope, and 87.9% lie within the 10% envelope, demonstrating acceptable analytical precision. Quantile-quantile (Q-Q) and scatter plots also show good agreement between the original and internal check results. Full graphical interpretations are provided in Figures 5–1 to 5–3.

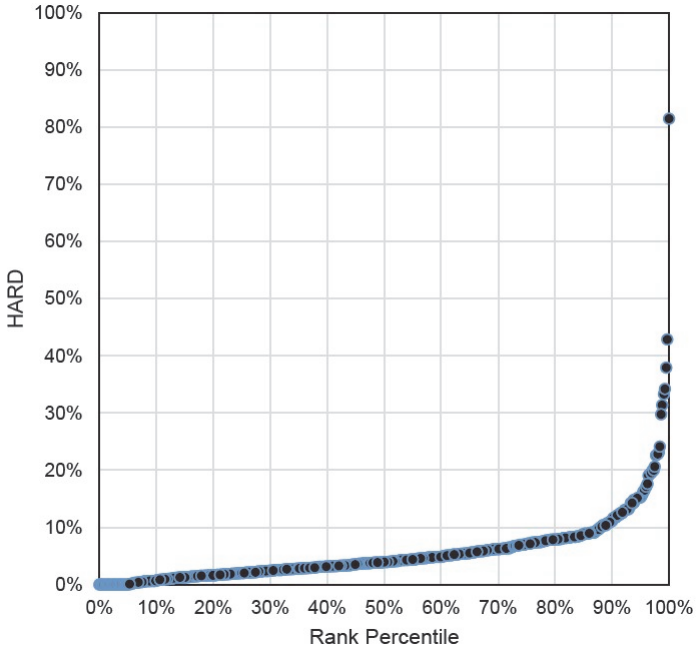


Figure 5–1 HARD Plot for the Internal Check Results

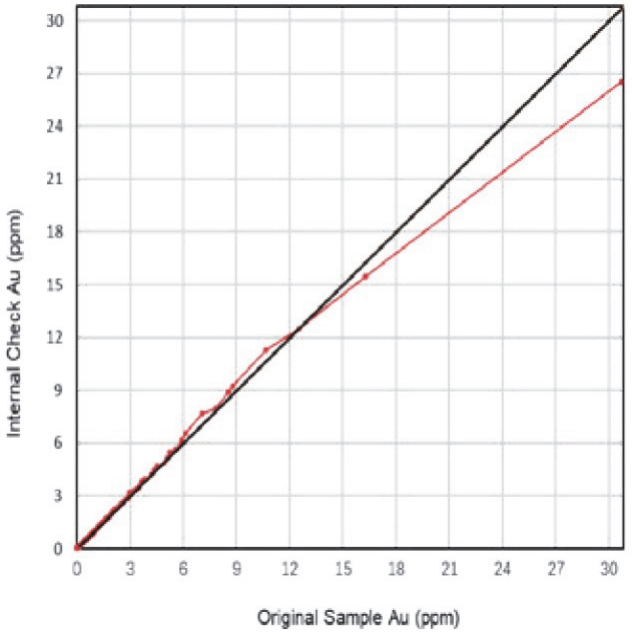


Figure 5–2 Q-Q Plot for the Internal Check Results

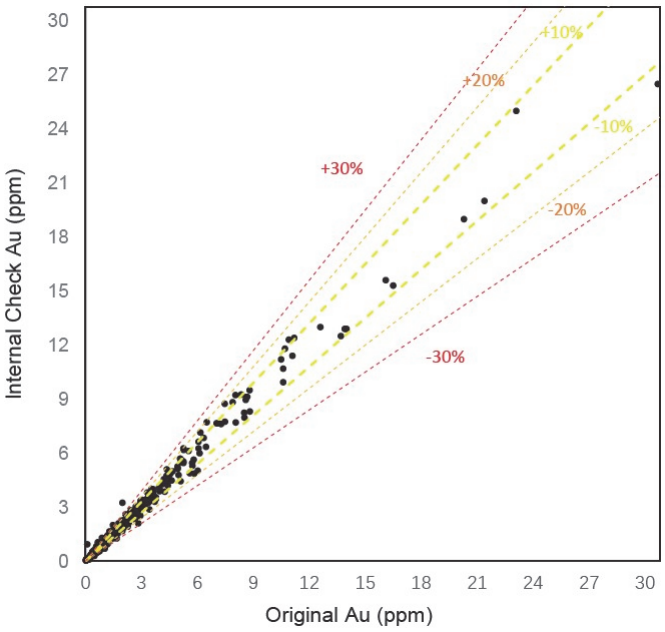


Figure 5–3 Scatter Plot for the Internal Check Results

5.4.2 External Check

A subset of the internal check samples was dispatched to an external laboratory for verification. A total of 369 internal check samples were provided to BAW for analysis and review. External control assays offer an additional check on the analytical quality of the primary laboratory. Of these, 96.5% of duplicate pairs fall within the 20% HARD envelope, and 79.9% fall within the 10% envelope, indicating acceptable analytical precision. Quantile-quantile (Q-Q) and scatter plots also demonstrate good consistency between the external checks and the original results. Detailed graphical analyses are presented in Figures 5–4 through 5–6.

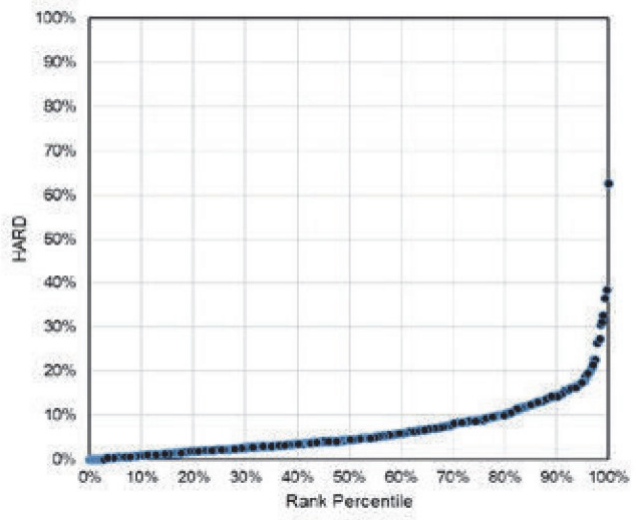


Figure 5–4 HARD Plot for the External Check Results

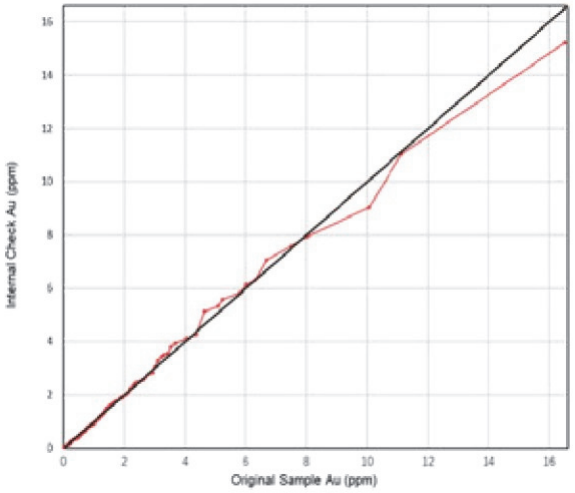


Figure 5–5 Q-Q Plot for the External Check Results

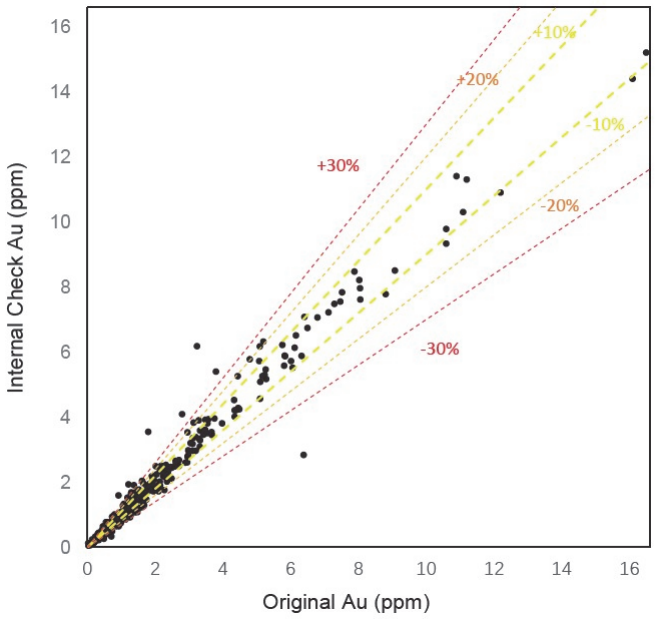


Figure 5–6 Scatter Plot for the External Check Results

5.5 Database Verification

A BAW team comprising geology and mining specialists visited the Huasheng Project from 9–11 July 2025. The visit aimed to review exploration data, inspect the core-storage facilities, and assess current site and mining conditions.

5.5.1 Exploration Database

BAW reviewed the exploration database supplied by the Client. Owing to site conditions and adverse weather during the visit, independent field verification of drillhole collar locations was not undertaken. Internal consistency checks were completed on the database, which was found to be reasonable for use in Mineral Resource estimation.

BAW also held detailed technical discussions with the site geological team regarding the local geology, mineralization controls, and the current three-dimensional geological model. These discussions indicated that the modelling approach adopted by the mine geologists is broadly consistent with BAW's independent observations and supports the geological framework applied in the Mineral Resource estimation.

5.5.2 Core Shed Inspection and Independent Sampling

The Huasheng Project maintains a basic core-storage facility. BAW inspected the core shed and compared selected drillholes with the original geological logs (Figure 5–7). No material discrepancies were identified; lithological descriptions were generally consistent with direct core observations. It was noted, however, that portions of the core are highly fractured and the original in-situ material may be susceptible to displacement during storage and handling (Figure 5–8).



Figure 5–7 Core Shed Inspection for the Huasheng Project



Figure 5–8 Typical Diamond Drill Core Box

As part of the data-verification program, BAW collected 30 quarter-core duplicates from the Huasheng Project and submitted them to CTI Testing (Guangzhou) in July 2025. Samples were prepared by crushing, splitting, and pulverising to 75 μm, with approximately 300 g retained for analysis. Gold was determined using the Au-AA23 method (fire assay with an AAS finish). Assay results ranged from 0.538 g/t to 6.74 g/t and qualitatively corroborate the gold mineralization indicated by the original core assays (Table 5–3). Because the number of independent samples is limited, a formal quantitative assessment of precision is constrained. For quarter-core duplicates, differences within ±30% of the original values are considered acceptable; as shown in Figure 5–9, 21 of 30 results (70%) meet this criterion. Although slightly below the preferred proportion, this outcome provides limited but supportive verification of the original assay precision. Eight duplicates fall outside the ±30% threshold, potentially reflecting nugget effects; the specific causes warrant further investigation. Overall, these independent assays add confidence to the exploration database used for the Mineral Resource estimation.

Table 5–3 Results of Independent Sampling

Sample ID	Type	Au_ Original ppm	Au_BAW ppm	Sample ID	Type	Au_ Original ppm	Au_BAW ppm
HS009250 . .	Core	0.5	0.538	HS015923	Core	0.78	0.709
HS009251 . .	Core	1.79	2.05	HS015924	Core	1.46	1.52
HS009252 . .	Core	3.68	2.54	HS015925	Core	0.9	0.776
HS009253 . .	Core	3.54	4.04	HS015926	Core	0.94	0.871
HS009254 . .	Core	1.39	1.125	HS015927	Core	0.73	0.544
HS016272 . .	Core	2.54	4.9	HS014436	Core	3.47	3.14
HS016273 . .	Core	1.31	2.18	HS014437	Core	7.5	6.74
HS016274 . .	Core	1.58	1.07	HS014438	Core	4.14	3.62
HS016275 . .	Core	1.24	0.615	HS014439	Core	2.69	1.985
HS016276 . .	Core	2.53	3.64	HS014440	Core	7.65	6.72
HS016341 . .	Core	2.15	3.07	HS014033	Core	1.42	1.175
HS016342 . .	Core	3.41	1.83	HS014034	Core	1.67	1.87
HS016645 . .	Core	5.36	2.16	HS014035	Core	1.49	1.19
HS016646 . .	Core	5.18	4.15	HS014036	Core	3.01	2.96
HS016647 . .	Core	3.55	3.49	HS014037	Core	2.95	3.16

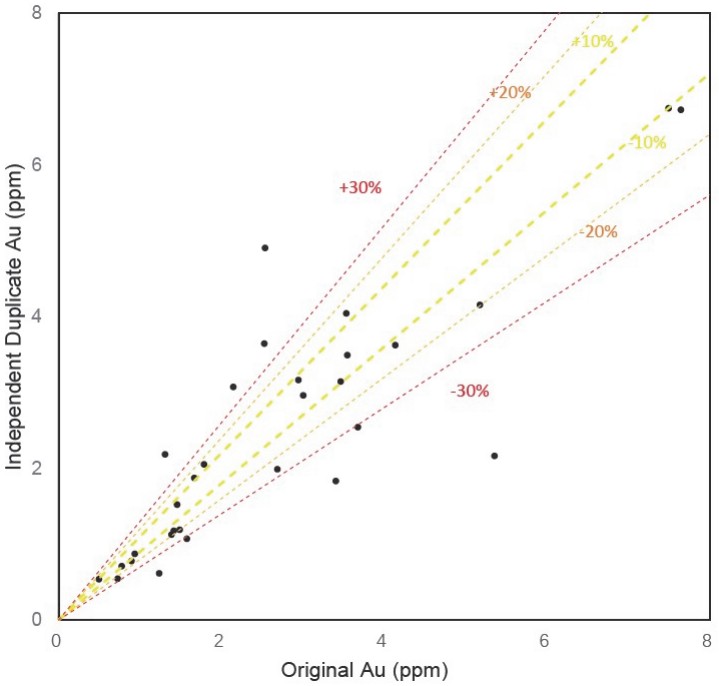


Figure 5–9 Scatter Plot for the Independent Sampling Results

The site inspections and data verification work carried out by BAW generally support the reliability of the exploration database and geological information used in the current Mineral Resource estimation. Independent sampling results further contribute to the confidence in the quality of assay data.

5.6 Comments

BAW did not directly observe on-site drilling and sampling activities at the Huasheng Project. The exploration activities have been conducted in accordance with the relevant national standards of the PRC, which set out systematic protocols for drilling, logging, sampling, density determination, and the creation of auditable databases for Mineral Resource and Reserve estimation. These standards largely align with the technical requirements of the JORC Code 2012 and industry best practices. Field practices such as sample security, duplicate analyses, and external umpire assays, as outlined in the national guidelines (e.g., GB/DZ standards and Ministry of Natural Resources regulations), closely correspond to the provisions of the JORC framework.

The historical quality-control program primarily relied on internal pulp duplicates and external umpire duplicates. While these measures provide insight into analytical precision, they do not directly assess accuracy or address potential contamination. For future exploration activities, BAW recommends the routine insertion of Certified Reference Materials (CRMs) and blank samples to independently verify analytical accuracy and identify potential contamination during sample preparation or analysis. It is also suggested that internal checks be conducted as blind pulp duplicates randomly inserted within the same analytical stream as primary samples, rather than being re-analyzed in separate batches, to allow real-time precision evaluation for each laboratory run. Additionally, supplementing the duplicate suite with field duplicates and coarse duplicates will facilitate quality control during both the sampling and preparation stages.

The assay laboratories for the Huasheng Project have used an activated-carbon adsorption method for gold preconcentration before analysis. Compared to fire assay, which is the standard industry method, this technique may be less efficient at retaining all the gold, potentially leading to a risk of grade underestimation. The extent of any bias requires empirical validation, and if confirmed, could lead to a conservative bias in the Mineral Resource estimate. A subset of historical samples was re-checked using fire assay at SGS by SRK, which BAW considers to be an adequate practice. To reduce uncertainty in recent data, BAW recommends that a random selection of pulp-duplicate samples be re-assayed using fire assay, with a comparative study performed against the original results.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The previous estimation of Mineral Resources for the Huasheng Property was conducted in 2024 by BAW in accordance with the JORC Code 2012 requirements. The classification, reporting and estimation of Mineral Resources for the Huasheng Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX.

6.2 Resources Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as below.

- *A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

- *A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

The general relationships between exploration results, Resources and Reserves under the JORC Code are illustrated in.

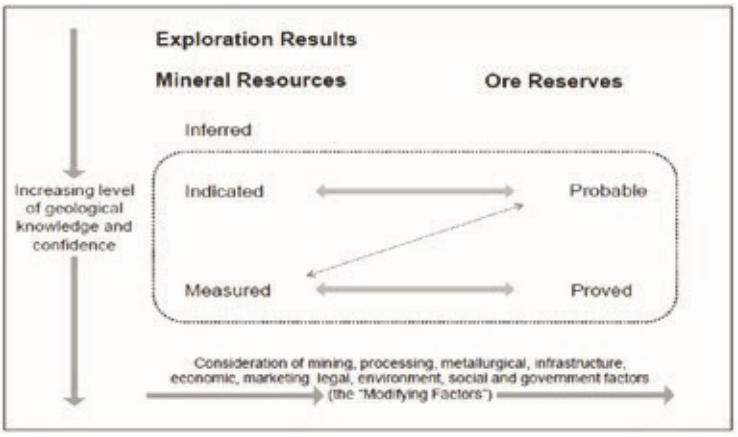


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Huasheng Property are reported in subsequent chapter in this CPR.

6.3 Resources Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as follows:

- **Database Compilation and Verification**: Consolidation of drilling data with quality checks for accuracy and completeness.
- **Geological Modelling**: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- **Data Conditioning**: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- **Block Modelling and Interpolation**: Development of a 3D block model and grade estimation using suitable interpolation methods.
- **Bulk Density Assignment**: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- **Resource Classification**: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.
- **RPEEE Assessment**: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.

- **Model Validation and Reporting**: Visual and statistical validation of the block model, followed by preparation of the Mineral Resource Statement.

6.4 Drillhole Database

Overall, the continuous geological work has progressively improved the geological understanding of the deposit. The spatial distribution of mineralized bodies is now well constrained, and the principal mineralized domains have been defined. On this basis, three-dimensional geological and resource models have been constructed, establishing a solid technical foundation for Mineral Resource estimation and future exploration planning.

For the current estimation, BAW compiled and utilised a total of 102 drillholes for 24,387.1 metres, including 39 holes (5,906.99 m) logged by Hongdi in 2014, 18 holes (4,674.2 m) logged by the Owner between 2012 and 2020, and 45 holes (13,805.91 m) logged by BAW during 2021–2022. All of these drillholes were incorporated into the estimation database. Earlier drillhole data considered to be of insufficient reliability were excluded and not used in the Mineral Resource estimation.

The drill hole database was provided by the Client for our review which was subsequently validated by BAW. The database comprises 102 diamond drillholes, totaling 24,387.1 m, and includes 12,212 gold assay results. Drillhole collar coordinates were surveyed using RTK in the CGC2000 Coordinate System, and downhole surveys were conducted at 30 to 50 m intervals using a single-shot camera instrument.

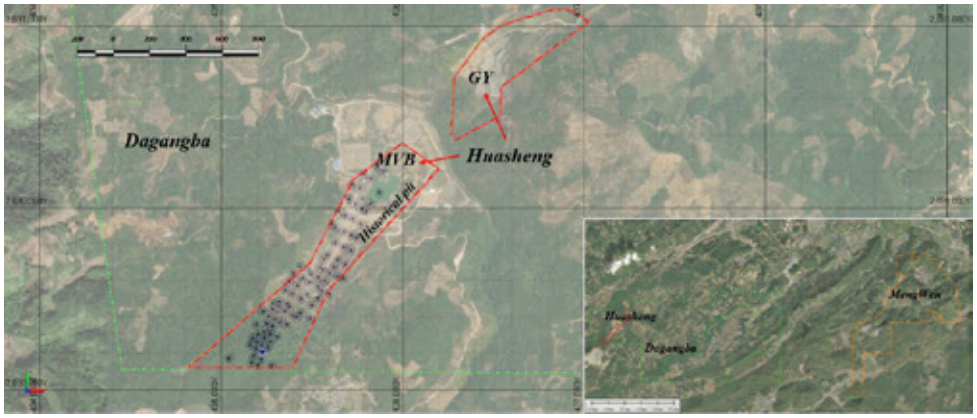


Figure 6–2 Drillhole Plan Map for the Huasheng Property

Table 6–1 Summary of Drillholes for the Huasheng Property

Site	Type	No. of Holes	Meterage	No. of Assays
MVB	DDH	102	24,387.1	12,212

BAW compiled a geological database from validated collar, downhole survey, and assay data. Inconsistencies in survey and assay datasets were removed to maintain integrity, leaving 12,211 samples from 100 drillholes for interpretation and modelling. BAW considers the database to meet the JORC Code (2012) requirements and to support Mineral Resource classification.

6.5 Domain Interpretation

BAW utilised topographic data in the CGCS2000 coordinate system, current as of December 2025, to develop a digital terrain model (DTM), which was used as the reference surface for geological modelling and subsequent Mineral Resource estimation.

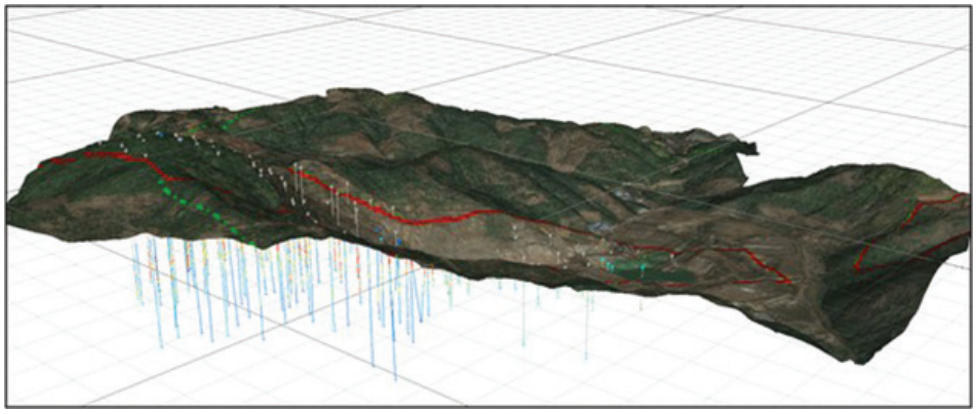


Figure 6–3 Topography Model of the Huasheng Property as of December 31, 2025

Gold mineralization is primarily controlled by lithological and structural factors, mainly hosted in the hanging wall of the F1 fault within the fractured dolomites of the Shazipo Formation. The spatial distribution of mineralization is closely associated with the fault and adjacent fractured zones, indicating that the F1 fault is the dominant control on orebody geometry.

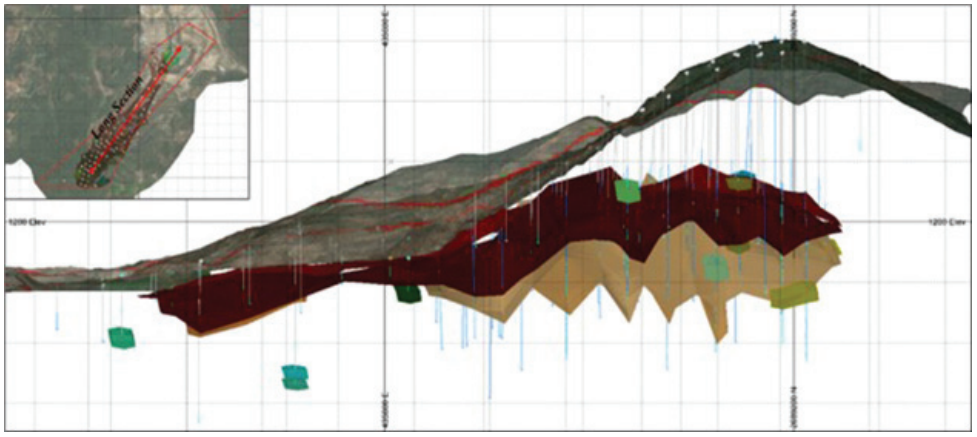


Figure 6–4 Spatial Distribution of the Major Mineralised Zones

A 0.5 g/t grade shell model was provided by the client, with the orebody orientation exhibiting significant spatial variability. BAW, in collaboration with the mine geologists, conducted a detailed review of the model, cross-checking selected drill-core intervals against mineralization data. Considering ore characteristics, economic potential, and mining methods, BAW delineated mineralization thresholds using cut-off grades ranging from 0.3 g/t to 0.5 g/t.

Mineralization domains, defined with a nominal 0.3 g/t Au cut-off and a minimum width of 1 meter, were established based on comparisons of grade, lithology, and the roof and floor lithologies across adjacent sections, forming the basis for the Mineral Resource estimation. A total of four major mineralization domains and 17 scattered domains were defined.

Oxidation and sulphide zones were not modeled due to a lack of information, while lateritic zones were included in the model.

Table 6–2 Domain Codes for Modeling

Field	Description	Value
Domain	Zone	10- Lateritic Mineralized Domain
		21–45 Sulphide Domains
Minedout	Mined	10- Blocks Mined-out, Above Topo20250630
		20- Blocks Below Topo20250630

6.6 Compositing

Basic statistics on assay data were performed to better understand grade distribution and inform necessary actions before the resource estimate. Statistics for gold (Au) grade were calculated for samples within each individual mineralized envelope for the years 21, 22, 23, and 24.

BAW analyzed sample lengths within each geological domain and found that most intervals were 1 m. To ensure consistency with mineralized thickness, minimum mineable width, block size, and sampling distribution, all samples were composited into 1-meter downhole intervals, with a minimum length of 0.75 m per composite. For a small number of samples near domain boundaries, composite lengths were adjusted to approximately 1 m to maintain geological integrity.

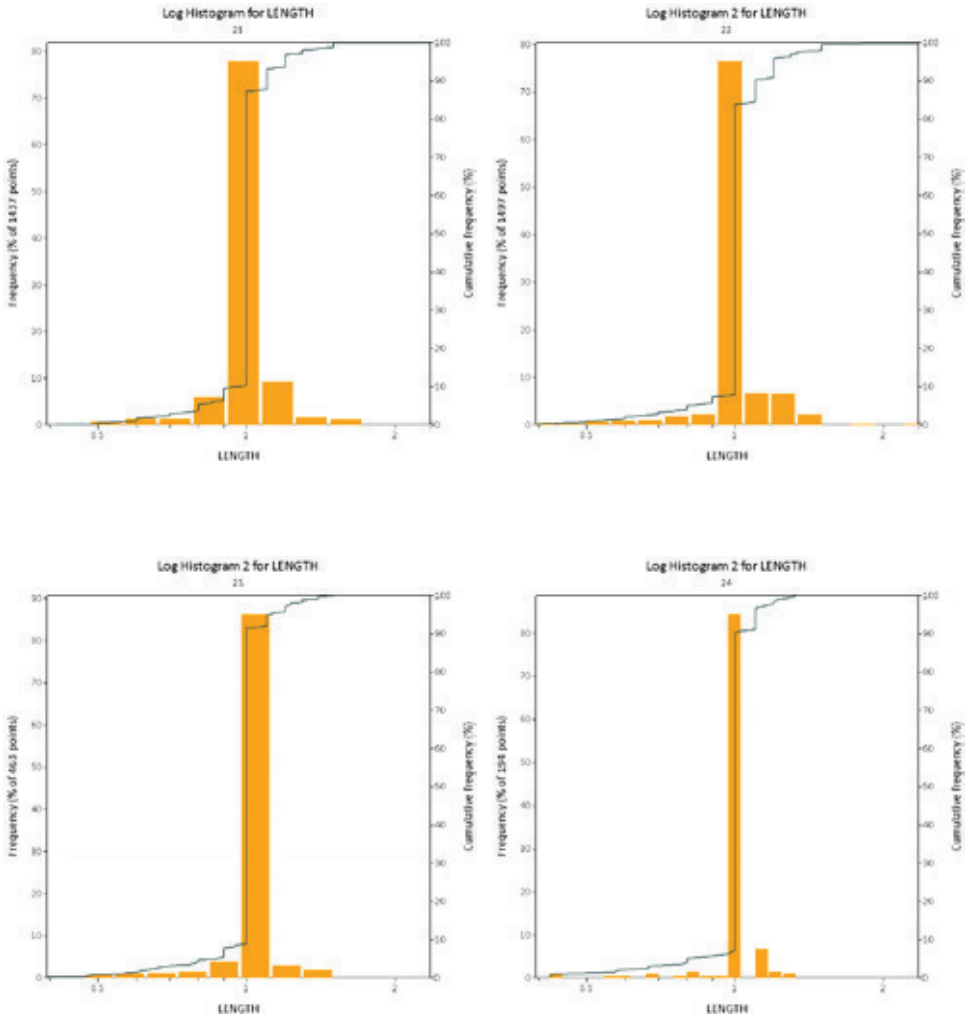


Figure 6–5 Histogram of Sample Length Distribution within the Major Geological Domains

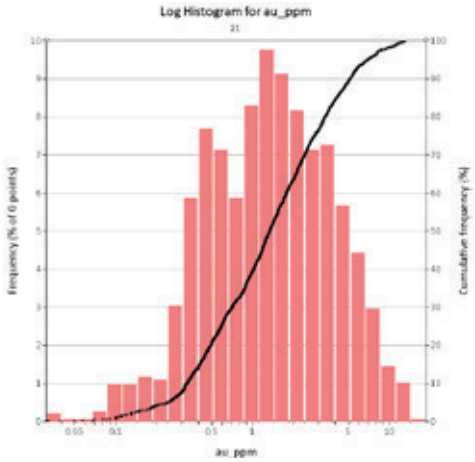
Table 6–3 Assay Length Statistics by Geological Domain

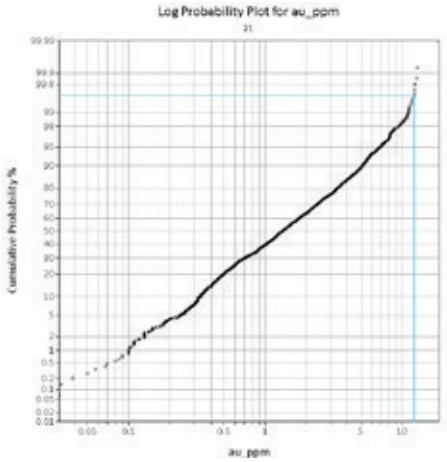
	Domain	RAW	Mean	SD	Cov	Mode	Min	Media	Max
Length.	21	1,437	1.02	0.57	0.56	1.00	0.41	1.00	22.00
Length.	22	1,497	1.02	0.23	0.22	1.00	0.30	1.00	6.70
Length.	23	463	1.00	0.11	0.11	1.00	0.07	1.00	1.50
Length.	24	194	0.99	0.10	0.10	1.00	0.42	1.00	1.33

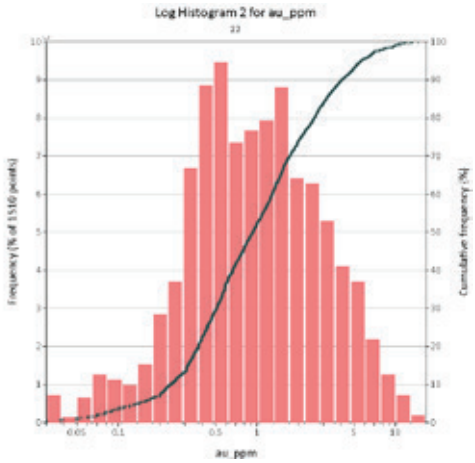
BAW conducted univariate statistical analyses on raw assay data for 1-meter composites within each geological domain to assess population characteristics. The data exhibit a log-normal distribution, with some extreme high-grade samples occurring within the defined geological domains.

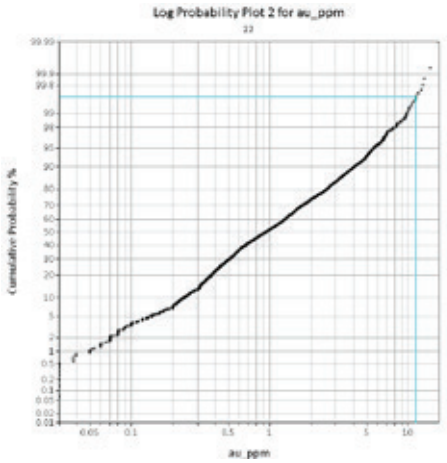
Table 6–4 Summary of Composites against Raws for each Domain

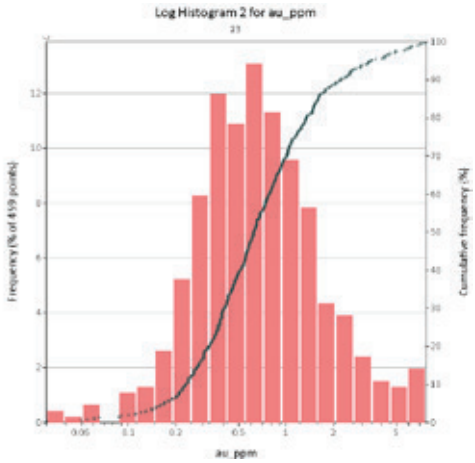
Domain	Item	RAW	Mean	SD	Cov	Mode	Min	Media	Max
21 . . .	Au_ppm	1,435	2.15	2.38	1.11	0.32	0.03	1.25	20.4
	Comp_Au_ppm	1,443	2.15	2.29	1.06	0.32	0.03	1.33	18.48
	Diff	1%	0%	–4%	–5%	0%	0%	6%	–9%
22 . . .	Au_ppm	1,488	1.66	2.05	1.24	0.31	0.03	0.87	17.5
	Comp_Au_ppm	1,510	1.67	1.98	1.19	0.31	0.03	0.93	16.54
	Diff	1%	1%	–3%	–4%	0%	0%	7%	–5%
23 . . .	Au_ppm	460	1	1.23	1.23	0.26	0.03	0.62	7.92
	Comp_Au_ppm	459	1.03	1.22	1.18	0.26	0.03	0.62	7.72
	Diff	0%	3%	–1%	–4%	0%	0%	0%	–3%
24 . . .	Au_ppm	194	1.06	1.21	1.14	0.4	0.05	0.62	8.04
	Comp_Au_ppm	193	1.07	1.15	1.08	0.4	0.05	0.64	7.61
	Diff	–1%	1%	–5%	–5%	0%	0%	3%	–5%

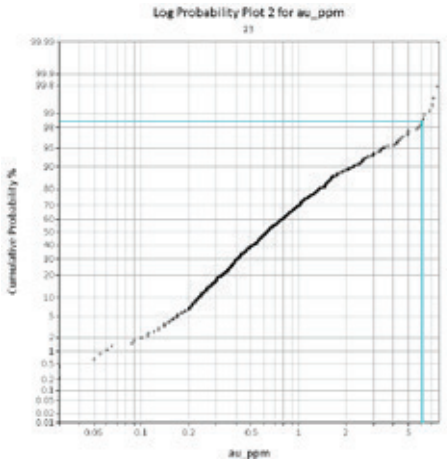

Log Histogram for au_ppm
Frequency (% of 6 points)
Cumulative frequency (%)
au_ppm


Log Probability Plot for au_ppm
Cumulative Probability %
au_ppm


Log Histogram 2 for au_ppm
Frequency (% of 1516 points)
Cumulative frequency (%)
au_ppm


Log Probability Plot 2 for au_ppm
Cumulative Probability %
au_ppm


Log Histogram 2 for au_ppm
Frequency (% of 459 points)
Cumulative frequency (%)
au_ppm


Log Probability Plot 2 for au_ppm
Cumulative Probability %
au_ppm

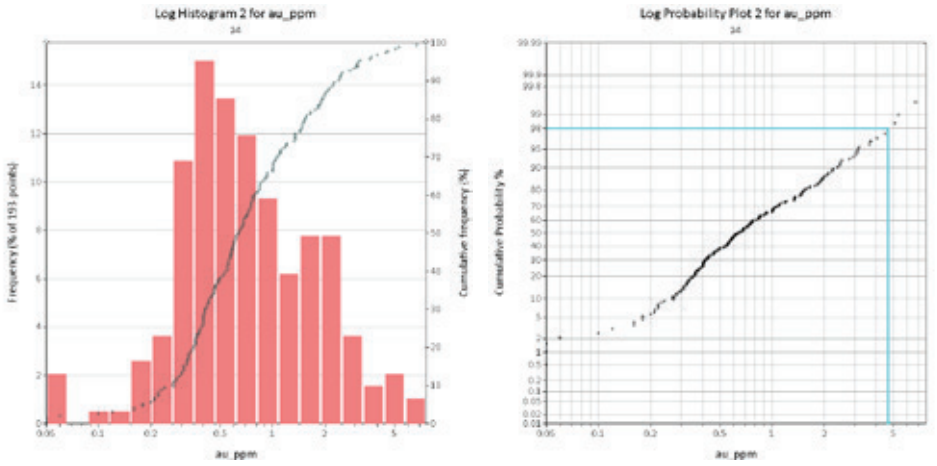


Figure 6–6 Histograms and Cumulative Frequency Plots of Sample Distributions within the Major Geological Domains

6.7 Grade Capping

BAW applied grade capping to the 1-meter composited assay data on a domain-by-domain basis to mitigate the influence of high-grade outliers. Statistical analyses, including histograms, log-probability plots, and cumulative frequency distributions, were performed to assess grade distribution, as shown in Figure 6–5. Additionally, a visual check for outliers in 3D space was conducted within each domain to identify the appropriate capping value.

Based on these analyses, domain-specific capping thresholds ranging from 5.1 g/t to 12.32 g/t Au were established. Capping was implemented after compositing and prior to grade estimation, limiting assay values above the established thresholds to the capping value. This process reduced the impact of statistical outliers and ensured a more consistent and reliable resource estimate.

Table 6–5 Statistical Analysis for Capped Composites

Domain	Capping Value	No. of Replaced Samples	Capped Ratio	Au Mean Before Capping	Au Mean After Capping	Difference
	Au g/t		(%)			(%)
21	12.32	6.00	0.42%	2.15	2.11	–2%
22	12.10	5.00	0.33%	1.67	1.64	–2%
23	6.20	7.00	1.53%	1.03	1.02	–1%
24	5.10	3.00	1.55%	1.07	1.04	–2%
Other . . .	5.00	—	0.00%	0.44	0.44	0%

6.8 Variogram Study

BAW conducted a semi-variogram study to guide the grade interpolation search strategy. The study focused on capped composites within the mineralized domain, preparing downhole variograms and omnivariograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as parameters for the spherical search ellipse in Ordinary Kriging ("**OK**") interpolation, ensuring accurate grade estimation based on the spatial variability of gold mineralization.

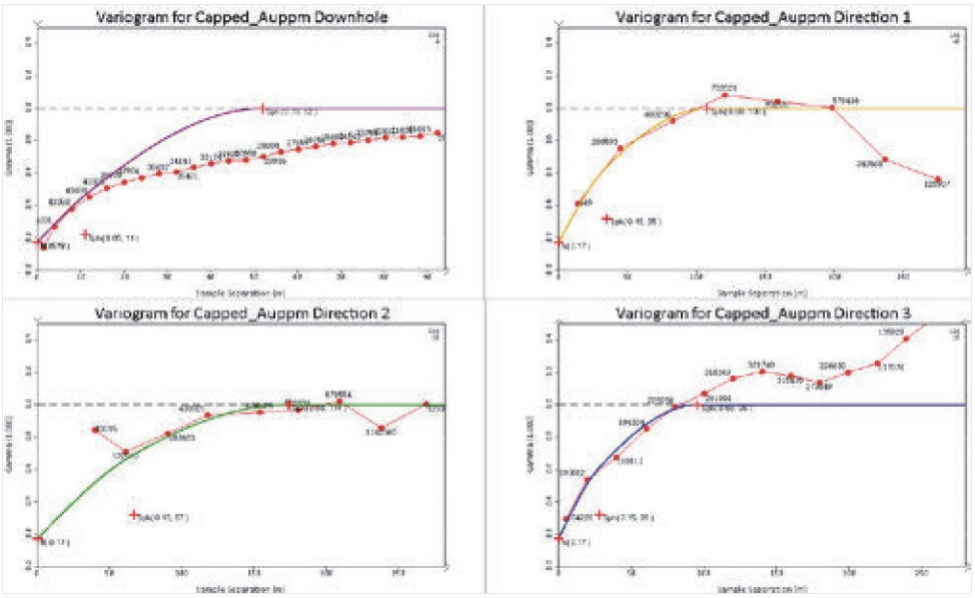


Figure 6–7 Variograms of All Mineralized Domains

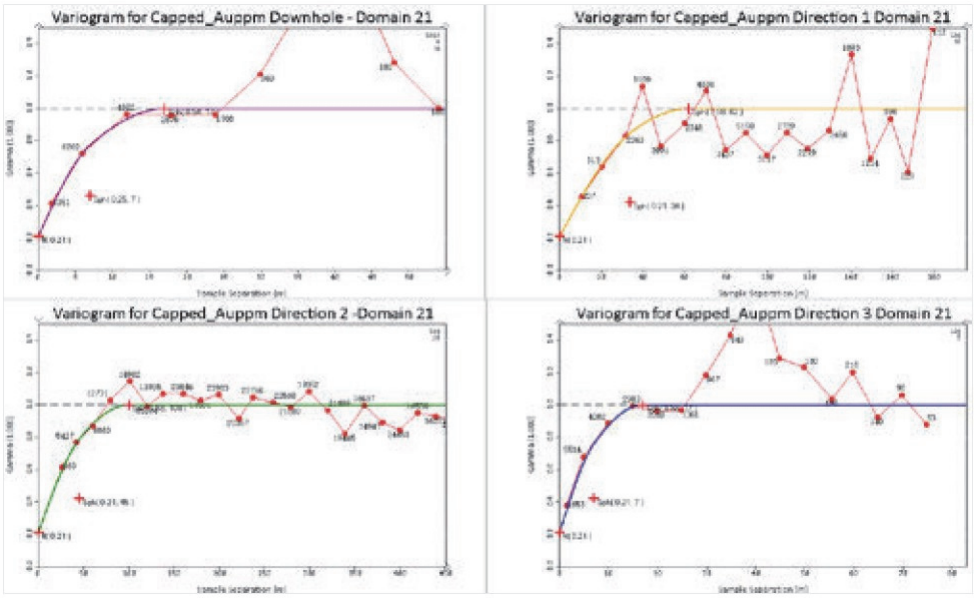


Figure 6–8 Variograms of the Major Mineralized Domains

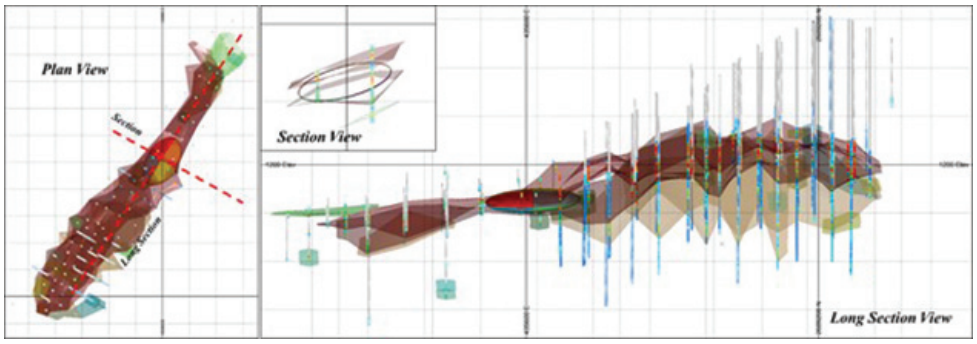


Figure 6–9 Variogram search ellipse along 3D long section

BAW conducted a variogram study on the main orebody and utilized the results for OK interpolation, as well as performing variogram analysis on gold (Au) for all thresholds. Except for the 21/22 Domain, BAW did not identify well-structured variogram models. Directional variogram modeling across several geological domains demonstrated that the orientation of mineralization — both in strike and dip — was consistent with geological interpretations and assumptions. These findings provided sufficient confidence for defining the search parameters and informing the estimation strategy applied in the resource model.

Table 6–6 Variogram Parameters for the Huasheng Property

	Rotation		Spherical 1				Spherical 2			
Zone	ZXY	Nugget	Sill 1	Range 1	Range 2	Range 3	Sill 2	Range 1	Range 2	Range 3
21	–149/–2.6/–14.8	0.25	0.28	34	45	7	0.47	62	100	17
22	–145/0/–30	0.35	0.18	34	50	12	0.46	60	98	18
23	18.4/11.3/33.3	0.39	0.14	46	66	9	0.47	82	95	24
Other . . .	–149/–2.6/–14.8	0.27	0.33	35	67	28	0.41	108	174	96

6.9 Bulk Density

Between May and June 2014, Yunnan Hongdi Mineral Resources Co., Ltd. collected 65 bulk density samples, comprising 3 lateritic samples and 62 altered dolomite samples, for laboratory testing. In late 2021, Kunming Fulin Mining Co., Ltd. collected an additional 30 small samples, all from primary zone, for analysis. Of the 95 samples, 4 were deemed non-compliant.

BAW reviewed the 91 valid samples test result and, considering the spatial distribution, applied average bulk density values based on the rock type. An average bulk density of 1.84 g/cm^3 was assigned to the lateritic zone, while 2.72 g/cm^3 was used for the altered brecciated dolomite Zone. These values were utilized for tonnage calculations in the resource model, ensuring consistency with the geological characteristics of the Huasheng Property.

Table 6–7 Bulk Density Assignments

Material	Density Value (t/m^3)
Lateritic.	1.84
Primary	2.72

6.10 Block Modelling

A 2D rotated block model was constructed by BAW for resource estimation. To reflect the spatial geometry of the mineralisation, parent block dimensions were set at 10 m along strike, 10 m cross-strike, and 2 m vertically. Sub-blocks were defined with 5m along strike, 5 m perpendicular to strike, and 0.5 m vertically to allow for finer resolution within the model.

Table 6–8 Block Model Definition

Direction	Origin	Length	No. of Blocks	Block Size	Sub-block Size	Rotation
X	434750	850	85	10	5	—
Y	2689100	1,800	180	10	5	—
Z	900	700	350	2	0.5	32°

Block models for domain code, density, grade, and class were created, with domain codes and density values assigned based on the parameters outlined in the preceding sections.

Given the variogram performance and mineralization style, BAW applied Ordinary Kriging, IDW^3, and Nearest Neighbour methods to estimate grades into parent blocks using 1 m capped composites. Three interpolation passes were used in the estimation, implemented so that blocks with better-informed data were interpolated first. Informing data refer to search ellipse parameters, as well as the minimum and maximum number of composites required to interpolate a given block and the maximum number of composites considered per hole. The consideration of a minimum number of composites to interpolate a block for each pass, combined with the maximum number of composites per hole, implicitly determines the minimum number of drill holes required for that pass. The estimation parameters are summarized below.

Table 6–9 Estimation Parameters for IDW^3, OK and Nearest Neighbour (NN) Methods for the Huasheng Property

Domain	Pass	Rotation ZXY	Strike Range (m)	Down Dip Range (m)	Across Dip Range (m)	Max No. of composites per Hole	Optimum No. of composites per Hole	Min No. of composites	Max No. of composites
21	I	–149/–2.5/	50	30	10	3	2	7	20
	II	–14.8	100	60	20	3	2	5	12
	III		150	90	30	2	1	1	5
22	I	–145/0/–30	50	30	10	3	2	7	20
	II		100	60	20	3	2	5	12
	III		150	90	30	2	1	1	5
23	I	–149/–2.5/	50	30	10	3	2	7	20
	II	–14.8	100	60	20	3	2	5	12
	III		150	90	30	2	1	1	5
other	I	18.4/11.33	50	40	12	3	2	7	20
	II		100	80	24	3	2	5	12
	III		150	120	36	2	1	1	5

6.11 Resource Classification

The classification of Mineral Resources for the project follows the JORC Code and industry best practices, incorporating an integrated assessment of geological continuity, drilling density, data quality, variogram performance, and estimation confidence.

BAW adopted a classification strategy that reflects confidence in the geological interpretation and grade continuity, supported by both the spatial configuration of drilling and the results from three-pass OK estimation. The following criteria were applied to define the confidence categories:

- **Measured Mineral Resources:** Assigned to blocks estimated within 30 meters of at least three drillholes, using a minimum of seven composites for grade estimation (first search volume), and located within zones exhibiting strong geological continuity and high data density. No measured resources were defined in areas with poor variogram performance.

- **Indicated Mineral Resources:** Defined as blocks estimated within 40 or 60 meters of the master domain, using at least two drillholes and a minimum of four composites for grade estimation (second search volume).

- **Inferred Mineral Resources:** Assigned to blocks estimated during the second or third search passes, within a maximum distance of 90 meters and supported by at least one drillhole. These areas are characterized by lower drill density and more limited confidence in geological and grade continuity, although mineralization is reasonably interpreted as continuous.

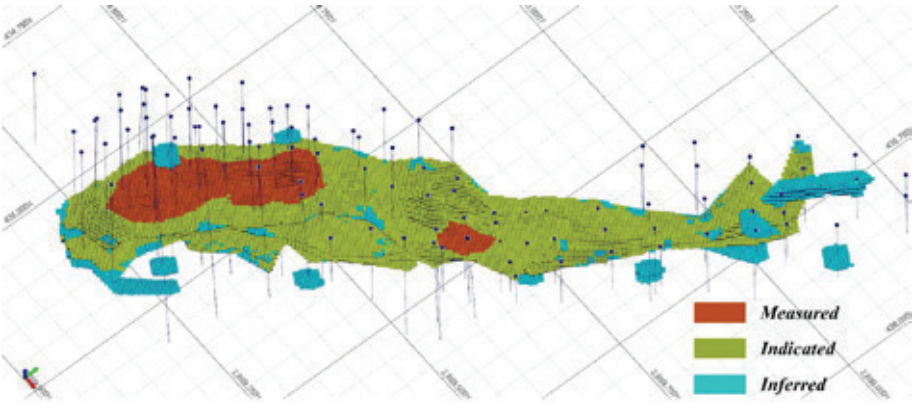


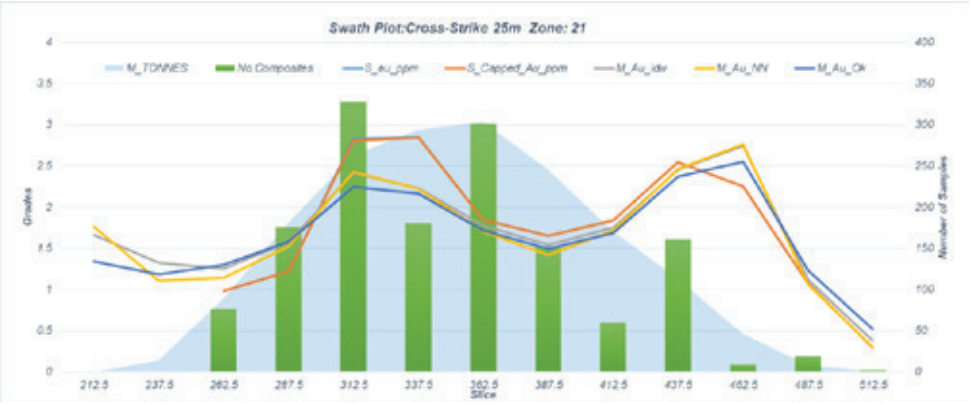
Figure 6–10 Mineral Resource Classification for the Huasheng Property

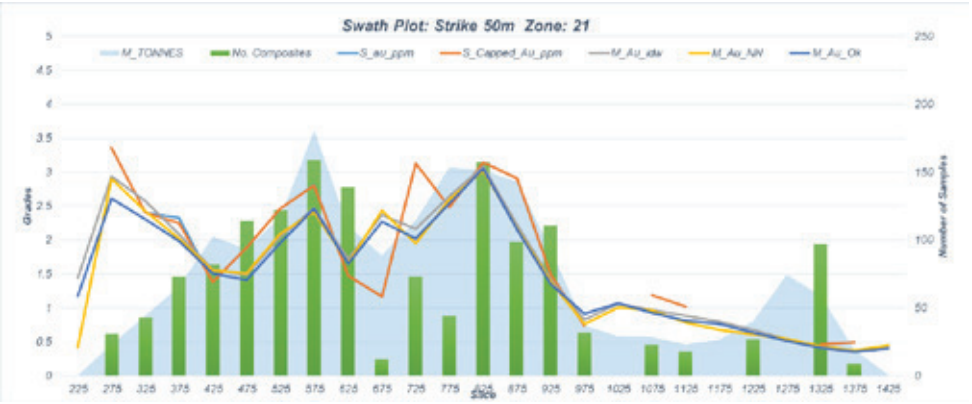
BAW is confident that the geological modeling observe the current geological information and knowledge. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding, meeting the requirements for public reporting under the JORC Code (2012).

6.12 Model Validation

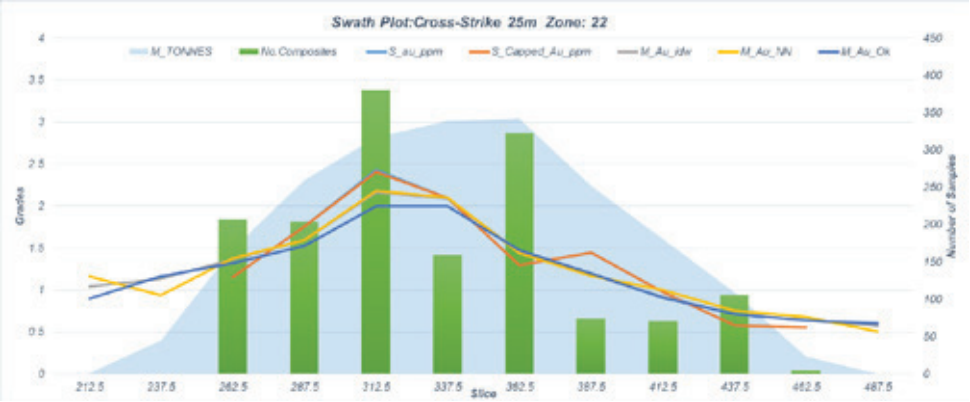
BAW conducted a comprehensive validation of the interpolated model, which included visual inspection, comparison of Au grades between IDW^3 and Ordinary Kriging (OK), and swath plot analysis.

Swath plots for gold within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals. Due to the number of mineralized zones, BAW selected two representative zones: Mineralized Zone 21 and Mineralized Zone 22. The block models and composites are well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates.






Swath Plot:Vertical 20m Zone 21
M_TONNES
No. Composites
S_au_ppm
S_Capped_Au_ppm
M_Au_idw
M_Au_NN
M_Au_Ok
Grades
Number of Samples
Slice


Swath Plot:Cross-Strike 25m Zone: 22
M_TONNES
No.Composites
S_au_ppm
S_Capped_Au_ppm
M_Au_idw
M_Au_NN
M_Au_Ok
Grades
Number of Samples
Slice

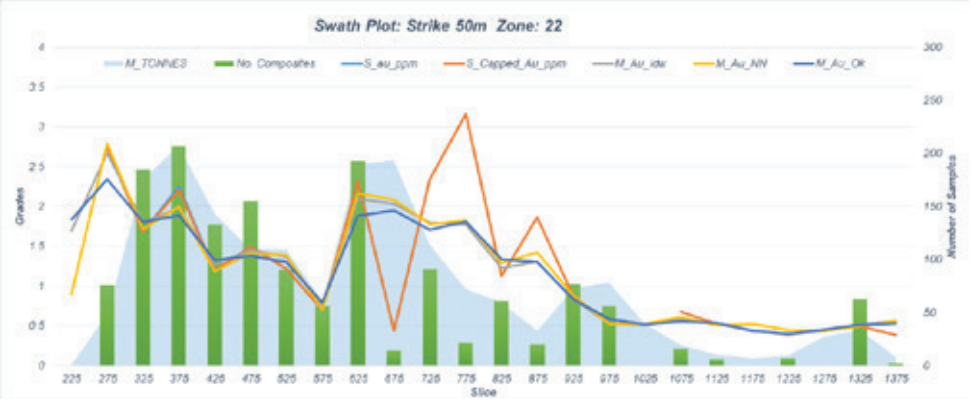

Swath Plot: Strike 50m Zone: 22
M_TONNES
No. Composites
S_au_ppm
S_Capped_Au_ppm
M_Au_idw
M_Au_NN
M_Au_Ok
Grades
Number of Samples
Slice



Figure 6–11 Swath Plot for Gold Grade within the Mineralised Zone 21 and 22

6.13 RPEEE and Cut-off Grade Estimation

In compliance with the JORC Code (2012), the Mineral Resources for the Huasheng Property have been reported only where Reasonable Prospects For Eventual Economic Extraction ("**RPEEE**") can be established with the following considerations:

- **Commodity Price**: Gold price of USD2,600/oz was adopted, based on the three-year historical average, which is deemed a reasonable long-term assumption.

- **Open-Pit Potential**: Both open-pit and underground scenarios were evaluated. BAW considers near-term open-pit mining to be realistic and developed an optimized pit shell, constrained strictly within the mining license boundary, based on mining, processing, management costs, recoveries, and other modifying factors. A break-even cut-off grade was calculated for reporting open-pit resources.

- **Underground Potential**: Blocks outside the pit shell were assessed for potential underground extraction, applying an appropriate underground break-even cut-off grade.

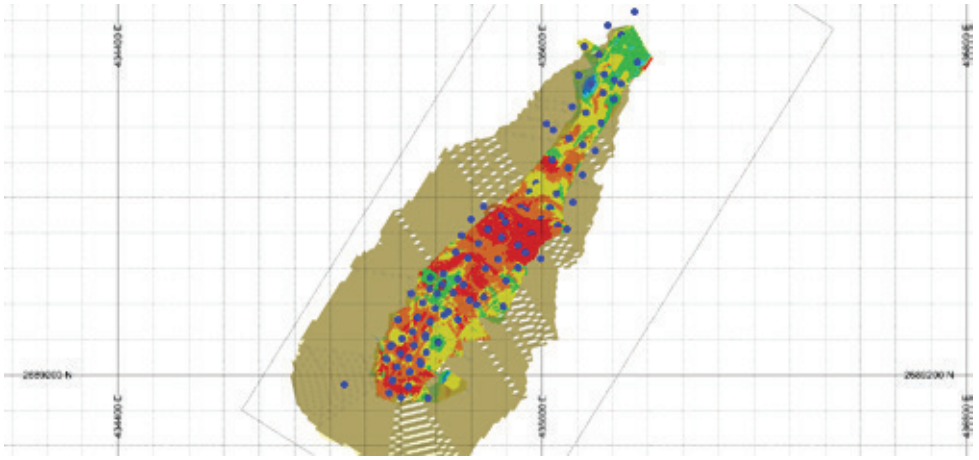


Figure 6–12 Pit shell generated for the Huasheng Property by BAW 2025

Table 6–10 Cut-off Grade Adopted for Mineral Resource Estimation for the Huasheng Property

Parameter	In-pit	Out-pit	Unit
USD to RMB	7	7	
Gold Price	2,600	2,600	$/oz
	585.14	585.14	RMB/g
Mining Operating Cost	12.63		RMB/t
Processing & Smelting Operating Cost	84.41	460	RMB/t
General & Administrative	55.83		RMB/t
Mining Dilution	5.00%	10.00%	%
Mining Recovery	95.00%	90.00%	%
Total Recovery of Processing and Smelting	80%	76.5%	%
In-situ Au Cut-Off Grade	0.36	1.25	g/t

Different recovery rates were applied to reflect the spatial distribution of ore types within and outside the open pit. For the resource estimation stage, these were based on simplified, generalized assumptions.

It is important to note that: Since the oxidized ore and primary ore in the mine currently fail to be strictly differentiated, different assumptions regarding recovery rates have been made when calculating the cut-off grade. The presence of oxidized ore in the open-pit mining section supports the adoption of a relatively higher recovery rate, specifically 80%; in contrast, the assumed recovery rate for underground production is slightly lower, at only 76.5%. Additionally, it is recommended that the mine operator enhance the analysis of the oxidation degree of the ore and conduct more mineral processing tests in subsequent work.

6.14 Mineral Resources Statement

The Mineral Resources of the Huasheng Property were estimated as of December 31, 2025 with the following key assumptions:

- Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured Mineral Resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

- The Mineral Resource estimate is reported as of December 31, 2025.

- In-Pit Resources are contained within a conceptual open-pit shell generated using a gold price of USD2,600/oz, pre-feasibility study (PFS) cost parameters, a metallurgical recovery of 76.03%, and other assumptions consistent with open-pit mining. These parameters satisfy the "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) requirement.

- Out-Pit Resources are located outside the conceptual pit-shell and have been reported using an underground mining break-even cut-off grade (BCOG) derived from benchmark underground mining costs from comparable operations.

- The cut-off grades applied are 0.36 g/t Au for in-pit resources and 1.25 g/t Au for out-pit resources.

- Totals may not add up.

Table 6–11 Mineral Resources Statement Prepared by BAW for the Huasheng Property as of December 31, 2025

Pit	Cut-off Grade (g/t)	Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)
In-Pit	0.36	Measured	5,123	2.09	10.73
		Indicated	10,964	1.54	16.90
		M + I	16,087	1.72	27.63
		Inferred	510	1.33	0.68
		Sub-total	16,597	1.71	28.31
Out-Pit	1.25	Measured			
		Indicated	55	1.55	0.09
		M + I	55	1.64	0.09
		Inferred	57	1.52	0.09
		Sub-total	112	1.61	0.18
Combined		Measured	5,123	2.09	10.73
		Indicated	11,019	1.54	16.99
		M + I	16,142	1.72	27.72
		Inferred	567	1.36	0.77
		Total	16,709	1.71	28.49

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao consents to the reporting of this information in the form and context in which it appears.

6.15 Comparison with Previous Estimates

The previous Mineral Resource estimate for the Huasheng Property, prepared by BAW in March 2025, was based on data as of December 31, 2024, as reported in the Client's 2024 Year-End Mineral Resources and Ore Reserves Statement. The most recent Mineral Resource estimate for the Huasheng Property was completed by BAW in July 2025, utilizing exploration and production data as of December 31, 2025.

In this update, BAW conducted field verification and held discussions with the mine management team. Local orebody connections were refined based on on-site reviews and selective re-sampling of representative drill cores. Geological interpretation and classification were optimized to reflect improved continuity and enhanced data reliability. Additionally, the pit shell and cut-off grade were updated to align with current gold prices and mining parameters. A summary comparison is presented in Table 6–12 below.

Table 6–12 Comparison of Previous and Current Mineral Resource Estimates of the Huasheng Property

	Resource as of December 31, 2024			Resource as of December 31, 2025			% Difference in Contained Gold
Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	
Measured	2,932	1.99	5.85	5,123	2.09	10.73	83%
Indicated	7,401	1.96	14.48	11,019	1.54	16.99	17%
Inferred	7,374	1.21	8.90	567	1.36	0.77	–91%
Total	17,708	1.65	29.23	16,709	1.71	28.49	–3%

The comparison between the two estimates dated December 31, 2024 and December 31, 2025 indicates a 3% decrease in total contained gold, while Measured and Indicated categories show notable increases due to improved orebody modelling and classification refinement. The main updates include:

1. Refinement of orebody connections after on-site discussions and limited re-sampling;

2. Upgrade of Inferred to higher-confidence categories based on data continuity; and

3. Revision of pit shell and cut-off grade reflecting updated economic assumptions.

These refinements improved geological confidence and internal consistency of the model. The CP considers that the changes represent a routine model update supported by geological verification and parameter adjustments, and do not constitute a material change.

6.16 Exploration Potential

The Huasheng Gold Mine is located at the southern end of the Gaoligong Mountain Au-Ag-polymetallic metallogenic belt, within a structurally favorable setting controlled by the Longling-Ruili Fault and its subsidiary splays. The area has undergone intense tectonic activity, accompanied by hydrothermal alteration including silicification, limonitization, and pyritization, which together created highly favorable conditions for gold mineralization. Orebodies are predominantly hosted within fractured dolomitic rocks of the Lower Permian Shazipo Formation and associated fault breccia zones. With clear ore-controlling factors and well-understood mineralization patterns, the project has a strong geological foundation for ongoing resource growth.

Current exploration results indicate that the main orebodies remain open both along strike and at depth, particularly below the current mining levels, where significant extensions have not yet been fully delineated. Peripheral fault zones such as Kerma, Nankua, and Mabozhi display structural and alteration characteristics similar to those hosting known mineralization, highlighting strong exploration potential in surrounding areas. Additional mineralized bodies have also been identified in the Guoyuan and Maiwoba sectors, and many of the fault-controlled orebodies remain unconstrained both laterally and down-dip, suggesting considerable room for resource expansion through further drilling.

From a regional tectonic perspective, the project is situated within a secondary extensional unit of the collisional suture between the Gondwanan terranes and the Eurasian continent. This setting has been repeatedly influenced by the sustained convergence, collision, and subduction of the Indian Plate since the Mesozoic, compounded by the evolution of the Tethys Ocean. These geodynamic processes provided the framework for Carlin-like type, ductile shear zone-hosted, and lateritic gold deposits. The Mangshi deposit forms part of the Luxi gold belt, spatially continuous with the Guanglingpo and Yangshishan prospects to the southwest, suggesting a large-scale mineralizing system.

In addition, subsidiary faults adjacent to the Longling-Ruili Fault, particularly those associated with stratigraphic unconformities, are favorable sites for Carlin-like type mineralization, while NW-trending ductile shear zones are conducive to the formation of quartz vein and altered-rock-hosted gold deposits. The occurrence of Au-enriched mafic-ultramafic dykes in the surrounding area further points to mantle-derived magmatic contributions and heat-driven fluid circulation at depth, underscoring significant deep exploration potential. Regionally, coherent multi-element geochemical anomalies (Au, As, Sb, Hg coupled with Cu, Pb, Zn, Ag, Cd) support the favorable metallogenic outlook, consistent with the presence of small-scale gold and stibnite occurrences within the Manggang-Mannong prospective zone.

In summary, the Mangshi Gold Mine demonstrates substantial exploration upside through depth extensions, peripheral fault-controlled targets, and deep magmatic-related mineralization. With the recent acquisition of the Dagangba exploration license, the project is well positioned for continued drilling and verification, and the resource base is expected to expand significantly, providing a highly positive outlook for future resource growth.

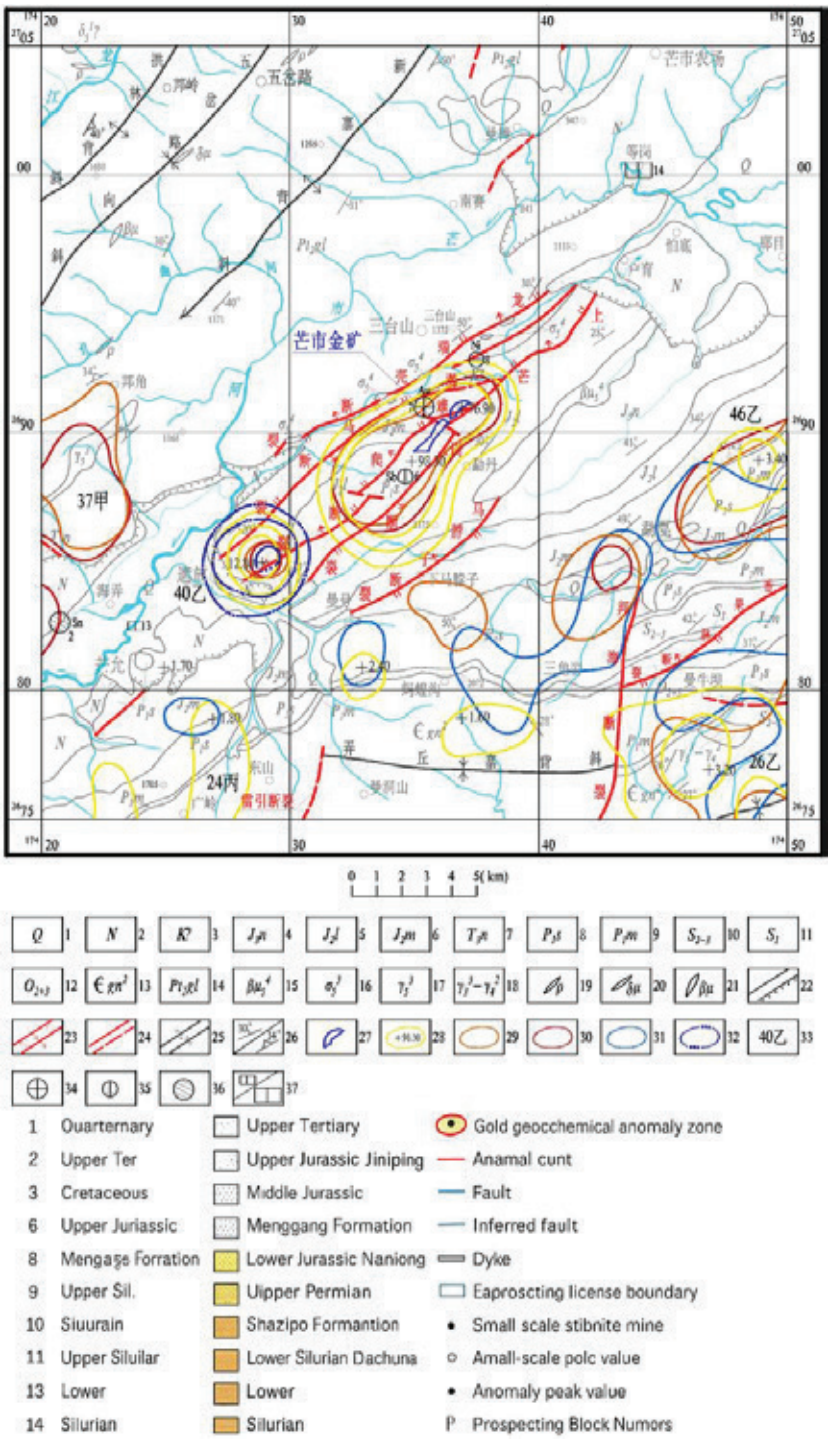


Figure 6–13 Regional Geological Map around Huasheng

6.17 Comments and Recommendations

BAW is of the opinion that the Mineral Resource estimates provide a reasonable representation of the gold mineralization at the Huasheng Property, based on the current geological understanding and sampling density.

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.

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. Currently, bulk density samples have been collected only from within the mineralized domains, which may not adequately represent all rock types encountered in mining.

Further work is recommended to better define the boundary between oxide and primary (fresh) mineralization. Metallurgical testwork to date indicates a significant difference in recovery rates between ore types; however, the current geological model lacks sufficient information to reliably distinguish these domains. Accurate delineation is required to support both resource estimation and mine planning. It is noted that the current geological model does not adequately distinguish between oxide, transition (mixed), and primary ore types, and the host dolomite is extensively fractured. This limitation introduces uncertainty in metallurgical performance, as recovery rates vary significantly between ore types: oxidized ore is generally amenable to heap leaching and cyanidation, while primary ore is refractory and requires flotation-cyanidation with lower recoveries and higher costs. Failure to reliably delineate ore-type boundaries could lead to sub-optimal processing strategies, reduced recoveries, and adverse impacts on project economics. It is therefore recommended that further metallurgical testwork and systematic logging of oxidation states be undertaken to refine ore-type domains in the block model, thereby reducing risk in future mine planning and economic evaluation.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Huasheng Property presented in this CPR are made in conformity with the requirements of the JORC Code (2012) which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code (2012), the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

- *An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.*

- *A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.*

- *A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.*

- *Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedure

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructure, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected pit shell for surface constraints and potential interactions with planned production operations.

- **Pit Optimization**: Optimize the position and dimension of the ultimate pit boundary based on the geological and economic parameters of the deposit, along with mining, processing, and market conditions.

- **Mine Design**: Refine the optimal pit shell generated during optimization through detailed design, incorporating access ramps, bench configurations, and mining constraints.

- **Mine Production Schedule**: Schedule the material within the designed pit according to feasible tonnage and processing plant targets.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.3 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the JORC Code (2012), BAW reviewed a number of technical studies prepared for the Huasheng Property and made reference to the current construction and mining plan. The confidence level in the Modifying Factors demonstrated in those technical studies is considered by BAW to be akin to a pre-feasibility study level and is suitable to support Ore Reserve estimation. The technical studies reviewed by BAW include:

- Feasibility Study on Mangshi Huasheng Gold Mine, CGDI, November 2024.
- Pre-Feasibility Study on Mangshi Huasheng Gold Mine, CGDI, March 2023.
- Technical Review for the Mangshi Gold Project, Yunnan Province, People's Republic of China, SRK, March 2016.
- Pre-Feasibility Study on the Expansion Project of Huasheng Gold Mine in Mangshi, Yunnan Province, BGRIMM, December 2014.

The latest technical study is the Feasibility Study on Mangshi Huasheng Gold Mine(1.2 Mtpa, 2024), Although it is titled a "Feasibility Study", BAW considered the study only meets the level of a pre-feasibility study level. Therefore, BAW has reviewed its established parameters and made the necessary adjustments for Ore Reserve estimation.

7.4 Cut-Off Grade

The break-even COG (also referred to as the marginal or economical COG) is the lowest COG that will be applied at any point in time and will typically become applicable towards the end of the mine life when approaching resource exhaustion or during periods of high waste stripping. The mill limiting COG will typically apply when the open pit can produce sufficient ore, and the processing plant is the limiting constraint, which is the case for this DFS. The equation, as defined by Ken Lane, is shown below.

$$Mill\ Limiting\ Cut-off\ Grade\ (g/t) = \frac{(Unit\ Processing\ Cost\ (\$/t) + \frac{General\ and\ Admin\ cost\ (\$)}{Mill\ Capacity\ (t)}}{Net\ Price\ \left(\frac{\$}{g}\right) \times Processing\ Recovery\ (\%)}$$

The parameters used for cut-off grade analysis is shown in Table 7–1.

Table 7–1 Cut-off Grade adopted in Ore Reserve Estimation for the Huasheng Property

Parameter	Unit	Value
USD To RMB		7.00
g to oz		31.1035
Gold Price	$/oz	2,000
	RMB/g	450.11
Mining Cost	RMB/t	12.63
Processing Cost	RMB/t	105.18
General & Administrative Cost	RMB/t	55.83
Mining Dilution	%	5
Mining Recovery	%	95
Processing Recovery	%	65
Break-even Cut-Off Grade	g/t	0.55
Mill Cut-Off Grade	g/t	0.50

Source: summarized by BAW

Additionally, it should be noted that in estimating the cut-off grade for reserves, particular attention was given to the impact of lower-grade material. Specifically, due to the relatively high tailings grade, the metallurgical recovery is expected to be significantly lower than the average recovery rate of 76.5% when approaching the cut-off grade. Based on this, BAW has applied a reasonable adjustment, and the recovery rate assumption for material near the cut-off has been conservatively set at 65%. As the result, for the Reserve estimate the Mineral Reserve COG was 0.5g/t.

7.5 Mining Dilution and Recovery

A mining dilution of 5% and a recovery of 95% were adopted, reflecting standard practices in gold mining for similar deposit types and scales.

7.6 Ore Reserves Statement

The Ore Reserves of the Huasheng Property were estimated as of December 31, 2025 with the following key assumptions:

All of the Ore Reserves are included within the Mineral Resources;

- In light of the study level of the Feasibility Study Report, BAW has converted the Measured and Indicated Mineral Resources to Probable Ore Reserves. This section outlines the deficiencies identified in the Feasibility Study Report and the necessary adjustments made by BAW;

- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- Adopted cut-off grade: 0.5 g/t Au, based on a gold price of RMB450/g (US$2,000/oz), with an assumed USD to RMB exchange rate of 7.0;
- Ore Reserves are reported within a designed pit based on an optimized shell, within the exploration license;
- Mining recovery: 95%;
- Mining dilution: 5%; and
- Totals may not add up.

Table 7–2 summarize the Ore Reserve statement for the Huasheng Property as of December 31, 2025 at a cut-off of 0.5 g/t Au.

Table 7–2 Ore Reserves Statement Prepared by BAW for the Huasheng Property as of December 31, 2025

Category	Cut-off Grade (g/t)	Tonnage (mt)	Gold Grade (g/t)	Contained Gold (t)
Proved				
Probable	0.5	13.27	1.84	24.36
Total	0.5	13.27	1.84	24.36

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Mining Method Selection

In 2015, BGRIMM conducted an economic and technical comparison between open-pit and underground mining operations, evaluating factors such as capital investment, production cost, the quality of mined mineralized materials, and production safety. The conclusion was that open-pit mining is preferable, particularly for the mineralized body VII located at the Maiwoba Section.

In 2016, SRK reviewed BGRIMM's work and determined that the mining method and scope adopted in the pre-feasibility study were reasonable in their technical review report. In 2023 and 2024, CGDI conducted a pre-feasibility study, concluding that open-pit mining is more suitable for extracting the orebody compared to the underground mining method. At the time of this report, BAW reviewed the historical studies and supports the option of open-pit mining.

8.2 Hydrological Conditions

8.2.1 Topography, Geomorphology and Hydrology

The mining area is located at the southwestern end of the Hengduan Mountains, within the secondary watershed of the east bank of the Bangdian River, a tributary of the Mangshi River. The terrain features high elevation in the southwest and lower elevation in the northeast, with mountain ranges and valleys arranged in a northeast-southwest direction, consistent with the main structural trend. The river valleys are predominantly "V"-shaped, with some exhibiting a widened "U" shape. The topographic slope generally ranges from 20° to 30°. The highest point in the area is Leixiu Mountain, with an elevation of 1,505.6 m, while the lowest point is at the outlet of the Dagang River in the northwest corner of the mining area, with a riverbed elevation of 1,070 m, resulting in a relative height difference of 435.6 m. This region belongs to a tectonic denudation mid-low mountain landform area, where the topography facilitates the natural drainage of groundwater and surface water.

The climate is characterized as a subtropical monsoon climate, exhibiting features of a low-latitude, mountain-type monsoon climate. The area experiences "long summers and short winters, small seasonal temperature variation, large annual temperature differences, distinct dry and wet seasons, significant vertical variation, drought in winter and spring, and waterlogging in summer and autumn." According to data from the Mangshi Meteorological Station, the average annual temperature is 19.6°C, with an extreme maximum temperature of 36.2°C and a minimum winter temperature of 0.6°C. The rainy season occurs from May to October, with an average annual rainfall of 1,654.6 mm, a maximum annual rainfall of 2,294.4 mm, and a minimum annual rainfall of 1,177.3 mm. Rainfall during the rainy season is concentrated, accounting for 89.9% of the annual total, with heavy to torrential rains peaking in July and August, representing 46.8% of the total annual rainfall. The average number of rainy days per year is around 171. Due to geographical factors such as terrain, landform, and elevation, rainfall distribution is uneven, with mountainous areas receiving more precipitation than dam and river valley regions. The area benefits from abundant sunlight, with 2,252.9 hours of annual sunshine, an average annual evaporation of 1,342.3 mm, and a frost-free period exceeding 300 days. Wind direction is predominantly from the southwest, with general wind forces ranging from Grade 1 to 3, and a maximum of Grade 6. The average annual wind speed is 1.0 m/s, with a maximum speed of 15.7 m/s. Calm wind conditions (1 to 5 km/h) account for 10.5% of the year.

The mining area is part of the Bangdian River, a secondary tributary of the middle reaches of the Mangshi River in the Irrawaddy River system. The south and east banks form a complete hydrogeological unit. The primary surface water bodies in the area are the Dagang River and Guangling Ditch, with the dendritic creeks flowing through the survey area being branches of the Dagang River.

8.2.2 Main Aquifers and Aquicludes

Based on the medium form of groundwater occurrence, water-bearing properties, and hydrodynamic characteristics, combined with the lithological assemblage of the outcropping strata in the mining area, the types of groundwater are classified into five major categories and seven aquifers:

- Pore water in loose sediments
- Fissure water in clastic rocks
- Fissure water in clastic rocks with carbonate karst fissures

- Fissure-karst water in carbonate rocks
- Weathered fissure water in igneous rocks

Above the bedrock weathering zone, the aquifers exhibit weak to extremely low permeability. The primary aquifers include:

- Fractured clastic rock interbedded with carbonate karst fissures (II1) of the Middle Jurassic Matoushan Formation (J2m)
- Carbonate karst aquifer (IV) of the Lower Permian Shaiwa Formation (P1s)
- Tectonic fracture aquifers

These aquifers are locally distributed, with no direct hydraulic connection between the bedrock fissure waters in each aquifer. Consequently, there is no unified groundwater body within the mining area.

8.2.3 Mine Water Inflow Factors

The Maiwoba area is situated on the secondary surface watershed of the Maiwoba Ridge, characterized by high mountains and steep slopes. Analysis of the hydrogeological conditions in the area has determined that the groundwater in the mining area has no direct hydraulic connection with the regional groundwater.

Based on hydrogeological investigations and analyses of the open-pit mine pits and boreholes, the main factors and modes of water inflow into the deposit are as follows:

- Atmospheric precipitation is the primary source of groundwater recharge.
- During open-pit mining, karst fissure water in the carbonate rocks of the Lower Permian Shazipo Formation (P1s), which serves as a direct water-bearing aquifer, seeps into the mine pit.
- During open-pit mining, fissure water in the clastic rocks interbedded with carbonate karst fissures of the Middle Jurassic Mengjia Formation (J2m), an upper water-bearing aquifer, also seeps into the mine pit.
- Atmospheric precipitation infiltrates through tectonic fracture zones and structural fissures, contributing to water inflow into the mine pit.
- During the stripping process of the open pit mine, ground fissures are generated at the boundary of the pit. Atmospheric rainfall indirectly enters the mine pit along these fissures, representing an indirect factor of water inflow.

- During continuous heavy rainfall, accumulated water on the pit walls may directly seep into or suddenly rush into the mine pit, which constitutes an accidental factor of water inflow.

8.2.4 Pit Water Inflow Prediction

The mine utilizes open-pit mining, and future water inflow into the mine pit will consist of two components:

1. Atmospheric precipitation received within the pit boundary.

2. Groundwater from the Shazipo Formation (a direct water-bearing aquifer) flowing into the pit.

Surface runoff from precipitation outside the open-pit mining boundary will be managed through intercepting ditches surrounding the stope. This calculation focuses solely on atmospheric precipitation within the boundary and groundwater from the Shazipo Formation entering the pit.

The minimum elevation for calculating water inflow is the lowest mining elevation of 1,100 m. The precipitation estimation is based on the designed open-pit boundary, encompassing an area of 557,170 m^2. The groundwater estimation for the Shazipo Formation is defined by the area enclosed by the average groundwater level elevation of 1,114.56 m within the same boundary, covering 17,472 m^2.

Table 8–1 Water Inflow Estimation

Elevation	Water Inflow from Precipitation					Water Inflow from Groundwater			Total Water Inflow	
	Parameters			Results		Parameters				
	Pit Area	Average daily rainfall	Maximum daily rainfall	Average water inflow rate	Maximum water inflow rate	Aquifer permeability coefficient	Aquifer head height	Results	Average water inflow rate	Maximum water inflow rate
(m)	(m^2)	(m)	(m)	(m^3/d)	(m^3/d)	(m/d)	(m)	(m^3/d)	(m^3/d)	(m^3/d)
RL1100. . .	557,170	0.0079	0.1179	4,401.64	65,690.34	0.064575	14.56	134.15	4,535.74	65,824.49

The mine site is characterized by a subtropical monsoon climate, with annual precipitation averaging 1,654.6 mm. Approximately 89% of this precipitation occurs during the rainy season, from May to October. The highest point in the project area is Leixiu Mountain, at an elevation of 1,505.6 m, located in the southwest, while the lowest point is where the Dagang River exits in the northwest, at an elevation of 1,070 m, creating a relative elevation difference of 435.6 m. This results in a total relative relief of 541.6 m, sloping upward from northeast to southwest.

The Daganghe stream is a seasonal watercourse, flowing north from the east side of the open pit. Minor watercourses through dendritic and radial gullies are tributaries of the Daganghe stream and act as catchments for surface water from seasonal precipitation. The base of erosion in the project area is at 1,060 m ASL.

Hydrological surveys confirm that the main aquifers in the project area consist of fissures in bedrock (both clastic and carbonate rocks) and fault structures; however, the bedrock fissures have no hydraulic connections. Fault structures directly influence mining operations due to potential water inflows, and bedrock fissures near these fault structures may be affected by water pressure. Therefore, during mining operations, it is crucial to monitor for possible water inrush from fault structures to prevent floods or water-inrush accidents.

Groundwater supplies in the project area primarily originate from precipitation, and the groundwater level varies seasonally with rainfall. Overall, the dynamic changes in groundwater levels are relatively small and lag behind precipitation changes. Based on the designed optimized open pit, the pit floor elevation is set at 1,120 m ASL, which is higher than the erosion base of 1,060 m ASL.

BAW believes that the rainy season significantly impacts open-pit mining operations, necessitating close attention to slope changes. Enhanced slope monitoring is essential to mitigate risks such as landslides or pit wall collapses, thereby eliminating potential threats during the rainy season.

8.3 Geotechnical Conditions

Current geotechnical surveys indicate that the mineralized body at the Maiwoba Section is hosted within Permian sedimentary rocks of dolomite and limestone, which are extensively fractured and locally affected by small fault structures. The primary geotechnical factors influencing mining operations include the mineralized body, hanging wall, footwall, and fault structures. Based on physical and mechanical properties, as well as lithology and structure, five rock types have been classified, with their properties detailed in Table 8–2.

Table 8–2 Physical and Mechanical Properties

Rock Type	Water Content (%)	Compressive Strength (MPa) Dry Basis	Compressive Strength (MPa) Saturated	Hardness Coefficient (f, kg/cm^2)
Medium weathered siltstone	2.36	10.5	8.23	1
Weakly weathered fine-grained sandstone	0.26	52.5	43.8	4–5
Broken dolomite (hanging wall) .	0.06	107.0	93.2	10
Dolomite (mineralised body) . . .	0.09	87.4	77.6	7–9
Broken dolomite (footwall)	0.10	50.2	44.4	4–5

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. According to BGRIMM's PFS, the upper slope is composed of soft mudstone and relatively soft clastic rocks, characterized by well-developed bedded structures. These rocks are prone to weathering when exposed, easily dissolve in water, expand when wet, and the mudstones are susceptible to softening and argillization, which can lead to deformation and failure of the open pit slope. The lower slope consists of softer dolomite and hard limestone, both of which can be easily fractured by fault structures.

Open-pit mining operations may disrupt the stress balance maintaining slope stability, posing significant risks of geological hazards such as wall collapses and landslides. BAW concurs with this assessment.

Based on current geotechnical data, BAW advocates for additional investigations to establish a more reliable and comprehensive foundation for mining operations. Safety considerations necessitate strict monitoring and management of the current slope conditions.

The seismic cracking degree of the mine-site is rated at VIII, with a peak ground motion acceleration of 0.3 g and a characteristic period of 0.4 s, indicating a relatively unstable area.

8.4 Slope Design and bench parameters

As of the date of this report, in the Feasibility Study report, no slope stability analysis has been conducted to establish acceptable design parameters. The overall slope angle (OSA) for the open-pit mines is set based on analogous data from similar mines, with a maximum angle of less than 42°. Relevant mine information is presented in Table 8–3.

Table 8–3 Overall Slope Angle for Multiple Open Pits

Mine Name	Surrounding Rock Type	Mining Depth (m)	OSA (°)
Newman Hill Iron Mine (Australia)	Sandstone, Shale	500	35–45
Salton Copper Mine (USA)	Granite, Monzonite	305	38–45
Baiyin Open pit Mine	Tuff, Rhyodacite Porphyry	250	42–46
Heiwang Iron Mine	Argillaceous Limestone, Limestone	310	41–43
Inner Mongolia Bilige Gold Mine	Tuffaceous Sandstone, Granite Porphyry, Andesite	170	37–45

Other slope parameters are selected as in Table 8–4:

Table 8–4 the parameters of Pit Design

Parameters	Value	Unit
Bench Height	10	m
Combined Bench Height	20	m (Double Bench)
Bench Face Angle	65	Degree
Clean Berm Width	20	m
Safety Berm Width	10	m
Single Lane Ramp Width	10	m
Double Lane Ramp Width	15	m
Ramp Gradient	9%	
Minimum Mining Width	30	m

BAW has reviewed the Slope Design and bench parameters, and considers that the report has adopted a prudent approach to data selection. The selected data is sufficient to support reserve estimation; however, greater stringency is required for the reserve classification.

8.5 Pit Optimisation

8.5.1 Mining Model

The geological mineral resource model was realigned to the normal axis azimuth to facilitate Whittle pit optimization. The block size was adjusted from 10 m x 10 m x 2 m to the standard mining unit (SMU) size of 10 m x 10 m x 10 m, which is deemed suitable for the loading units at Huasheng. This revised mining model will serve as input for pit optimization.

8.5.2 Pit Optimisation Parameters

To identify the economically viable extraction portion of the Huasheng Property, BAW conducted pit optimization using the Pseudoflow algorithm with parameters outlined in Table 8–5. The exploration license were incorporated as constraints during the optimization process, which focused exclusively on the Measured and Indicated Resources.

Table 8–5 Pit Optimisation Parameters for the Huasheng Property

Parameters	Value	Unit	Comment
USD To RMB	7		exchange currency
Gold Price	2,000	$/oz	
	450.11	RMB/g	
Mining Operating Cost	12.63	RMB/t	
Processing & Smelting Operating Cost	105.18	RMB/t	
General & Administrative	55.83	RMB/t	
Mining Dilution	5.00	%	
Mining Recovery	95	%	
Total Recovery of Processing and Smelting	76.5	%	
Overall Slope Angle	42	°	
Revenue Factor	0.3 to 1.5, single 2.0		Increment 0.02
Ore Processing Capacity	1.2	mtpa	Ore Processing Rate
Mining Capacity	16.5	mtpa	Mining Rate

8.5.3 Pit Optimisation

Using the parameters listed in Table 8–6, the traditional open pit optimization has run firstly, the results of the pit-by-pit analysis are presented in Figure 8–1.

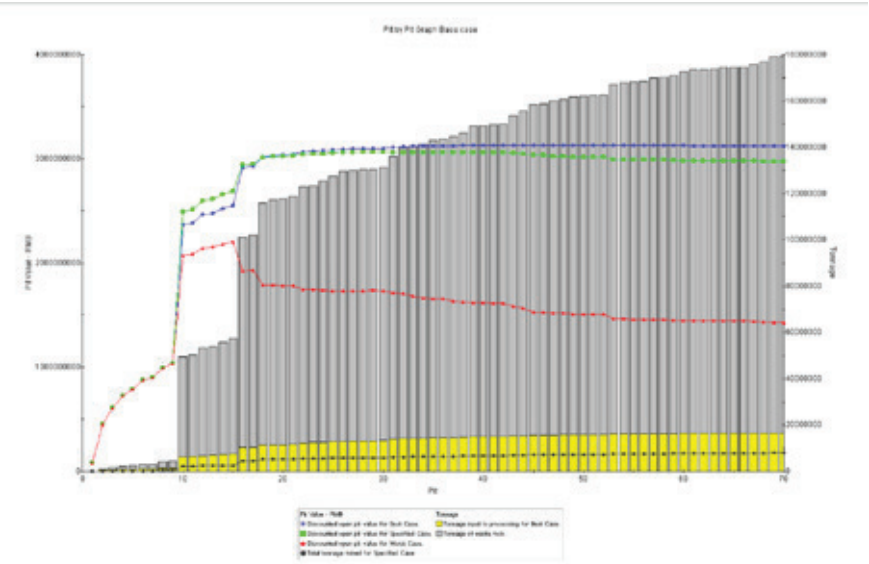


Figure 8–1 Pit by Pit Graph of traditional pit optimization for the Huasheng Property

A series of nested pit shells were generated using Whittle software based on a range of revenue factors (RF) applied to gold prices. Preliminary cash flows were estimated using a 10% discount rate and the nominal commodity prices of $2,000/oz for gold. It is important to note that while relative values are useful for selecting the optimal pit shell, absolute values have no significance during this evaluation stage.

Whittle automatically generated three pit optimization scenarios as follows:

- Best Case: Pit shells are mined sequentially, one after the other.
- Worst Case: The final pit is mined bench by bench.
- Specified Case: Predefined pushback geometries are applied to guide pit sequencing.

After evaluating various scenarios, including single and multiple pushbacks, the pit shell with revenue factor 1.0 was acceptable as the final pit, so the directional open pit optimization was conducted as well.

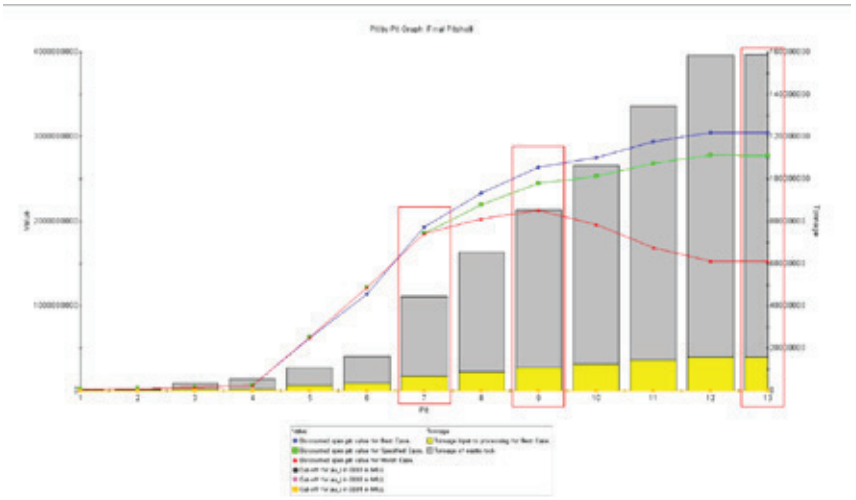


Figure 8–2 Pit by Pit Graph of directional pit optimization for the Huasheng Property

Table 8–6 Optimisation Results of Various Pit Shells for the Huasheng Property

Final pit	Open pit cashflow best	Open pit cashflow specified	Open pit cashflow worst	Tonne input best	Waste best tonne	Mine life years best	Mine life years specified	Mine life years worst
	M$ disc	M$ disc	M$ disc	Mt	Mt			
1	17.84	17.84	17.84	0.18	0.49	0.15	0.15	0.15
2	19.25	19.25	19.25	0.24	0.78	0.20	0.20	0.20
3	35.32	35.32	35.32	0.47	2.85	0.39	0.39	0.39
4	59.67	59.67	59.67	0.74	4.59	0.62	0.62	0.62
5	621.92	634.44	634.44	2.32	8.38	1.94	1.94	1.94
6	1,143.69	1,218.10	1,218.10	3.35	12.68	2.80	2.80	2.80
7	1,934.17	1,856.55	1,856.55	6.77	37.54	5.84	6.63	6.63
8	2,331.97	2,199.89	2,029.62	8.76	56.74	7.64	8.29	9.15
9	2,638.46	2,448.15	2,126.12	10.70	74.63	9.51	9.90	11.39
10 . . .	2,752.34	2,529.76	1,961.73	12.38	94.09	11.35	11.32	13.42
11 . . .	2,941.54	2,686.62	1,688.98	14.37	119.93	13.65	12.96	16.67
12 . . .	3,046.47	2,782.95	1,529.74	15.69	142.92	15.10	14.06	18.76
13 . . .	3,046.50	2,778.80	1,528.94	15.69	143.00	15.10	14.08	18.76

Final pit limits were determined using directional open pit optimization, guided by the site's spatial characteristics and economic scenarios. The process balanced Net Present Value (NPV) with geotechnical stability, operational efficiency, and environmental and social constraints.

Given a favorable market outlook, the selected final pit corresponds to the shell with a revenue factor of 1.0, representing a balance between maximizing economic potential and maintaining technical and operational feasibility. This approach ensures the final pit is economically robust, directionally optimized, and compliant with geotechnical and environmental requirements.

8.6 Pit Design

The pit design was developed based on the mining model and slope design parameters illustrated in Figures 8–3, 8–4, 8–5 and 8–6, with the overall slope angle remaining below 42°. The bench parameters was shown in Table 8–3.

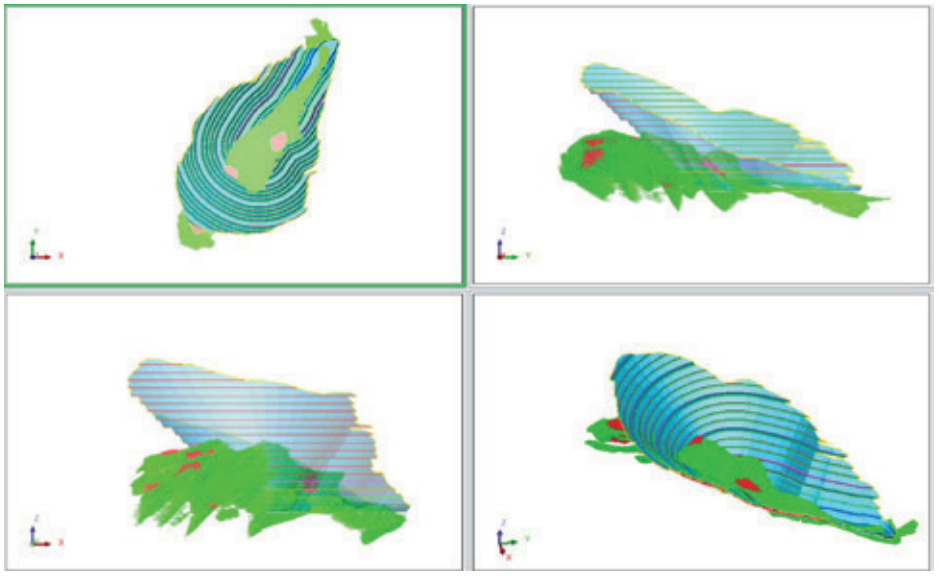


Figure 8–3 Plan View and Section View of Pushback 1 Design

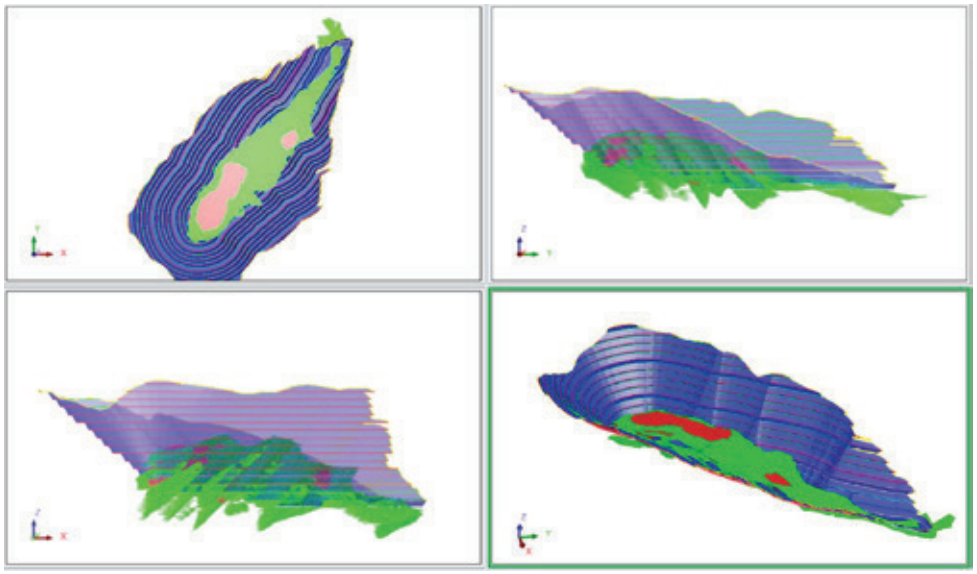


Figure 8–4 Plan View and Section View of Final Pit for the Huasheng Property

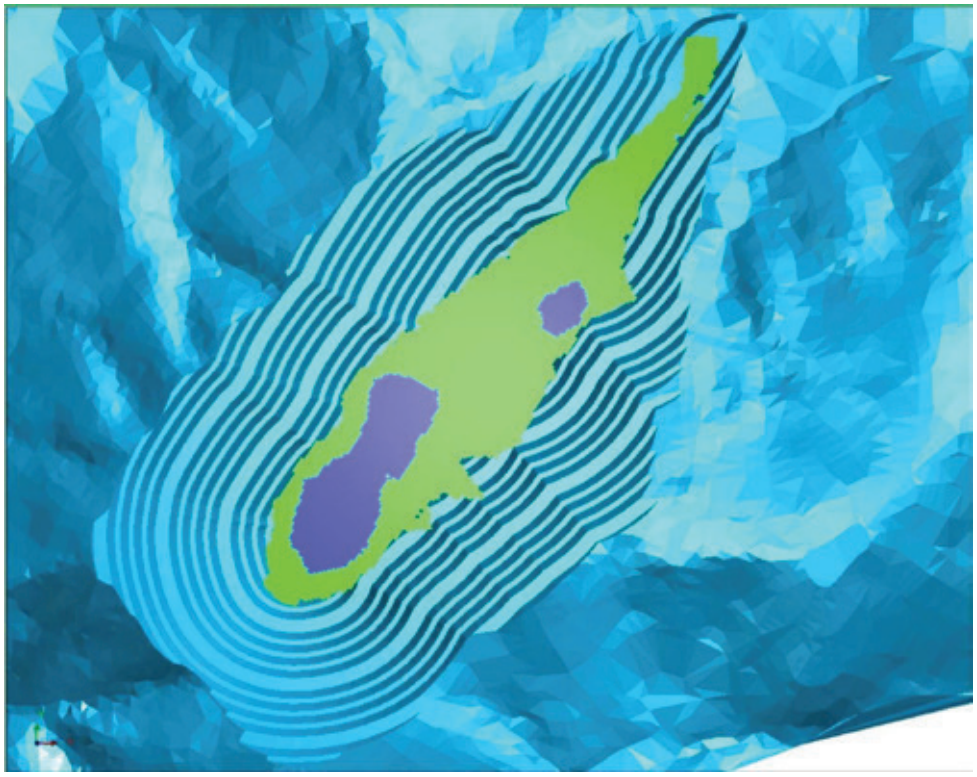


Figure 8–5 Plan View of Final Pit Design Merged with Topo for the Huasheng Property

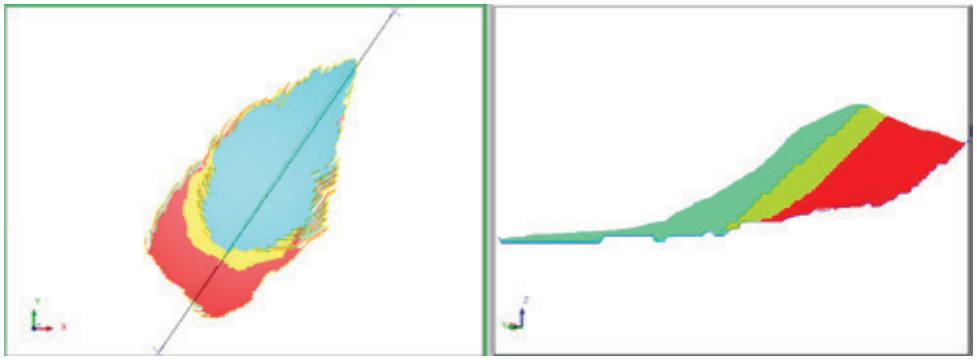


Figure 8–6 Pushbacks and the Section view

8.7 Mining Sequence

The mining method is open-pit mining, carried out in three phases. The mining and stripping direction progresses from the upper to the lower part of the ore body. The working bench height is 10 meters. To facilitate future slope widening, benches in the first and second phase boundaries are not combined where they have not reached the final boundary.

The usual mining procedures include drilling and blasting operations and loading and hauling operations. For drilling, stripping operations use hydraulic down-the-hole drills with a diameter of 150 mm, while ore drilling uses hydraulic down-the-hole drills with a diameter of 100 mm. An additional 100 mm diesel-driven hydraulic down-the-hole drill is used for auxiliary drilling operations, such as pre-split blasting of pit slopes and single-wall road cuts. The drill patterns (hole network parameters) are 5.0 m × 4.5 m for stripping and 4.5 m × 4.0 m for ore drilling.

Material haulage will be conducted using 45-ton dump trucks. The transport platform width is 10 meters (single lane). External transport roads are designed to Grade III standard, with a subgrade width of 8.0 m and pavement width of 6.0 m. Internal mining area roads also have a subgrade width of 8.0 m and pavement width of 6.0 m. The maximum road gradient is set at 9% for main lines and 10% for branch lines. For external transport roads, the maximum longitudinal gradient is 8%.

8.8 Mining Equipment

The main planned mining equipment is detailed in Table 8–7.

Table 8–7 The main planned mining equipment for the Huasheng Property

Category	Equipment Name	Model/Technical Specifications	Quantity
Drilling	Down-the-Hole Drill	150 mm diameter, Hydraulic	6
	Down-the-Hole Drill	100 mm diameter, Hydraulic	2
Loading.	Hydraulic Backhoe Excavator	4.0 m^3 bucket capacity	6
	Hydraulic Backhoe Excavator	2.0 m^3 bucket capacity	2
	Front-End Loader	ZL50 type, 3 m^3 bucket capacity	2
Haulage.	Dump Truck	45-ton capacity	48
Other	Dozer	T220	2
	Water Truck	20-ton capacity (Note: One text mentions a 15t water truck)	2
	Hydraulic Rock Breaker	(No specific model given)	2

8.9 Infrastructure

8.9.1 Infrastructure and Logistics

The Huasheng Gold Project is designed as an integrated mining, processing, and tailings development, covering a total land area of 232.23 ha. This area is partitioned into several key functional zones, including the Open Pit Mine (64.5 hm^2), the Processing Plant Industrial Area (11.1 hm^2), the Waste Dump (97.4 ha), the Tailings Storage Facility (40.63 ha), and the Heap Leach Facility (12.5 ha). The layout adheres to principles of concentration, simplicity, and economy, utilizing the natural ridge and valley topography to minimize material transportation distances and facilitate management. The industrial processing area is strategically located on a ridge approximately 800m west of the open pit, adjacent to the TSF upstream side, at elevations between 1190m and 1217m. Administrative and residential facilities are planned for a reconstructed site about 1.5 km north of the open pit, leveraging existing infrastructure.

8.9.2 Accessibility and Transportation

The site, situated about 23 km southwest of Mangshi City, Yunnan Province, PRC, benefits from relatively good road access. A 2 km simple mine road connects the site to National Highway 320 (G320). This highway links directly to Mangshi City (23 km distant) and provides access to the G56 Hangrui Expressway, leading to Kunming (829 km away). For operational transport, single-mode highway development utilizing automobile transport is the recommended and most suitable method for the open pit operation. External transportation relies on third-party capacity for the shipment of gold concentrate (30,400 t/a) and the import of large quantities of materials (12,000 t/a of agents and materials). Internal site roads, necessary for linking the open pit, plant, and waste dump, are scheduled for reconstruction and expansion, achieving a 6.0m wide surface over contact distances of up to 4,000m.

8.9.3 Power and Water

The project benefits from adequate utility provision established in the region:

- **Power Supply:** Electricity is sourced from a nearby 110kV Zhepang Substation, which has sufficient residual capacity to meet the project's requirements. The total project installed capacity is calculated at 16,972 kW, with a working capacity of 14,757 kW. Power is transmitted via a 35kV transmission line (LGJ-185) running 3.6 km to the mine site, acting as the primary power source.

- **Water Supply and Management:** The primary source for both production and domestic needs is the Dagang River, a perennial river whose flow capacity (0.046–689.28 L/s) is sufficient for continuous operation. Water is drawn from an intake point 800m southeast of the pit and supplied to an existing 700 m^3 high-level water tank for domestic consumption. Crucially, the process design incorporates high rates of water recycling. For instance, in the whole-ore cyanidation process, recycled water accounts for 7,817 t/d of the total 8,756 t/d demand (Oxide ore) and 11,785 t/d of the total 12,918 t/d demand (Primary ore). Mine water collected in the pit is also subjected to sedimentation and then pumped to the high-level water pool for reuse in production.

8.9.4 Tailings and Waste Management

Tailings resulting from the full-mud cyanidation of high-grade oxide and primary ores (66.75% of total annual throughput) will be managed in a newly constructed Tailings Storage Facility (TSF), utilizing dry stacking technology.

- **TSF Design:** The selected North Pit site is compact and adjacent to the plant, with a design total capacity of 9.664 million m^3. The TSF dam is classified as Grade III and has a final dam height of 106m. The tailings are concentrated and dewatered using high-efficiency thickeners and filter presses to ensure the filter cake moisture content is strictly controlled (not greater than 22%).

- **Environmental Controls:** The TSF is designed with a full anti-seepage system, consisting of a composite geomembrane structure ($400g/m^2 + 1.5mm HDPE + 400g/m^2$) covering the entire basin and dam bottom. Stormwater management is handled by a "drainage well-tunnel-stilling basin" system, supplemented by perimeter diversion ditches to minimize water inflow.

- **Waste Dump:** The primary Waste Dump occupies 97.4 ha and utilizes a multi-tiered stacking approach (30m high steps, 11 total levels). Waste rock disposal uses truck and bulldozer methods, moving from bottom to top, inside to outside.

8.10 LOM Production Schedule

Table 8–8and Figure 8–8 present key statistics for the LOM production.

Table 8–8 LOM Production Schedule of the Huasheng Property

	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Mining															
Waste	mt	148.9	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	7.3	3.6	3.2	
Ore Mined	mt	13.3	—	0.9	1.4	1.5	1.4	1.4	1.4	1.2	0.5	1.5	1.2	1.1	
Total	mt	162.2	15.0	15.9	16.3	16.4	16.4	16.4	16.3	16.1	15.5	8.8	4.8	4.3	
Strip Ratio	t:t	11.2	—	16.7	11.0	10.2	10.6	10.9	11.0	12.9	29.2	5.0	3.2	2.8	
Grade	g/t	1.84	—	1.86	2.36	2.16	1.37	1.46	2.28	1.72	1.32	1.86	1.87	1.57	
Contain Metal	T	24.4	—	1.7	3.2	3.2	1.9	2.0	3.1	2.0	0.7	2.7	2.2	1.8	
Stockpile															
Tonnage	mt	5.7	—	—	0.2	0.4	0.6	0.8	1.0	1.0	0.3	0.5	0.5	0.4	
Grade	g/t	2.80	—.0	—.0	4.30	3.69	2.73	2.32	2.75	2.70	3.62	2.66	2.62	2.49	
Metal	T	15.9	—	—	0.7	1.6	1.8	1.9	2.7	2.6	1.0	1.4	1.3	1.0	
Processing															
Tonnage	mt	13.3	—	0.9	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	0.4
Grade	g/t	1.84	—	1.86	2.09	1.90	1.47	1.55	1.91	1.79	1.90	1.90	1.90	1.69	2.49
Contained Gold	t	24.4	—	1.7	2.5	2.3	1.8	1.9	2.3	2.1	2.3	2.3	2.3	2.0	1.0
Gold Recovery	%	76.03		76.03	76.03	76.03	76.03	76.03	76.03	76.03	76.03	76.03	76.03	76.03	76.03
Gold Recovered	t	18.5	—	1.3	1.9	1.7	1.3	1.4	1.7	1.6	1.7	1.7	1.7	1.5	0.8

Totals may not add up due to rounding of decimal places.

9 PROCESSING

9.1 Previous Testwork

9.1.1 Mineralogy Studies

To characterize oxidation rates at varying depths, 18 samples were collected from different drill holes across four major ore bodies (M II–1 to M II–4), covering distinct elevation intervals as shown in Table 9–1. This sampling strategy ensures representative coverage of iron oxidation states throughout the deposit's vertical profile.

Table 9–1 Sample Details of Mineralogy Studies

Sample	Fe_2O_3	FeO	Fe_2O_3/TFe	Sample Depth (m)	Orebody
Y1	0.73	0.18	80.22	1,063~1,064	MII-3
Y2	1.18	0.18	86.76	1,061~1,063	MII-2
Y3	1.07	0.22	82.95	1,059~1,061	MII-4
Y4	0.76	0.11	87.36	1,118.4~1,122.75	MII-1
Y5	1.16	0.1	92.06	1,115.4~1,118.4	MII-2
Y6	3.77	0.1	97.42	1,208~1,215.5	MII-3
Y7	3.3	0.07	97.92	1,203.5~1,208	MII-1
Y8	3.97	0.13	96.83	1,196~1,203.5	MII-2
Y9	4.21	0.11	97.45	1,190~1,196	MII-1
Y10	3.5	0.11	96.95	1,184~1,190	MII-2
Y11	4.12	0.07	98.33	1,178~1,184	MII-3
Y12	4.11	0.07	98.33	1,172~1,178	MII-4
Y13	4.33	0.07	98.41	1,166~1,172	MII-2
Y14	4.52	0.07	98.47	1,160~1,166	MII-1
Y15	3.64	0.11	97.07	1,154~1,166	MII-3
Y16	4.73	0.14	97.13	1,148~1,154	MII-4
Y17	4.48	0.07	98.46	1,142~1,148	MII-2
Y18	3.87	0.07	98.22	1,136~1,142	MII-4
Average	3.19	0.11	94.46		

Based on Mangshi Huasheng Gold Mine Metallurgy Test prepared by Changchun Gold Research Institute Ltd., the following statement regarding mineralogy was made.

1) Oxidized Ore

Metallic minerals comprise 3.85% of the mineral content, with gangue minerals at 96.15%. Iron oxides, mainly limonite, account for 3.39% (1.44% limonite), and metallic sulfides for 0.46%. Gangue minerals are predominantly carbonates (calcite and dolomite), making up 75.61%. The gold grade is 3.47 g/t, and silver is 30.41 g/t, classifying it as low-sulfide carbonate-type gold-bearing oxidized ore.

Native gold is mainly fine to micro-grained (-0.037 mm), with 70.80% of gold occurring as intergranular (54.00%) or included (26.80%).

2) Primary Ore

The primary ore has a gold grade of 1.85 g/t and sulfur grade of 2.12%, classified as refractory low-sulfide micro-grained carbonate-type gold-bearing ore. It contains 2.75% metallic sulfides, primarily pyrite, with minor arsenopyrite, chalcopyrite, and others. Metallic oxides are 0.41%, mainly hematite and magnetite, while gangue minerals constitute 96.84%, dominated by carbonates.

Gold is mainly included (70.75%), with sulfide-hosted (34.51%) and gangue-hosted gold (36.24%). In products passing 0.074 mm, gold is primarily included (69.11%) and sulfide-hosted (33.31%). The main valuable component is gold, with low levels of elements harmful to cyanidation (As, Sb, Cu, and organic carbon).

BAW concludes that the oxidized ore shows high oxidation with fine to micro-grained native gold, while the primary ore has higher sulfide content (2.75% pyrite), necessitating different processing approaches.

9.1.2 Metallurgical Test

A number of metallurgical tests has been completed for the Huasheng Property between 2013 and 2022 summarized as below:

1. Mangshi Huasheng Gold Mine Cyanidation Test Report by Changchun Gold Research Institute Ltd., 2013.06Mangshi Huasheng Gold Mine Ball Mill Bond Indexes Test Report by Luoyang Mining Mechanical Design and Research Ltd. Application and Technical Research Lab, 2013.09.

2. Mangshi Huasheng Gold Mine Metallurgy Test by Kunming Fulin Mining Ltd., 2022.08.

3. Mangshi Huasheng Gold Mine Metallurgy Test by Changchun Gold Research Institute Ltd., 2022.11.

The No.1, No.2, and No.3 test reports were referenced in the *Mangshi Huasheng Gold Mine Expansion Engineering Pre-Feasibility Study*, drafted by Beijing General Research Institute of Mining & Metallurgy in December 2014. Key conclusions are summarized below:

1. Mangshi Gold Mine Metallurgical Test Report

Yantai Jinpeng Metallurgical Design and Research Institute Ltd., May 2013

- **Ore Characteristics**:
  - 1.61 g/t Au, fine-grained, disseminated oxide gold.
- **Process Recommendation**
  - Carbon-in-Leach (CIL), as gravity separation and flotation were unsuitable.
- **CIL Test Results**
  - Grind size: 85% passing 0.074 mm
  - Lime (CaO) dosage: 7.0 kg/t
  - Sodium cyanide (NaCN) dosage: 2.0 kg/t
  - Leach period: 24 hours
  - Results: Tailings grade: 0.19 g/t Au, Leach recovery: 88.19%, Overall recovery: 85.30%

2. Cyanidation Tests on Oxidized Ore

Changchun Gold Research Institute Ltd., June 2013 & October 2022

- **2013 Tests**
- Sample: ~500 kg from six sampling points.

Table 9–2 Sample Blending Results

Sample No.	Gold Grade Au (g/t)	Blending Ratio (%)
1	10.5	3
2	7.59	4
3	1.48	44
4	3.34	36
5	4.21	7
6	4.14	6
Calculated Blended Grade (g/t)	3.02	100.00
Actual Grade (g/t)	3.47	

- Results
  - o Grind size: 85% passing 0.074 mm
  - o Leach residue grade: 0.53 g/t Au
  - o Gold leaching rate: 84.73%
- **2022 Verification Tests**
- Sample: 132.46 kg from 41 drill cores in Maiwoba block.
- Results
  - o Grind size: 90% passing 0.074 mm
  - o Residue grade: 0.20 g/t Au
  - o Recovery: 89.19%

3. Cyanidation Tests on Primary Ore

Changchun Gold Research Institute Ltd., September 2022

- Sample: 402.80 kg from 14 drill cores in Maiwoba block.

- Statistical results:

Table 9–3 Sample information

Sample No.	Weight (kg)
2#–1	25.00
2#–2	30.80
3#–1	30.40
3#–2	10.40
3#–3	14.80
4#–1	41.40
4#–2	30.80
5#–1	41.60
5#–2	43.40
6#–1	19.00
6#–2	27.00
7#–1	21.20
7#–2	31.00
7#–3	36.00
Total	402.80

- Results
  - o Cyanide residue grade: 1.45 g/t Au
  - o Gold leaching rate: 21.62%
  - o Combined flotation-cyanidation process:
    - Tailings grades: 0.47 g/t Au, 2.88 g/t Ag, 0.80% S
    - Total recovery: 76.46% Au, 47.79% Ag, 65.04% S
  - o Flotation-cyanide leaching tests yielded a total recovery of 78.17% Au.
  - o **Recommendation**: Use cyanide leaching-flotation for optimal recovery.

4. Optimized Cyanidation Test

Kunming Fulin Mining Ltd., August 2022

- Process
  - o Grind size: 95% passing 200 mesh

- Reagent: 0.20% Jinchan gold leaching agent
- Pulp density: 25%
- Leach time: 24 hours

- Results
  - Gold leaching rate: 86.80%
  - Tailings grade: 0.267 g/t Au
  - Reagent consumption: 0.860 kg/t

Conclusion

The metallurgical tests (2013–2022) demonstrate:

1. **Oxidized Ore**: Achieved gold recoveries of 84.73–89.19% with residue grades of 0.20–0.53 g/t.
2. **Primary Ore**: Requires flotation-cyanidation synergy due to refractory gold, achieving recoveries of 76.46–78.17% Au including 21.62% from direct cyanidation alone.

9.2 Processing and Metallurgical Facilities

9.2.1 Processing Overview

Since its establishment in 2009, Huasheng Gold Mine has primarily exploited lateritic gold resources from the Dam and Orchard ore blocks. The Orchard block's lateritic gold resources were exhausted in 2013, with completed surface land reclamation. The Maiwoba block's lateritic gold resources were depleted by end-2011, and Carlin-like type gold resources began extraction in early 2012.

The main mining target is the open-pit No. VII ore body in the Maiwoba block, processed via heap leaching. Loaded carbon undergoes desorption, electrolysis, and refining to produce doré bars with fineness exceeding 99%.

The original 6t/d carbon desorption-electrolysis plant has been abandoned for years. Production data (e.g., ore throughput) during the suspension period remain unavailable due to staff attrition and missing archives.

The currently mined oxidized fine-grained disseminated gold ore belongs to the type that, after the removal of large ore blocks or waste rock from the extracted ore, can be directly heap-leached with cyanide to recover gold. The average gold grade of the ore fed to the heap is 1.32 g/t with tailings grade is 0.32 g/t at gold recovery of 75.75%.

Since 2016, the Huasheng Property has been in a state of suspension.

9.2.2 Historic Production

The heap-leached ore primarily consists of oxidized ore with a small amount of semi-oxidized ore. The heap leaching process is as follows: ore preparation → heap pad preparation → heap construction → ore turning → spraying → adsorption → heap washing → heap dismantling.

The heap-leached tailings are not dismantled but are stored in place, with new ore heaps continuously stacked on top of the leached tailings. The processing flowsheet is shown as Figure 9–1.

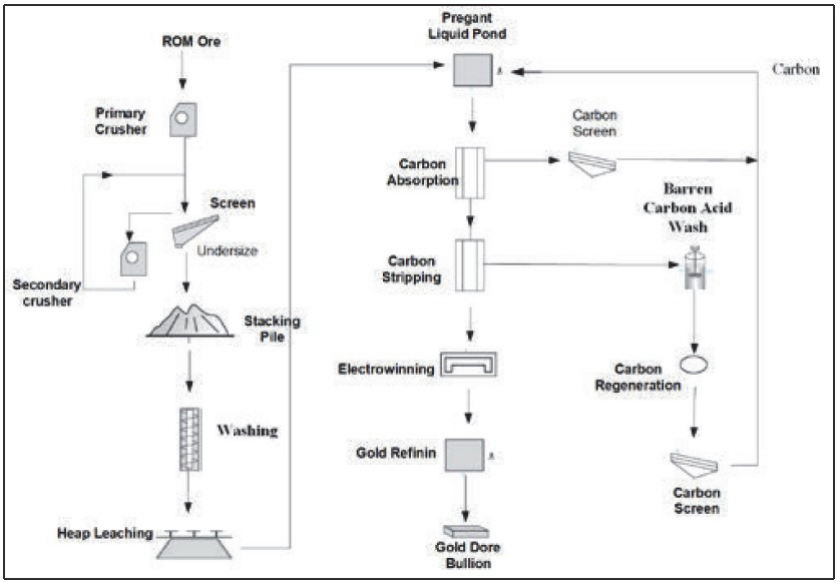


Figure 9–1 Historical Processing Flowsheet Diagram

After mining from the open pit, the ROM is crushed by the primary crusher and then packed to the rock pile. The ore pile is sprayed with NaOH and NaCN liquid. The pregnant liquid is collected and then carbons are added to adsorb Au^{+}. Loaded carbons are transferred to the carbon stripping and eletrowinning process; the products of eletrowinning- the gold sludge goes to the smelting system and has the products of alloy gold. The desorption carbons are transferred to the carbon regeneration system.

Since specialized heap leaching tests have not been conducted on crushed dolomite-type ore, on-site operational parameters are referenced as follows: ore type (crushed altered dolomite-type and earthy ore) with particle size typically 0–75 mm (maximum ≤150 mm), employing sodium cyanide at 0.25 kg/t ore (concentration 0.05–0.06%), lime consumption of 5.00 kg/t ore, leachate pH 10–11, intermittent spraying at 9.0 L/h • m^2 intensity, achieving a run-of-mine heap leaching grade of 1.36 g/t for oxidized ore with resultant leached residue at 0.32 g/t, demonstrating 76.5% gold leaching rate, 96.5% adsorption rate, 99% smelting recovery, and 73.00% overall recovery.

9.2.3 Proposed Processing Circuit

The mine management has commissioned Changchun Gold Research Institute Co., Ltd. to prepare a feasibility study report for production scales of 1.2 mtpa and 2.0 mtpa in 2022 ("**Huasheng FS 2022**"). The draft of the 1.2 mtpa version is provided for our review.

Proposed Construction Details

- Production Scale:
  - o Heap leaching of oxidized ore: 216 ktpa (1 ktpd)
  - o All-sliming cyanidation of oxidized ore: 324 ktpa (3 ktpd)
  - o Primary ore processing: 660 ktpa (3 ktpd)
- **Product Scheme**: Gold doré and flotation gold concentrate.
- Service Life:
  - o Heap leaching of oxidized ore: ~11.7 years
  - o All-sliming cyanidation of oxidized ore: ~11.4 years
  - o Primary ore processing: ~11.5 years

Processing Methods

1. Heap leaching for low-grade oxidized ore
2. All-sliming cyanidation for high-grade oxidized ore
3. Cementation + flotation for primary ore

Processing circuits for various ore are summarized as below.

Low-Grade Oxidized Ore

1) Crushing

A two-stage closed-circuit crushing process is used:

- Ore is transported to the raw ore bin and fed via a heavy-duty plate feeder into a jaw crusher (C80).
- Crushed material is screened, with oversize returned to the cone crusher (GP11) for secondary crushing.
- Undersize material is sent to the heap leaching pad via dump trucks for stacking.

2) Heap Leaching Pad & Stacking

- Stacked ore is leached using barren solution distributed via sprinklers.
- Pregnant leach solution (PLS) is collected in a PLS pond.

3) Carbon Adsorption

- Carbon adsorption is conducted in six series-connected columns (φ 2000 × 2500), processing 15.0 m^3/h of PLS per series.
- Gold-loaded carbon (0.5–0.6 t/day) is transferred to the stripping circuit, while barren solution is recycled.

Table 9–4 Proposed Equipment

Equipment	Specifications	Quantity
Heavy-duty Plate Feeder	GBZ1200 × 6000	1
Jaw Crusher	C80	1
Cone Crusher	PYB-1200	1
Circular Vibrating Screen	YA1842	1
Carbon Adsorption Tank	Φ2000 × 2000	6
NaCN Reagent Storage Tank	φ 2400 × 6600 (24m^3)	2
Loaded Carbon Separation Screen	0.6 × 1.2m	1

High-Grade Oxidized Ore

1) Primary Crushing

- Single-stage open-circuit crushing using a jaw crusher (C106).
- Crushed product is stored in a bin.

2) Grinding and Classification

- Two-stage closed-circuit grinding:
  - o SAG mill (Φ5000 × 4500) discharge is classified via hydrocyclones.
  - o Overflow enters a thickener, while underflow is processed in a ball mill (MQY4067).

3) Cyanide Leaching

- Thickener underflow (~40% solids) is processed in 8 tanks (2 pre-leaching + 6 adsorption tanks).
- Gold-loaded carbon is sent to the desorption-electrowinning system.

4) Desorption and Electrowinning

- Cyanide-free, desorption-electrowinning at 150°C and 0.5 MPa.
- Gold sludge is smelted into ingots.

Table 9–5 Proposed Equipment

Equipment	Specifications	Quantity
Heavy-duty Plate Feeder	GBZ1500 × 8000	1
Semi-autogenous Mill (SAG)	Φ6000 × 3000	1
Ball Mill	MQY4561	1
Leaching & Adsorption Tank	Φ12000 × 13000	6
Carbon Regeneration System	TZY1000, 210kg/h	1
Desorption-Electrolysis System	3t/batch	1

Sulfide Ore

1) Cyanide Destruction

- Cyanide tailings are treated with sodium metabisulfite and copper sulfate in agitation tanks.
- Cyanide concentration is reduced to < 0.01% before flotation.

2) Flotation

- Pre-selection, one roughing, two cleaning, and three scavenging stages.
- Concentrates are dewatered in a thickener and filter press.

3) Smelting

- Gold mud undergoes impurity removal, chlorination leaching, reduction, and smelting to produce gold ingots.

Table 9–6 Proposed Smelting Equipment list

Equipment	Specifications	Quantity
Flotation Machine (XCF-II)	$40m^3$	5
Flotation Machine (KYF-II)	$40m^3$	9
High-efficiency Filter Press	CJAH-10/30/30F	1
Gold Leaching Reactor	1,500L	1
Medium Frequency Furnace	—	1

9.2.4 Reagent Consumption

Heap leaching shows the lowest complexity and cyanide consumption (0.25 kg/t) but highest lime usage (5.0 kg/t), while whole-ore cyanidation increases cyanide demand (1.0 kg/t) and introduces grinding materials and activated carbon, as shown in Table 9–7.

Cyanidation + flotation requires the most reagents (1.5 kg/t NaCN, flotation chemicals) and de-cyanidation additives, reflecting its suitability for complex primary ores but higher operational intensity.

Table 9–7 Reagent Consumption for Three Types of Ores

Reagent	Primary Ore (Cyanidation + Flotation)	Oxidized Ore (Whole-Ore Cyanidation)	Oxidized Ore (Heap Leach)
Liner (Crushing)	0.015 kg	0.015 kg	0.03 kg
Conveyor Belt	0.0005 m^2	0.0005 m^2	0.0007 m^2
Lub. Oil (Crushing)	0.005 kg	0.005 kg	0.01 kg
Grease (Crushing)	0.003 kg	0.003 kg	0.005 kg
Quicklime	2.5 kg	4.5 kg	5.0 kg
Sodium Cyanide	1.5 kg	1.0 kg	0.25 kg
Sodium Hydroxide	0.30 kg	0.30 kg	0.30 kg
Liner (Grinding)	0.024 kg	0.024 kg	
Steel Balls	1.6 kg	1.6 kg	
Impeller Cover Plate	0.25 kg	0.25 kg	
Lub. Oil (Grinding)	0.025 kg	0.025 kg	
Grease (Grinding)	0.07 kg	0.07 kg	
Hydrochloric Acid	0.35 kg	0.35 kg	
Activated Carbon	0.002 kg	0.002 kg	
Sodium Metabisulfite	1.0 kg		
Copper Sulfate (DeCN)	0.5 kg		
Copper Sulfate (Flot.)	0.40 kg		
Butyl Xanthate	0.13 kg		
Butyl Dithiophosphate	0.065 kg		
MIBC	0.085 kg		

9.2.5 Comments

BAW reviews the data and notes that 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.

9.3 Recovery Rates and Product Quality

9.3.1 Low-grade Oxide Ore

The Huasheng FS 2022 proposes a heap leaching operation processing 1,000 tpd of low-grade oxide ore (0.89 g/t). The low-grade oxide ore heap leaching operation processes 1 ktpd of feed material, employing lime (CaO: 5 kg/t) to maintain pH 10–11 and sodium cyanide (NaCN: 0.25 kg/t) at a spray intensity of 9.0 $L/h \bullet m^2$, with a leaching cycle of 2 months.

As shown in Table 9–8, the operation has an annual ore processing capacity of 216 ktpa, treating feed material with a head grade of 0.89 g/t at 80 mm feed size, achieving key metallurgical performance indicators including a 75% leaching rate, 96.5% adsorption retention, 99% desorption-electrowinning efficiency, 99% smelting recovery, and an overall recovery rate of 70.93%.

Table 9–8 Proposed Heap Leaching Recovery for Low-Grade Oxide Ore

Item	Unit	Indicator
Annual Ore Processing Capacity	kt/a	216
Daily Ore Processing Capacity	t/d	1,000
Head Grade	g/t	0.89
Feed Size to Screen	mm	80
Spray Intensity	$L/m^2 \bullet h$	9
Leaching Rate	%	75
Adsorption Retention Rate	%	96.5
Desorption-Electrowinning Rate	%	99
Smelting Recovery Rate	%	99
Overall Recovery Rate	%	70.93

9.3.2 High-grade Oxide Ore

Based on the Huasheng FS 2022, the proposed High-grade Oxide Ore Leaching operation processes 324kt/a of ore averaging 2.67 g/t head grade, achieving 84% leaching efficiency and producing tailings at 0.427g/t, as shown in Table 9–9. This results in an industry-leading overall metallurgical recovery of 81.51%, demonstrating good gold extraction performance across the entire production chain.

Table 9–9 Proposed High-grade Oxide Ore Leaching Recovery

Parameter	Unit	Value
Annual Ore Throughput	kt/a	324
Daily Processing Capacity	t/d	1,000
Head Grade	g/t	2.67
Tailings Grade	g/t	0.427
Leaching Recovery rate	%	84
Adsorption Rate	%	99
Elution-Electrowinning Recovery	%	99
Smelting Recovery	%	99
Overall Metallurgical Recovery	%	81.51

9.3.3 Sulfide Ore

Based on the Huasheng FS 2022, the proposed sulfide ore leaching plant processes 660ktpa (2ktpd) of low-grade ore (1.81 g/t) with modest leaching efficiency (21%), producing high-grade tailings (1.43 g/t) despite unit process recoveries.

As shown in Table 9–10, the overall recovery for whole-ore cyanidation of sulfide ore stands at 20.38%, indicating significant gold retention in the tailings stream and potential opportunities for process optimization.

Table 9–10 Proposed Sulfide Ore Leaching Recovery

Parameter	Unit	Value
Annual Ore Processing Capacity	kt/a	660
Daily Processing Capacity	t/d	2,000
Head Grade	g/t	1.81
Tailings Grade	g/t	1.43
Leaching rate	%	21
Adsorption Rate	%	99
Elution-Electrowinning Efficiency	%	99
Smelting Recovery Rate	%	99
Overall Recovery — Whole Ore Cyanidation	%	20.38

Table 9–11 Proposed Sulfide Ore Overall Recovery

Products	Gold Yield	Gold Grade	Recovery Rate		Annual Output
			Staged Recovery	Total Recovery	
	(%)	(g/t)	(%)		(ktpa)
Cyanidation Tailings	—	1.43	—	20.38	660
Pre-concentration Concentrate	4.2	11.78	34.6	27.55	27.7
Flotation Concentrate	3.3	14.73	34	27.07	21.8
Flotation Tailings	92.5	0.49	31.4	25	610.5
Head Ore (Feed)	100	1.81	100		660

75

The operation produces three product streams, primarily cyanidation tailings (1.43 g/t with a 20.38% recovery) and flotation concentrates (14.73 g/t with a 27.07% recovery).

9.3.4 Production Forecast

As shown in below table 9–12, the gold production is projected to increase from 1.3 tonnes in 2027 to 1.9 tonnes in 2028, subsequently declining to 1.7 tonnes and 1.3 tonnes in 2029 and 2030 due to a decrease in head grade. A total of 18.5 tonnes of recovered metal is anticipated over the mine's life.

However, this production forecast is dependent on achieving a constant and optimistic overall recovery rate of 76.03%. This recovery figure is derived as a weighted average from the 1.2 Mtpa feasibility study draft, combining three ore types: oxidized ore heap leaching (70.93%), high-grade cyanidation (81.51%), and refractory sulfide ore (75%). It is noted that the projected recoveries for heap leaching and cyanidation appear optimistic without pilot-scale validation, while the low direct cyanidation recovery and marginal flotation upgrade (concentrate grade of 14.73 g/t) for the sulfide ore highlight its refractory nature.

Table 9–12 Proposed Production Schedule

	Unit	ROM Total	2027	2028	2029	2030	2031	2032
Feed Tonnes	Mt	13.3	0.9	1.2	1.2	1.2	1.20	1.20
Head Grade	g/t	1.84	1.86	2.09	1.9	1.47	1.55	1.91
Contained Gold	t	24.4	1.7	2.5	2.3	1.8	1.86	2.29
Gold Recovery	%	76.03	76.03	76.03	76.03	76.03	76.03	76.03
Gold Recovered	t	18.5	1.3	1.9	1.7	1.3	1.4	1.7

	Unit	2033	2034	2035	2036	2037	2038
Feed Tonnes	Mt	1.20	1.20	1.20	1.20	1.20	0.40
Head Grade	g/t	1.79	1.90	1.90	1.90	1.69	2.49
Contained Gold	t	2.14	2.28	2.29	2.28	2.02	1.00
Gold Recovery	%	76.03	76.03	76.03	76.03	76.03	76.03
Gold Recovered	t	1.6	1.7	1.7	1.7	1.5	0.8

9.3.5 Comments

BAW believed that the historical recovery rates and product quality align with oxidized ore heap leaching performance, but the forecasted recoveries for low-grade heap leaching (70.93%) and high-grade cyanidation (81.51%) appear optimistic without pilot validation, while the sulfide ore's low cyanidation recovery (20.38%) and marginal flotation upgrade (14.73g/t concentrate) reflect refractoriness, necessitating further process optimization to reconcile predicted 75% combined recovery with residual gold losses.

9.4 Tailings Storage Facilities ("TSF")

From 2013 to 2015, the main production was Carlin-like type gold ore, comprising fractured and altered dolomite intercalated with clay. All ores were oxidized, commonly containing altered dolomite, marl, kaolinite, and limonite, with occasional pyrite crystals. The host rocks were predominantly cataclastic dolomite.

Based on Huasheng FS 2022, the oxidized ore (whole-ore cyanidation) discharges 324 ktpa of tailings, while the primary ore discharges 610,500 tpa, resulting in a total annual tailings discharge of 934,500 t. The dry-stacked tailing yields an annual storage volume of 667,500 m^3. The required effective storage capacity for the service period is 7,653,100 m^3, with a total required capacity no less than 9,566,400 m^3.

The TSF is located in a valley northwest of the open-pit. Tailings are disposed by dry stacking. The facility has a maximum dam height of 108 m with a total storage capacity of 12,619,000 m^3. It covers an area of approximately 507,400 m^2 and has a total service life of about 14 years.

Tailings are disposed by dry stacking. The tailings storage facility mainly consists of a retaining dam, environmental dam, drainage system, and impermeable system. The retaining dam and environmental dam are constructed using waste rock from the stope. The drainage system adopts a shaft-Tunnel framework for flood discharge. As the tailings filter cake contains cyanide, impermeable measures are implemented in the facility area and environmental protection pond.

Tailings are discharged from the rear to the front of the facility. During discharge, an outward slope of 1%–2% is maintained at all times to ensure no water accumulates in the facility. A retaining dam must be constructed downstream during stacking to intercept tailings eroded by rainwater.

BAW has an opinion that 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.

9.5 Comments on Processing

The ore is highly oxidized, with gold primarily occurring as fine-grained native gold (70.8% <0.037mm) in oxidized ore (intergranular: 54%) and sulfide/gangue-hosted gold (70.75%) in refractory primary ore. Heap leaching (73% recovery) and all-sliming cyanidation are appropriate for oxidized ore, while flotation-cyanidation synergy (75% recovery) is necessary for primary ore due to low direct cyanide leachability (21.62%).

The proposed flowsheets are technically sound, supported by test data. However, heap leaching efficiency (70.93% recovery at 0.89g/t feed) lacks dedicated column leach validation for dolomite ore, introducing scalability risks.

Historical recoveries validate process viability, but projected recoveries for low-grade heap leaching (70.93%) and sulfide ore flotation (75%) require pilot-scale verification due to discrepancies in feed grade and mineralogy.

The dry-stack TSF design is robust for 14-year operations, but cyanide-bearing tailings (0.49–1.43g/t residual Au) demand stringent seepage monitoring and emergency protocols for long-term environmental compliance.

Key uncertainties include untested heap leaching kinetics for dolomite ore, scalability of 1.2Mt/a throughput, and sulfide ore's marginal flotation upgrade (14.73g/t concentrate). Historical operational suspensions (2016–2022) further underscore the need for contingency planning.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Business License

Details of the business license for the Huasheng Property issued by the State Administration for Industry and Commerce are presented in Table 10–1 below.

Table 10–1 Details of the Business License for the Huasheng Property

Property	Business License No	Issue Date	Permitted Activities
Mangshi Huasheng Gold Development Co. Ltd.	91533103219105958E	July 2009	Exploration, mining, and processing precious metal

10.1.2 Land Use Permit

BAW understands that Mangshi Huasheng Gold Development Co. Ltd. has ten valid lease agreements with the local residents for the use of the land. All agreements are valid untill May 2031.

10.1.3 Mining Licenses

Details of the mining licenses for the Huasheng Property issued by the Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Mining Licenses of the Huasheng Property

License Holder	Mangshi Huasheng Gold Development Co. Ltd
Name of Property	Mangshi Huasheng Gold Development Co. Ltd. Mangshi Gold Property
License Type	Mining
License ID	C5300002009114120045284
Area (km^2)	0.6337
Elevation (m)	1,100–1,500
Permitted Production Capacity	100 ktpa
Type of Commodities	Gold
Mining Method	Open-pit, Underground
Valid Period	July 2025 to July 2035

10.1.4 Safety Production Permit

Given that Huasheng Property is still in the exploration stage, no safety production permit is issued. Once the construction is completed and inspection is satisfactory, the Huasheng Property will apply for the safety production permit.

10.1.5 Waste Discharge Permits

Given that Huasheng Property is still under construction, no waste discharge permit is issued. Once the construction is completed and inspection is satisfactory, the Huasheng Property will apply for the waste discharge permit.

10.2 Environmental Management

10.2.1 Ecological Impact

Due to incomplete facilities and lack of protective measures, historic mining has led to severe soil erosion, and also damaged surface vegetation, landscapes, and the integrity of the ecosystem. The new expansion will disturb some vegetation, but part of this impact can be offset through reclamation. Construction and production will damage the vegetation in the stope and its surrounding areas, there is no risk of extinction of rare species. Most of the animals in the mining area are common species and will not disappear due to mining operations. It is possible that there will be additional soil erosion and risk of geological disasters. The construction will also cause local landscape fragmentation, though the impact on the large-scale landscape is limited. In response to these impacts, measures such as vegetation restoration, soil and water conservation, and post-closure restoration have been planned and implemented.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

10.2.2 Solid Waste

Waste rocks generated from both open-pit and underground mining operations are managed in two designated dumps: No. 1 for open-pit waste and No. 2 for underground waste. Transportation is conducted via dump trucks, followed by leveling with bulldozers. Safety warning signs are placed in specific areas. Facilities such as slag retaining dams and intercepting drainage ditches are installed downstream to manage surface runoff and prevent collapses or landslides from rainwater erosion. Leachate from the rainy season is treated in sedimentation tanks before being discharged into the Dagang River to meet environmental standards.

For heap leaching residues, after the detoxification cycle, the cyanide concentration is reduced using a bleaching powder solution to below 0.5 mg/L. Instead of disposal, residues are leveled on-site to create stacking areas for new ores. Retaining walls at the No. 1, No. 2, and No. 3 leaching sites prevent residues from entering the Dagang River, while drainage facilities are established to keep rainwater from the residue heaps.

Domestic waste is collected, sorted, and partially used as green fertilizer, with the remainder disposed of by the local environmental sanitation department.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

10.2.3 Water Conservation

The Huasheng Property is significantly influenced by rainfall, leading to different water management strategies for the dry and rainy seasons (mid-June to mid-August).

During the dry season, **w**ater for mining and mineral processing primarily comes from mountain stream water upstream of the Dagang River. Wastewater from heap leaching is recycled in a barren solution pool for spraying, with no discharge. Some mine pit water is reused, while the remainder is treated and discharged into the Dagang River. Domestic water is partially directed to dry latrines, with the rest used for dust suppression.

During the wet season, leachate from the stope and waste dump is treated in sedimentation tanks before being discharged into the Dagang River. The heap leaching site undergoes detoxification and is covered with an impermeable layer to prevent leachate discharge from rainwater. Mining wastewater, including leachate, is treated in sedimentation tanks, with flocculants added as needed. Mine pit water undergoes coagulation-sedimentation treatment, while gold processing wastewater is recycled within the system. Leachate from heap leaching residues is collected through the impermeable layer, which is installed before the rainy season. Domestic and machine repair wastewater is reused after treatment without discharge.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

10.2.4 Soil Conservation

The soil faces risks from pollution, structural damage, and intensified erosion. Pollution risks arise during mining and heap leaching, where cyanides, heavy metals, and other substances may seep into the soil due to inadequate anti-seepage measures or improper leachate treatment. Open-pit mining and waste dump stacking can damage soil structure, exposing it and reducing fertility. Dust from construction and transportation can also alter soil properties. Additionally, historical mining practices have led to severe soil erosion, further degrading soil quality.

To mitigate these risks, the following protective measures will be implemented based on the latest feasibility study:

- **Pollution Prevention and Control:** The heap leaching site will utilize a "two layers of cloth and one layer of membrane" anti-seepage system, with steel plate solution pools to prevent leachate seepage. Sedimentation tanks will treat leachate from the stope and waste dump, with flocculants added as needed. Heap leaching residues will be detoxified to ensure cyanide concentrations are below 0.5 mg/L.

- **Soil Protection and Restoration:** Vegetation restoration will occur in goafs and waste dumps, using local species to minimize soil exposure. Soil and water conservation projects will be implemented to control erosion.

- **Monitoring and Early Warning:** Regular soil monitoring in and around the mining area will be conducted, along with establishing a pollution early warning mechanism to promptly address any detected issues.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

10.2.5 Tailing Storage Facilities

The tailings discharged at the Huasheng Property will primarily consist of residue from heap leaching for gold extraction, currently managed in four residue piles. The project does not plan to construct a tailings storage facility and employs a "non-unloading" process.

After the heap leaching cycle and detoxification — using a bleaching powder solution to reduce cyanide ion concentration below 0.5 mg/L — the residue is leveled on-site for stacking new ores, promoting cyclic utilization. To mitigate environmental risks, retaining walls are constructed at the 1#, 2#, and 3# heap leaching sites to prevent residue from entering the Dagang River. Intercepting and drainage facilities are installed around the sites to stop rainwater from contaminating the residue piles. An impermeable layer is laid over the residue before the rainy season to prevent leachate discharge from rainwater erosion.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

10.2.6 Rehabilitation

Reclamation efforts focus on goafs, waste dumps, and over-mined areas from historical mining. This includes:

- **Vegetation Restoration:** Restoring vegetation in mining goafs and over-mined areas.
- **Waste Dump Management:** Ceasing villagers' sand mining activities and using existing goafs to backfill waste rocks, followed by vegetation restoration.
- **Waste Dump Areas:** Restoring vegetation in all areas of existing waste dumps, except those designated for heap leaching.

Reclamation plans will be developed and initiated during the construction period, with daily maintenance and replanting undertaken during the production period to restore the area's ecological functions.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production.

According to the mine management, the rehabilitation budget for 2025 is estimated at RMB860,000. However, the total rehabilitation cost projected until the end of the life of mine (LOM) has not yet been provided. BAW is of the opinion that a budget of RMB1,000,000 per year should be additionally allocated for the Huasheng Property for during last three years of the LOM.

10.3 Occupational Health and Safety

The mine management places a high value on the health and safety of all personnel. In response to the occupational hazard characteristics present at the mine, effective preventive measures have been implemented to combat pollution factors like dust and noise, as well as risks related to fire, explosions, natural disasters, and other unsafe conditions.

Special safety measures are tailored for different operational phases. An emergency rescue plan addresses various accidents, detailing the organizational structure, responsibilities, reporting procedures, and on-site response for incidents like blasting or collapses. Additionally, a dual prevention system for open-pit mines enhances intrinsic safety through risk classification management and ongoing hidden danger investigations.

As the Huasheng Property is currently in the development stage and has had no mining activities since 2015, BAW recognizes that these mitigation methods are intended for implementation once the Huasheng Property enters production. Currently, only 50 personnel are on site, including the mine management.

The Huasheng Property meticulously maintains a comprehensive record of all on-site injuries and fatalities, as summarized below.

Table 10–3 Details of Injuries and Fatalities for the Huasheng Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	0	0	0
Lost Days due to Injury at Work	0	0	0

10.4 Social and Community Contributions

Given that the Husaheng Property is still in the development stage, social contributions have been minimal. Since 2022, the mine management has donated over RMB100,000 to the local community. BAW recommends fostering a positive relationship with the community moving forward. Potential contributions could include educational donations, local education enhancement programs, disaster relief, support for vulnerable groups, targeted poverty alleviation for rural revitalization, and other assistance projects.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Huasheng Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of gold. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do no incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to several known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable raw coal for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable gold products sold before transportation charges.

Our economic analysis adopted the recent metal prices of the PRC. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Metal Prices

USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	3,250	3,000			2,500
Berenberg	3,300	3,200	3,000	2,200	
BMO Capital	3,500	2,988	2,700	2,575	2,200
BoA — Merrill Lynch	3,659	3,141	2,761	2,380	2,000
BNP Exane	2,750	2,500			1,750
Canaccord	3,196	3,279			3,478
CIBC	3,600	3,300			
Citi	2,750				2,200
Cormark	3,000				
Deutsche Bank	3,069				3,000
Goldman Sachs	3,492	3,562			2,850
Hannam	2,700	2,400			2,100
Haywood	3,000	2,800	2,800	2,800	
HSBC	3,125	2,925	2,878	2,802	2,350
Intesa	2,800	2,900			
JP Morgan	2,900	3,020			
Jefferies	3,400	3,200	3,000	2,700	2,500
Liberum	2,463	2,175	2,023	1,975	1,740
Macquarie	2,850	2,550	2,650	2,775	
Morgan Stanley	3,313	2,625	2,500	2,200	2,129
National bank of Canada	3,500	3,200	3,000	2,800	2,600
Raymond James	3,000				2,500
RBC	3,489	3,300	3,000	3,000	2,600
TD Securities	3,400				3,000
Scotiabank	3,200	2,800	2,300		2,300
Societe Generale	4,130				
UBS	3,500	3,250	3,000	3,100	2,800
Average	3,198	2,958	2,739	2,609	2,452

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX for further mine development, Sustaining CAPEX for mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program and environmental work. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, underground drilling, sampling, sample prep and geochemical analysis. BAW considers that the overall CAPEX budgeting practice is reasonable and conformable with the industry practice.

According to the mine management, the rehabilitation budget for 2025 is estimated at RMB860,000. However, the total rehabilitation cost projected until the end of the life of mine (LOM) has not yet been provided. BAW is of the opinion that a budget of RMB1,000,000 per year should be additionally allocated for the Huasheng Property for the last three years of the LOM.

The CAPEX projected for the Huasheng Property is summarized Table 11–2 for the period from 2026 till the end of LOM.

Table 11–2 Projected CAPEX for the Huasheng Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	0.0	0.0	36.0	39.6	356.4
Development and Expansion CAPEX. . .	144.1	10.5	4.5	0.0	0.0
Rehabilitation CAPEX .	0.0	0.0	0.0	0.3	2.7
Exploration CAPEX . . .	0.0	0.0	0.0	0.0	0.0
Total.	144.1	10.5	40.5	39.9	359.1

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in RMB.

Based on the information provided by the management, the forecasted operating cash costs and production costs for the Huasheng Property for the period from 2027 until the end of the LOM are summarised in Table 11–3 below.

Table 11–3 Operating Unit Cash Costs for the Huasheng Property

Operating Cash Costs	Unit	2027	2028	2029 till the end of LOM
Total Mining Costs	RMB/t ore	163.8	112.1	105.4
Total Processing Costs	RMB/t ore	86.3	86.3	86.3
Total Selling, General & Admin (G&A) Costs	RMB/t ore	17.5	17.5	17.5
Total Operating Cash Costs	RMB/t ore	267.6	215.9	209.2

Remark: 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 2026. Only G&A costs and other charges will be applicable during this time.

Table 11–4 Total Cash Operating Costs for the Huasheng Property (RMB in million)

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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

All-In Sustaining Cost (AISC) is a key performance metric used in the mining industry, especially in precious metals mining, to provide a comprehensive view of the true cost of producing a unit of metal (commonly expressed as cost per ounce or per pound), introduced in 2013 by the World Gold Council. BAW has estimated the AISC for the Huasheng Property, which includes, in addition to the direct operating cash costs, sustaining costs and rehabilitation costs of ongoing operations as shown below..

Table 11–5 All-In Sustaining Cost ("AISC") for the Huasheng Property

	Unit	2026	2027	2028	2029	2030 till the end of LOM
AISC.	RMB in Million	302.2	258.8	340.0	346.6	2,520.9
LOM Average AISC	RMB/kg	203,467.8				
LOM Average AISC	USD/oz	904.6				

11.5 Taxation

BAW understands that the application for the favourable corporate income tax rate was not initiated yet and therefore, the ordinary corporate income tax rate of 25% is used throughout the rest of the LOM in our economic analysis.

11.6 Discounted Cash flow Projection

In order to assess the overall economic feasibility of the Huasheng Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as *Net Operating Profit After Tax + Depreciation – Change in Net Working Capital – Capital Expenditure*. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated.

Weighted Average Cost of Capital ("**WACC**") is adopted as the basis for determining the discount rate, representing the average rate of return expected to pay the capital providers through both equity and debt holders. It is calculated by weighting the cost of equity and the after-tax cost of debt according to the proportion of the capital structure.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in the previous sections together with the abovementioned discount rate, the NPV for the Huasheng Property is estimated to be RMB2,815,000,000 at a discount rate of 6% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified with economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal price, OPEX and CAPEX at a discount rate of 6%. The resulting changes of after-tax NPV are summarized in Table 11–4 and plotted in Figure 11–2 below.

Table 11–6 Sensitivity Analysis of After-Tax NPV (RMB in million)

	–15%	–10%	–5%	Base Case	5%	10%	15%
Gold Price . .	2,054	2,308	2,562	2,815	3,069	3,323	3,577
OPEX	3,103	3,007	2,911	2,815	2,720	2,624	2,528
CAPEX	2,881	2,859	2,837	2,815	2,794	2,772	2,750

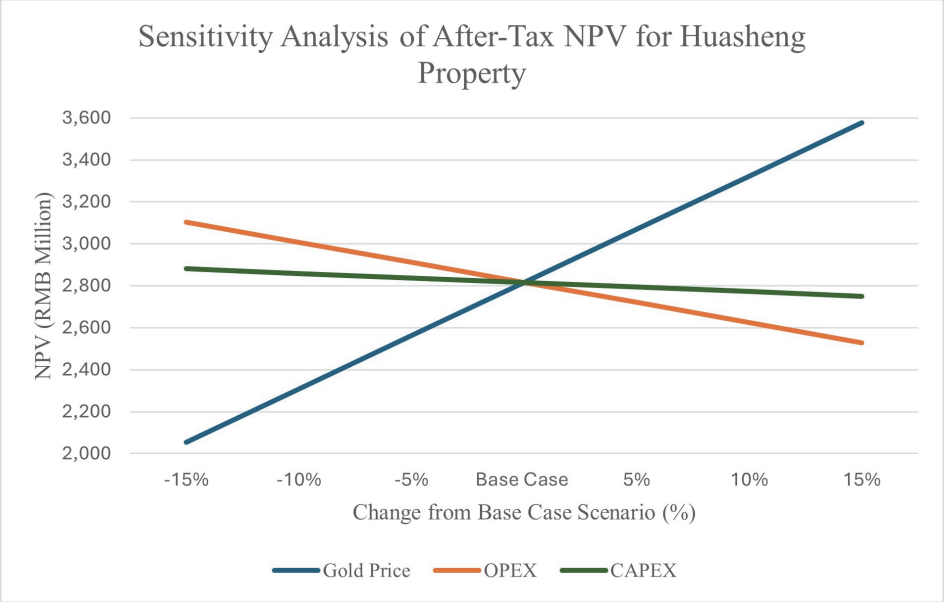


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Huasheng Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Huasheng Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

Table 11–7 Key Metrics of the Huasheng Property

Metrics	Unit	Value
Total Gold Resources	t Au	28.49
Total Gold Reserves	t Au	24.36
LOM (Life of Mine)	years	12
Mining Production Capacity	ktpa	~1,000 (Open Pit)
Processing Recovery (LOM average)	%	~76.03 (based on production schedule, blended oxide & sulfide)
LOM Average AISC	US$/oz Au	905
NPV (after tax, 6% discount)	RMB in million	2,815

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

1. High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (>15%) on the project cash flow and performance and could potentially lead to project failure.

2. Moderate Risk: the factor, if uncorrected, could have a significant impact (>10%) on the project cash flow and performance unless mitigated by some corrective action.

3. Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risks Factors in association with the Huasheng Property

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.
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 mine-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.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Mining License	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.
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. 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.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. 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. Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment. Construction of small-scale reservoir will reduce the risk of water shortage.
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.

Risk Factors	Level	Potential Impact	Methods of Mitigation
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. 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.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.
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.

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14 APPENDIX A — EXPLORATION AND MINING LICENSES

Mangshi Gold Mining Area ("Mangshi")



中华人民共和国

采 矿 许 可 证

（正本）

证号：C5300002009114120045284

采矿权人：芒市华盛金矿开发有限公司

地　　址：云南省德宏州芒市三台山乡勐丹村上芒岗

矿山名称：芒市华盛金矿开发有限公司芒市金矿

经济类型：有限责任公司

有效期限：壹拾年　自 2025年7月12日至 2035年7月11日

开采矿种：金矿

开采方式：露天/地下开采

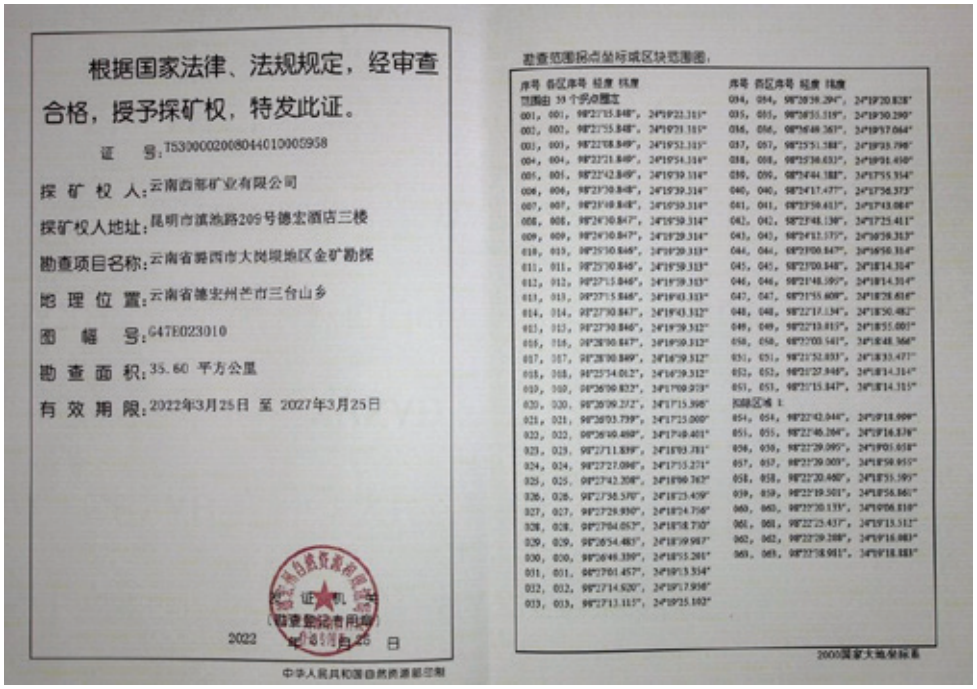
生产规模：10万吨/年

矿区面积：0.6337平方公里

矿区范围：（见副本）

中华人民共和国自然资源部印制

Dagangba Gold Exploration Area ("Dagangba")



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号：T5300002008044010005958

探 矿 权 人：云南西部矿业有限公司

探矿权人地址：昆明市滇池路209号德宏酒店三楼

勘查项目名称：云南省腾冲市大岗坝地区金矿勘探

地 理 位 置：云南省德宏州芒市三台山乡

图　幅　号：G47E023010

勘 查 面 积：35.60 平方公里

有 效 期 限：2022年3月25日 至 2027年3月25日

2022 年 3 月 25 日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

2000国家大地坐标系

Mengwen Gold-Polymetallic Exploration Area ("Mengwen")



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号：T5300002009114010035922

探 矿 权 人：芒市华盛金矿开发有限公司

探矿权人地址：云南省德宏州芒市三台山乡勒丹村上芒岗

勘查项目名称：云南省潞西市勐稳地区金及多金属矿勘探

地 理 位 置：云南省德宏州傣族景颇族自治州潞西市

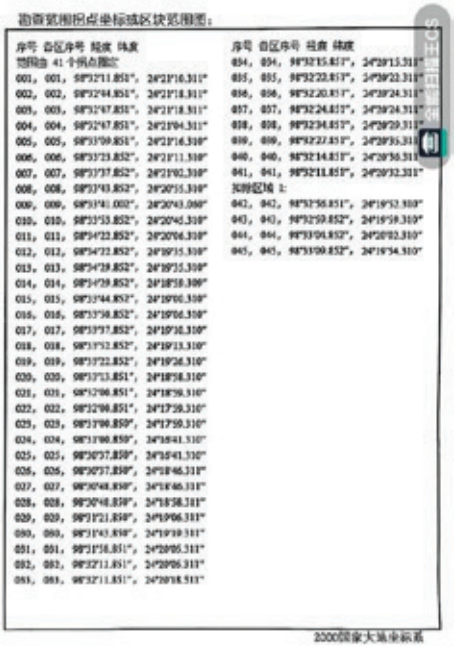
图　幅　号：G47E022011、G47E023011

勘 查 面 积：20.3793 平方公里

有 效 期 限：2021年8月6日 至 2026年8月6日

2025 年 8 月 17 日

中华人民共和国自然资源部印制



勘查范围拐点坐标或区块范围图：

序号	点区序号	经度	纬度
范围由 41 个拐点圈定			
001	001	98°32'11.853"	24°21'16.311"
002	002	98°32'04.854"	24°21'18.311"
003	003	98°32'07.851"	24°21'18.311"
004	004	98°32'07.851"	24°21'04.311"
005	005	98°31'59.851"	24°21'16.310"
006	006	98°31'23.852"	24°21'11.310"
007	007	98°31'37.852"	24°21'02.310"
008	008	98°31'43.852"	24°20'55.310"
009	009	98°31'41.002"	24°20'43.060"
010	010	98°31'53.852"	24°20'45.310"
011	011	98°31'22.852"	24°20'06.310"
012	012	98°31'22.852"	24°19'55.310"
013	013	98°31'29.852"	24°19'55.310"
014	014	98°31'29.852"	24°19'58.309"
015	015	98°31'44.852"	24°19'06.309"
016	016	98°31'50.852"	24°19'06.309"
017	017	98°31'37.852"	24°19'16.309"
018	018	98°31'52.852"	24°19'13.310"
019	019	98°31'22.852"	24°19'26.310"
020	020	98°31'13.851"	24°18'58.310"
021	021	98°12'00.851"	24°18'59.310"
022	022	98°12'00.851"	24°17'59.310"
023	023	98°11'00.850"	24°17'59.310"
024	024	98°11'00.850"	24°18'41.310"
025	025	98°30'37.850"	24°18'41.310"
026	026	98°30'37.850"	24°18'46.310"
027	027	98°30'48.850"	24°18'46.310"
028	028	98°30'48.850"	24°18'58.310"
029	029	98°31'21.850"	24°19'06.311"
030	030	98°31'43.850"	24°19'10.311"
031	031	98°31'58.851"	24°20'05.311"
032	032	98°32'11.851"	24°20'05.311"
033	033	98°32'11.851"	24°20'18.311"
034	034	98°32'15.851"	24°20'15.311"
035	035	98°32'22.851"	24°20'22.311"
036	036	98°32'20.851"	24°20'24.311"
037	037	98°32'24.851"	24°20'24.311"
038	038	98°32'34.851"	24°20'20.311"
039	039	98°32'27.851"	24°20'35.311"
040	040	98°32'14.851"	24°20'36.311"
041	041	98°32'11.851"	24°20'32.311"
实际区域 1：			
042	042	98°32'58.851"	24°19'52.310"
043	043	98°32'59.852"	24°19'58.310"
044	044	98°33'04.852"	24°20'02.310"
045	045	98°33'00.852"	24°19'54.310"

2000国家大地坐标系

15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Sampling comprised mainly of diamond drilling (PQ/HQ/NQ) with half-core sawn for assay, supplemented by saw-cut channels and limited trenches. Sample intervals were typically 1.0 m (range 0.3–1.5 m), respecting geological and mineralisation boundaries, with no cross-boundary sampling.* • *Samples were dried, crushed to 4–1 mm and pulverised to –200 mesh. QAQC included internal pulp duplicates and blanks (~10%).* • *Gold mineralisation occurs in silicified breccia and altered dolomite along thrust faults, with orebodies 5–13 m thick and continuous along strike and dip. Core recoveries >90% confirm reliable sampling. Independent checks by BAW (2025) reproduced grades within ±20–30%, supporting public disclosure under JORC.* • *Huasheng followed PRC industry-standard protocols for core sampling, preparation, and assaying, which align with JORC requirements. No unusual commodities or methods (e.g., coarse gold or nodules) were involved.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Drilling at Huasheng was dominated by surface and underground diamond core drilling. Holes were collared at PQ size and reduced to HQ or NQ at depth. Triple-tube barrels were used in fractured zones to improve core recovery. Downhole deviation was measured every 30–50 m using inclinometers or downhole cameras. Core orientation was generally not undertaken due to complex ground conditions, but structural features were logged during core description. Limited rotary drilling was applied in highly altered zones to obtain chip samples.*

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery was recorded by drillers at the rig and verified by geologists during logging. Recovery was calculated as recovered core length divided by drilled interval, and results were stored in the database.* • *Triple-tube barrels and PQ/HQ diameters were used in broken zones. Careful handling, sealed core boxes, and immediate marking reduced sample loss. Most drill holes achieved >90% recovery, with only one hole averaging ~85%.* • *No systematic relationship between recovery and grade was observed. Checks confirmed no significant bias from preferential loss or enrichment of fine or coarse material.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All core and chip samples were systematically logged for lithology, alteration, mineralisation, structure, and RQD. Logging was both qualitative and quantitative, and all core was photographed for records. The detail was sufficient to support Mineral Resource estimation and mining studies.* • *Logging captured lithological boundaries and mineralisation intensity with metre-scale resolution. Structural features were described, and alteration/mineralisation styles coded for database consistency. BAW did not obtain lithological logging data from historical exploration, but it reviewed the re-logging data completed by the mine in recent years during the site inspection.*

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Core was sawn lengthwise with a diamond saw. Half-core was taken for assay, while the remaining half was retained in core boxes for reference. In some verification work, quarter-core was collected.* • *Rotary drilling produced chip samples, collected dry and split with riffle splitters. Channel samples were cut and chiselled along marked lines, ensuring consistent thickness.* • *Samples (2.5–5 kg) were dried at 60–80 °C, crushed to 4–1 mm, homogenised, and pulverised to –200 mesh. Pulps were split into primary and duplicate fractions.* • *Internal pulp duplicates and blanks were inserted (~10%). Quarter-core and field duplicates were added during later verification. These ensured representivity of sub-sampling stages.* • *Sample sizes of 2.5–5 kg per interval were considered adequate relative to the fine-grained nature of Huasheng gold mineralisation.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *Gold assays were mainly performed by aqua regia digestion with activated carbon adsorption and AAS finish, in provincial and mine-site laboratories. This method is widely applied in China but may underestimate grades compared with fire assay.* • *No down-hole geophysical sondes or handheld XRF devices were routinely used for grade control or resource estimation.* • *Internal pulp duplicates (~10%) and blanks were inserted in routine assays. External checks were limited.* • *BAW 2025 quarter-core re-assays provided verification. The majority of duplicates fell within ±20–30% HARD, indicating acceptable precision.* • *Results demonstrate acceptable precision and limited bias, sufficient for use in Mineral Resource estimation. For future work, insertion of CRMs and independent umpire assays are recommended to further confirm analytical accuracy.*

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Significant intersections were reviewed by company and independent geologists. BAW (2025) re-assayed 30 quarter-core samples, confirming reproducibility within ±20–30%.* • *No dedicated twinned holes were drilled; verification relied on re-assays and comparison with historical data.* • *Primary data were first recorded on paper logs, then digitised into the central database with validation checks. Both physical core and digital data are securely stored with backups.* • *No material adjustments were made to assay data, except for grade capping of extreme values during resource estimation.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drill collars were surveyed using RTK GPS and total stations. Early work used Xi'an 1980 coordinates, later unified to CGCS2000 for consistency.* • *Downhole deviation was measured every 30–50 m with single-point inclinometers or downhole cameras. Depth corrections were made at 50–100 m intervals and at hole completion.* • *A digital terrain model (DTM) based on recent surveys was used, current as of December 2025. This provided reliable elevation control for collar positions.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *The basic drill grid was 80 × 80 m, locally infilled to 40 × 40 m in key zones and expanded to 160 × 160 m in peripheral areas. This spacing is sufficient to establish continuity of geology and grade for classification into Measured, Indicated, and Inferred Resources.* • *For resource estimation, assay intervals were composited to 1 m lengths to standardise support across domains.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Most drill holes were designed near-perpendicular to the strike and dip of mineralised zones.* • *No significant orientation-related bias has been identified. Sampling orientation is considered appropriate for the deposit geometry.*

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• *All samples were sealed in labeled bags at site, with chain-of-custody records maintained from drill rig to laboratory. Samples were stored in a secure core shed prior to dispatch.* • *BAW inspected sampling and storage procedures during the 2025 site visit and found no evidence of tampering or security issues.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Sampling and QAQC procedures have been reviewed by SRK (2016) and BAW (2023, 2025). Both reviews confirmed that exploration and sampling followed PRC standards aligned with JORC requirements.*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The project is covered by one mining licence (valid to 2035, 100 kt/a capacity) and two exploration licences (Dagangba and Mengwen, valid to 2027/2026). Titles are held through Huasheng Gold and Yunnan Western Mining.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Mineralisation comprises lateritic gold in the weathered cap and Carlin-like type mineralisation in fractured dolomite of the Shazipo Formation, controlled by thrust faults.*

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Extensive diamond drilling, trenching, and channel sampling have been conducted; all relevant data have been compiled, verified, and incorporated into the current CPR database.*
Data aggregation methods . . .	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *No new exploration results are reported. All data are used in support of Mineral Resource and Ore Reserve statements.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *The resource database incorporates 102 diamond drill holes (24,387 m) and 12,211 gold samples. Historical trenching, RC, and mined-out holes were excluded. Data were validated through consistency checks, cross-referencing, and BAW's 2025 independent re-assays. The database is considered reliable for Mineral Resource estimation.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *BAW visited the Huasheng site in July 2025, inspected core storage, sampling facilities, and conducted independent quarter-core checks. The site visit confirmed that exploration practices and data management meet industry standards.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *Gold mineralisation is controlled by thrust faults and hosted in silicified breccia and altered dolomite of the Shazipo Formation. Mineralisation models were constrained using 0.3–0.5 g/t Au shells and structural boundaries. Four main mineralised domains and several subordinate zones were defined. Geological interpretation is consistent with drill and trench data.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *Orebodies extend 0.48–1.27 km along strike and 50–350 m below surface, with average thickness of 7–18 m. Mineralisation is continuous along both strike and dip.*

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Block model built using 10 × 10 × 2 m, sub-cells 5 × 5 × 0.5 m. Assays composited to 1 m, extreme values capped at 5–12 g/t Au. Variograms defined by domain, ordinary kriging used; IDW^3 and NN provided check estimates. Search ranges limited to drill spacing.* • *Check estimates (IDW^3, NN) aligned with kriged model. Historical production (2009–2015) and SRK 2016 estimates reviewed; differences within expected ranges.* • *No by-products of economic significance; only gold estimated.* • *No deleterious elements were estimated; limited assays show no material risk.* • *Block size matched drill spacing (40–80 m) and ore geometry. Searches followed variogram ranges with successive passes.* • *No SMU model at resource stage; block size adequate for open-pit and underground scenarios.* • *Only gold estimated; no correlations modelled.* • *Mineralised wireframes defined by geology and 0.3 g/t Au shells. Domains constrained sample selection and search ellipses.* • *Grades capped at 5–12 g/t Au, thresholds set by log-probability plots and statistics.* • *Validation included visual checks, swath plots, and comparison with IDW^3/NN. Results showed good agreement; no reconciliation data available after 2015.*

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Tonnages are reported on a dry basis. Bulk density determinations were performed on wax-coated samples using the water-displacement method, which accounts for natural moisture and porosity. No separate moisture adjustment was required.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *For Mineral Resource estimation at Huasheng Property, the key parameters used for determining cut-off grades for Reasonable Prospects for Eventual Economic Extraction (RPEEE) included a gold price of USD2,600/oz (RMB585.14/g), mining costs (12.63 RMB/t), processing and smelting costs (84.41 RMB/t for in-pit, 460 RMB/t for out-pit), and General & Administrative (G&A) costs (55.83 RMB/t). Applied modifying factors also included mining dilution (5.00% in-pit, 10.00% out-pit) and recovery (95.00% in-pit, 90.00% out-pit), and total processing recoveries (80% in-pit, 76.5% out-pit). These parameters resulted in in-pit and out-pit cut-off grades of 0.36 g/t Au and 1.25 g/t Au.* • *Table 6–10 listed the parameters used in estimation of the COG for Open pit mining of Huasheng Property.*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *For Mineral Resource estimation at Huasheng Property, Reasonable Prospects for Eventual Economic Extraction (RPEEE) was established by considering both open-pit and underground mining potential. Mining assumptions included defining mineralization domains with a minimum width of 1 meter and applying internal mining dilution of 5% for in-pit resources and external dilution of 10% for out-pit resources in cut-off grade calculations.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *The metallurgical assumptions for the Huasheng Gold Mine are primarily based on historical production data (2013–2015) and laboratory-scale test work (e.g., cyanidation, flotation). While these results demonstrate reasonable recoveries for oxidized ore (73–89%), the extrapolation to full-scale operations — particularly for heap leaching of dolomite-type ore — lacks rigorous pilot-scale validation.* • *The 2022 verification tests (41 drill cores) improved sample representativity compared to earlier studies (e.g., 2013's non-representative samples). However, the primary ore's refractory nature (low cyanide recovery: 21.62%) suggests that metallurgical performance may vary across the deposit, necessitating domain-specific testing.* • *The proposed methods (heap leaching for low-grade oxide, all-sliming cyanidation for high-grade oxide, and flotation-cyanide for primary ore) align with industry standards for similar deposits. However, the absence of dedicated heap leach column tests for dolomite ore introduces uncertainty in kinetic and recovery projections.* • *Forecasted recoveries (e.g., 70.93% for heap leaching, 81.51% for high-grade cyanidation) are derived from idealized lab conditions. The sulfide ore's combined 75% recovery relies heavily on flotation (27–34% staged recovery), which may not account for operational inefficiencies or ore heterogeneity.* • *The feasibility study assumes consistent feed grades and mineralogy, but historical suspensions (2016–2022) and untested scalability (1.2Mt/a) highlight gaps between assumptions and practical operability. Regulatory constraints (e.g., cyanide management in tailings) further complicate recovery assurances.*

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rocks generated from the operation are managed in two designated dumps. Transportation is carried out by dump trucks, with leveling performed by bulldozers. Safety measures include warning signs and downstream facilities such as slag retaining dams and intercepting drainage ditches to manage surface runoff and prevent collapses or landslides due to rainwater. Additionally, leachate during the rainy season is treated in sedimentation tanks before being discharged into the Dagang River.* • *Tailings primarily consisting of heap leaching residues from gold extraction are managed in four residue piles, as there is no planned tailings storage facility. After heap leaching and detoxification (using bleaching powder to reduce cyanide concentration below 0.5 mg/L), the residues are leveled on-site for new ore stacking. Environmental safeguards include retaining walls at heap leaching sites, surrounding intercepting and drainage facilities, and pre-rainy-season impermeable layers to mitigate environmental risks.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density was determined, not assumed. Since 2012, 91 valid samples were tested using wax-coated water-displacement, ensuring voids and porosity were accounted for. Samples were representative across lithologies and alteration zones.* • *Lateritic oxide ore averages 1.84 t/m^3, while primary dolomite-hosted ore averages 2.72 t/m^3. These values reflect differences between weathered and unaltered rock.* • *No bulk density values were assumed; measured values were directly applied in resource evaluation. The dataset is considered sufficient for reliable tonnage estimation.*

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Resources were classified primarily on (i) drill spacing and data density (≈80 × 80 m grid, locally infilled to ≈40 × 40 m), (ii) geological/grade continuity demonstrated by domain wireframes and variography, and (iii) estimation quality (pass-by-pass OK results, checks vs. IDW³/NN, and visual reconciliation). Measured was confined to well-drilled, geologically continuous zones within mineralised wireframes; Indicated where continuity and data support are moderate; Inferred where data support is limited or continuity is less certain. Density measurements and metallurgical response by material type were also considered to avoid over-classification.* • *Classification explicitly accounts for: confidence in tonnage/grade (kriging diagnostics and swath plots), input-data reliability (QAQC with blanks/duplicates and 2025 quarter-core re-assays), geological and grade continuity (consistent structures and shells), and data quality/quantity/distribution (spatial coverage of drilling, density sampling by material). Topographic control and capping of extreme grades were incorporated to reduce bias.* • *The classification reflects the Competent Person's view that data quality and geological continuity justify Measured/Indicated only in well-supported zones, with Inferred retained where uncertainty is higher (e.g., along strike/at depth or in locally nuggety high-grade zones).*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *Mineral Resource estimates were reviewed by BAW (2023, 2025). Both audits confirmed that the methodology and classification are consistent with JORC Code (2012) requirements.*

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *Relative accuracy was assessed using variography, kriging variance, swath plots, and check estimates (IDW^3, NN). At the global scale, tonnage and grade confidence is high; locally, confidence is reduced in nuggety high-grade zones, which were conservatively classified as Indicated or Inferred. Data quality supports this confidence, with >90% core recovery and QAQC/BAW re-assays showing acceptable reproducibility. The Competent Person considers the confidence levels appropriate for JORC (2012) public reporting.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves .	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Mineral Resource estimate for the Huasheng Property, prepared by BAW as of December 31, 2025. It totals 16,710 kt at 1.70 g/t gold, containing 28.47 tonnes of gold, comprising Measured, Indicated, and Inferred categories. Reasonable Prospects for Eventual Economic Extraction (RPEEE) were established, considering both open-pit (0.36 g/t Au cut-off) and underground (1.25 g/t Au cut-off) scenarios within a conceptual pit shell. For conversion to an Ore Reserve, only Measured and Indicated Mineral Resources were used, as Inferred Resources are considered too poorly delineated for this purpose and were treated as waste. All Ore Reserves are included within the Mineral Resources, and the Ore Reserve estimate adopted a cut-off grade of 0.5 g/t Au with the open pit mining method.* • *All of the Ore Reserves reported are included within the Mineral Resources.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *A team of geology and mining specialists from BAW, the Competent Person, conducted a site visit to the Huasheng Property from July 9 to 11, 2025. The primary objectives of this visit were to review exploration data, inspect the core-storage facilities, and assess the current site and mining conditions.*
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	*Main technical studies are available to review:* • *Feasibility Study for Mangshi Huasheng Gold Mine, CGDI, November 2024.* • *Pre-Feasibility Study for Mangshi Huasheng Gold Mine, CGDI, March 2023.* • *Technical Review for the Mangshi Gold Project, Yunnan Province, People's Republic of China, SRK, March 2016.* • *Pre-Feasibility Study on the Expansion Project of Huasheng Gold Mine in Mangshi, Yunnan Province, BGRIMM, December 2014.*

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *Table 7–1 listed the parameters used in estimation of the COG for Open pit mining of Huasheng Property.* *o This was based on a gold price of RMB450/g (US$2,000/oz) and an assumed USD to RMB exchange rate of 7.0.* *o The break-even cut-off grade, also known as the marginal or economical cut-off grade, is the lowest grade that will be applied, typically towards the end of mine life or during periods of high waste stripping.* *o The mill limiting cut-off grade applies when the open pit can produce sufficient ore and the processing plant is the limiting constraint, which is the case for this DFS.* *o Parameters used for the Ore Reserve cut-off grade analysis included a gold price of $2000/oz, mining cost of 8.68 RMB/t, processing cost of 60.81 RMB/t, general & administrative cost of 40.46 RMB/t, royalty tax of 32.8 RMB/t, mining dilution of 5%, mining recovery of 95%, and processing recovery of 61%.* • *The estimated break-even cut-off grade was 0.55 g/t Au, and the mill cut-off grade was 0.50 g/t Au.*

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions.	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• *Converted using Modifying Factors from pre-feasibility/feasibility studies, employing pit optimization and detailed design. Only Measured and Indicated Mineral Resources were used.* • *Open-pit mining is chosen and supported, deemed appropriate for the orebody.* • *Overall pit slope angle < 42°, bench height 10m, bench face angle 65°, with generally poor engineering geological conditions requiring strict monitoring.* • *Utilized a 10x10x10m block model (SMU) with a US$2,000/oz gold price and 7.0 USD/RMB exchange rate, using the Pseudoflow algorithm.* • *Mining Dilution: 5% mining dilution adopted.* • *Mining Recovery: 95% mining recovery adopted.* • *Minimum Mining Widths: A 30m minimum mining width was used.* • *Inferred Mineral Resources: Not included in Ore Reserves and treated as waste, due to insufficient delineation.* • *Infrastructure Requirements: Power from a 110 kV substation, water from the Dagang River, and a dry-stack Tailings Storage Facility (TSF) with 12.6 Mm^3 capacity.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The proposed processes are generally appropriate for the deposit's mineralization styles. Heap leaching is suitable for the permeable, oxidized dolomite-hosted ore (1.32g/t avg.), while the refractory primary ore (1.81g/t) requires flotation pre-concentration due to gold's association with sulfides and gangue (70.75% locked). However, the lack of dedicated column leach tests for dolomite ore introduces uncertainty in heap leach performance predictions.* • *All proposed methods employ well-tested, conventional technology: Heap leaching, Carbon-in-leach cyanidation (widely adopted for higher-grade oxides).Sulfide flotation. No novel processes are proposed.* • *Test work has evolved in representativity: Early 2013 tests (6 samples, 500kg) were non-representative (acknowledged in reports).2022 verification tests used 41 drill cores (132–403kg), significantly improving spatial coverage.* • *Applied recovery factors (70–89% oxides, 75% primary) appear reasonable but optimistic for:* o *Heap leaching without pilot validation.* o *Primary ore given low flotation upgrades (11.78–14.73g/t concentrates).* • *Key considerations:* o *Cyanide-soluble copper (potential CN^- consumer) not quantified.* o *Low arsenic (135ppm) minimizes interference with cyanidation.* o *Organic carbon (9.27% hosted gold) may require pre-treatment.* • *Critical gaps exist:* o *No pilot heap leach tests for dolomite ore (kinetics unverified).* o *No continuous flotation pilot runs for primary ore.* • *Limited variability testing across ore types.*

Criteria	JORC Code explanation	Commentary
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• *As the Huasheng Property is currently in the development stage and has had no activities since 2015, no updated EIA is available.*
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• *Huasheng Property currently has valid land leases, sufficient power from a nearby 110 kV substation, water supplied from the Dagang River, good accessibility via a gravel road to National Highway 320, and a dry-stack Tailings Storage Facility (TSF) with 12.6 Mm^3 capacity. Future plans for the Huasheng Property's infrastructure include the completion of the Dali-Ruili railway by 2028 to enhance transportation links, alongside recommendations for regular maintenance and upgrades of project access roads. To address water supply, construction of a small-scale reservoir is recommended to mitigate dry season shortages, with comprehensive water management strategies and wastewater recycling planned for implementation once production commences. Furthermore, for the dry-stack Tailings Storage Facility (TSF), rigorous seepage monitoring and contingency planning are warranted due to cyanide-laden tailings and dam height, with all environmental mitigation methods to be implemented upon the start of production.*

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The projected CAPEX were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated by considering the necessary receivables inventories and payables required for operations. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*

Criteria	JORC Code explanation	Commentary
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The Client owned a number of mining operations across the country which are all in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is derived from the Weighted Average Cost of Capital (WACC). A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *The Huasheng Property is currently in the development stage and has not been engaged in mining activities since 2015. The management has made limited social contributions, donating over RMB100,000 to the local community since 2022. The mine-site has 10 valid land lease agreements with local residents until May 2031 and currently employs only 50 on-site personnel.* • *BAW recommends that the mine management should expand its social contributions to foster better community relations in the future.*

Criteria	JORC Code explanation	Commentary
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• *The Huasheng Property faces several material naturally occurring risks that could impact mining operations and the economic extraction of Ore Reserves: Hydrological Conditions and Climate Impacts; Geotechnical Conditions and Geological Hazards; Tailings Storage Facilities (TSF) Related Risks. Huasheng has planned to conduct relevant studies and formulate response plans, which is also a necessary requirement before commencing mining operations as mandated by the regulatory authorities.* • *BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.* • *While the Huasheng Property holds valid mineral licenses (though not independently verified by BAW), the project's viability and reserve extraction are critically contingent upon obtaining key government operational permits, such as the Safety Production and Waste Discharge Permits, which are currently pending construction completion and satisfactory inspection, despite a positive economic outlook supporting future approvals.*
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *All of Measured Mineral Resources are classified as Probable Ore Reserves because of study level of the pre-feasibility study report.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Competent Person classified the Ore Reserve estimate for the Huasheng Property as Probable, converted from Measured and Indicated Mineral Resources, with the confidence level in the Modifying Factors deemed equivalent to a pre-feasibility study level; this confidence is supported by geological modeling and data validation efforts, but is qualitatively impacted by BAW's reliance on client data for mineral title verification, unverified historical QA/QC data, a gold assay method potentially leading to grade underestimation, and optimistic forecasted metallurgical recoveries requiring further pilot-scale validation.* • *Although the main orebody is within Huasheng's mining area, the scope of open-pit mining does involve the surrounding Dagangba exploration rights and the exploration rights in the southern area. The company has conducted corresponding coordination, so special attention should be paid when interpreting the reserve data.* • *The Ore Reserve, classified as Probable with Modifying Factors at a pre-feasibility study level, carries uncertainties including optimistic metallurgical recoveries lacking pilot-scale validation, and the pending acquisition of critical operational permits such as the Safety Production and Waste Discharge permits. Additionally, BAW's reliance on client-provided information for mineral title verification also contributes to a level of uncertainty regarding these foundational legal aspects.* • *Historical production data for the Huasheng Property are available, encompassing the period from 2009 to 2015. However, subsequent to the cessation of mining operations in 2015 and an extended period of suspension, significant disparities have arisen concerning the proposed current project design, original operational capacity, and other relevant Modifying Factors. Consequently, the current Ore Reserve estimation process has not directly incorporated this historical production data.*

15.5 Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• *Not applicable.*
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• *Not applicable.*
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• *Not applicable.*
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• *Not applicable.*
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• *Not applicable.*
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• *Not applicable.*
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* *o diamonds quantities by appropriate screen size per facies or depth.* *o details of parcel valued.* *o number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	• *Not applicable.*
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• *Not applicable.*
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• *Not applicable.*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			**Appendix E**
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch.11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			*Not applicable*
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

Chapter 18				Sections in BAW's CPR
	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Not applicable
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Ch 8 Sect 9
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		

Chapter 18			Sections in BAW's CPR
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		
18.14–18.17	**CONTINUING OBLIGATIONS**		**Not applicable**
18.14	**Disclosure in reports**		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		

Chapter 18			Sections in BAW's CPR
18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	

Chapter 18			Sections in BAW's CPR
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.		
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1

Chapter 18				Sections in BAW's CPR
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and		Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.		
18.25–18.26	**Disclaimers and Indemnities**			**Disclaimer section**
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.			Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.			Ch 1 Sect 8
18.27	**Obligations of sponsor**			**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.			
18.28–18.34	**REPORTING STANDARD**			
18.28–18.30	**Mineral reporting standard**			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —			
	(1)	under:		
		(a)	the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b)	NI 43–101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18				Sections in BAW's CPR
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		
	Note: A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18			Sections in BAW's CPR
18.33	A Mineral Company must ensure that: —		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	

Chapter 18			Sections in BAW's CPR
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP)	A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.
Element	Chemical symbols used in this report Al — Aluminium Au — Gold Ag — Silver As — Arsenic Ba — Barium Cu — Copper Fe — Iron K — Potassium Mg — Magnesium Mn — Manganese Na — Sodium O — Oxygen Pb — Lead S — Sulphur Si — Silicon Sr — Strontium Ti — Titanium Zn — Zinc
Exploration Target/Results.	includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves

In-situ	means rock or mineralisation in place in the ground
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals
Yuan	stands for the currency of People's Republic of China

COMPETENT PERSONS' REPORT OF THE OSINO PROPERTY LOCATED IN NAMIBIA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China 100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

EXECUTIVE SUMMARY

Project Overview

The Osino Property, located in Namibia's Erongo Region, consists of the Twin Hills Gold Project (DFS stage), the Ondundu Gold Project (resource stage), and two early-stage exploration areas, Eureka and Sandveld. Twin Hills lies ~150 km northwest of Windhoek, while Ondundu is ~130 km further northwest. The project includes one mining license (Twin Hills, ML238, valid until 2042) and 18 EPLs covering more than 4,000 km^2. Osino Resources Corp. holds 100% ownership through its subsidiaries, and became a wholly owned subsidiary of Shanjin International in August 2024.

Project Advantages

The Osino Property is situated in the central Damara Orogen, a favorable metallogenic belt. Twin Hills hosts large, continuous mineralized bodies controlled by the Karibib Fault Zone, with a DFS outlining a 13-year open-pit mine producing ~160 koz Au annually. Ondundu, hosted within the Ondundu Anticline, remains open along strike and at depth with strong exploration potential. Infrastructure is robust, with grid power, road access, and skilled labor available. A 5 Mtpa CIL plant is designed with average recoveries of ~92%, supported by a filtered dry-stack tailings facility.

Table 1 Mineral Resource Statement — Osino Property (JORC 2012, as of 31 December 2025)

Project	Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t)
Twin Hills	Measured	706	1.47	1.04
	Indicated	83,643	1.08	90.41
	M + I	84,349	1.08	91.45
	Inferred	7,031	1.10	7.72
Ondundu	Inferred	31,190	1.03	32.05
Total	—	122,570	1.07	131.22

Table 2 Ore Reserve Statement — Osino Property (JORC 2012, as of December 31, 2025)

Project	Category	Tonnage (kt)	Grade (g/t Au)	Contained Gold (t Au)
Twin Hills	Proved	0.7	1.29	0.9
	Probable	65.0	1.02	66.3
Total	—	65.7	1.02	67.2

Exploration Potential

At Twin Hills, mineralized zones remain open along strike and depth, with high-grade shoots plunging northeast along fold hinges. Surrounding targets (Twin Hills East, Oryx, Kudu, Clouds West) show continuous mineralization and strong brownfields potential. At Ondundu, gold is controlled by bedding-parallel slip zones and quartz-carbonate-pyrite veins within the Ondundu Anticline; mineralization extends for several kilometers and remains open. At Eureka, drilling has revealed thick, high-grade intercepts, while Sandveld geochemistry highlights anomalies with concealed deposit potential.

Economics

Based on recent mainstream gold price forecasts, the Osino Project delivers an after-tax NPV of ~US$740 million at a 10% discount rate. The life-of-mine (LOM) average AISC is estimated at ~US$1,123/oz, confirming robust economic viability. Sensitivity analysis shows the project is most sensitive to gold prices, followed by operating and capital costs.

Conclusion

The Osino Property represents a major emerging gold asset in Namibia. Its JORC (2012)-compliant Mineral Resource and Ore Reserve estimates are reliable, with Twin Hills positioned as a technically straightforward, low-risk open-pit mine, and Ondundu plus satellite areas offering significant growth. Economic assessment confirms strong profitability and long-term development potential, underpinning the project's strategic investment value.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Osino Property is divided into four adjoining license groups, namely, Twin Hills, Ondundu, Eureka and Sandveld (Figure 1–1). Twin Hills, which has reached Definitive Feasibility Study ("**Twin Hills DFS**") stage, is the principal asset. Ondundu has already been examined by a sizable drilling programme, while Eureka and Sandveld remain at an early exploration phase.

The Twin Hills Project lies in central Namibia, about 150 km north-west of the capital, Windhoek. The concessions are located near the towns and villages of Usakos, Karibib, Omaruru and Wilhelmstal in the Erongo Region. Ondundu is situated approximately 130 km northwest of Twin Hills and falls 80–100 km from the communities of Omaruru, Uis, Khorixas and Omatjete, likewise in Erongo. The Eureka and Sandveld areas occur farther north and north-east of Twin Hills at radial distances of roughly 170 km and 210 km, respectively.

1.2 Property Ownership

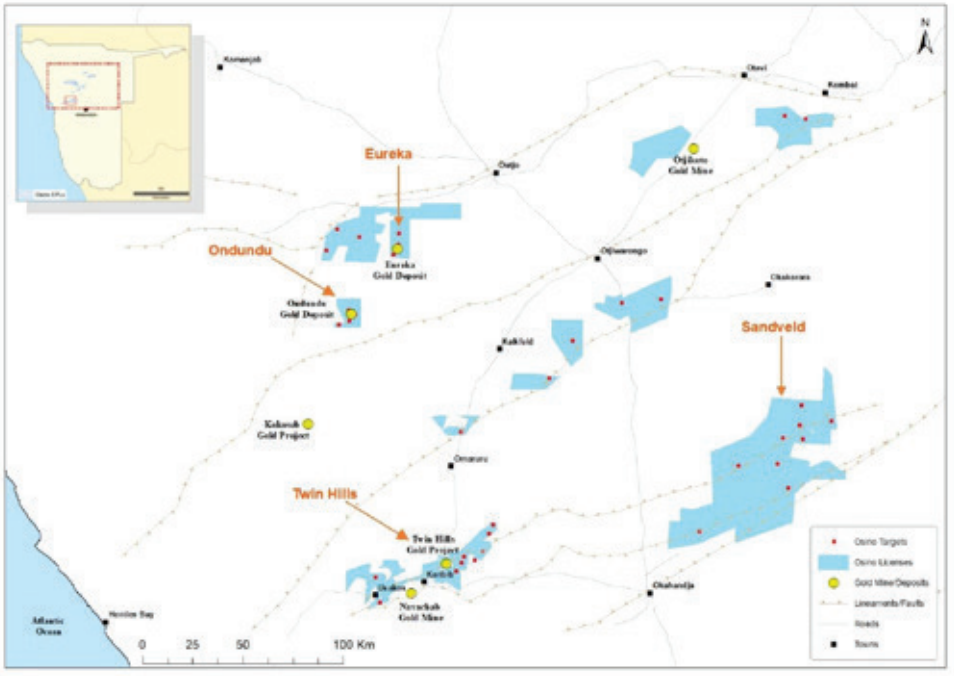


Figure 1–1 Location of the Osino Property

The various mining and exploration licenses that make up the Osino Property, including all associated Mineral Resources, Ore Reserves, and mining operations discussed in this report, are 100% owned by Osino Resources Corp. ("**Osino Resources**") through its different subsidiaries. Osino Resources is currently a wholly owned subsidiary of the Client.

1.3 Mineral Rights and Licensing

Mineral rights in Namibia are governed by the Minerals Act of 1992. According to this Act, rights related to reconnaissance, prospecting, mining, sale, disposal, and control over any mineral or group of minerals are vested in the State, regardless of any land ownership. The types of licenses available under this framework include non-exclusive prospecting licenses, mining claims, reconnaissance licenses, exclusive prospecting licenses (EPLs), mineral deposit retention licenses, and mining licenses.

EPLs are typically granted for a maximum duration of three years, with the possibility of renewal for additional periods, not exceeding two years at a time. However, according to the Minerals Act, an EPL may not be renewed more than twice unless the Minister considers it beneficial for the development of Namibia's mineral resources. Renewal applications must be submitted at least 90 days before the expiry date, and 25% of the license area must be relinquished with each renewal application. Additionally, a geological report summarizing all exploration activities must be submitted with the renewal application.

Osino Resources holds one mining licenses and 16 exploration licenses ("**EPLs**") that cover the entire project area.

According to the Client's Namibian legal advisor, 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, the holding companies of those licenses 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. As such, according to the Client's Namibian legal advisor, no legal impediment in the renewal process is expected.

Table 1–1 Details of the Mining License and EPLs of the Osino Property

Property Holder	Licence	Expiry Date	Area (km^2)	Status
Osino Gold Exploration and Mining (Pty) Ltd	ML238	2 Nov 2042	62.09	Active

No.	Project/Area	Licence	Area (km^2)	Valid Period	Status
1. .	Twin Hills (Karibib)	EPL3739	174.5	2007/09/11 — 2026/02/11	Pending Renewal
2. .	Twin Hills (Karibib)	EPL5658	163.79	2025/06/14 — 2027/06/13	Active
3. .	Twin Hills (Karibib)	EPL6167	9.76	2017/02/23 — 2024/11/21	Pending Renewal
4. .	Twin Hills (Karibib)	EPL5196	1.4	2025/04/09 — 2027/04/08	Active
5. .	Twin Hills (Karibib)	EPL5880	323.51	2016/10/04 — 2026/07/17	Active
6. .	Twin Hills (Karibib)	EPL7301	127.81	2019/08/13 — 2027/06/08	Active
7. .	Ondundu	EPL7370	59.98	2019/08/13 — 2027/08/12	Active
8. .	Eureka (Otjiwarongo)	EPL7403	344.71	2019/10/28 — 2027/06/14	Active
9. .	Outjo	EPL5282	428.06	2013/07/12 — 2026/02/12	Pending Renewal
10 .	Grootfontein	EPL8997	474.3	2024/06/03 — 2027/06/02	Active
11 .	Sandveld	EPL8155	373.96	2023/07/13 — 2026/07/12	Active
12 .	Sandveld	EPL8156	541.19	2025/09/27–2027/09/27	Active
13 .	Sandveld	EPL8157	992.86	2025/08/29 — 2027/08/29	Active
14 .	Sandveld	EPL8158	574.37	2022/10/11 — 2025/10/10	Pending Renewal
15 .	Ondundu	EPL3195	103.87	2004/05/31 — 2027/02/03	Active
16 .	Grootfontein	EPL8747	393.41	2022/06/14 — 2026/06/13	Active

Note:

In addition to the granted exploration licences, the Group holds a number of exploration licence applications and licences pending the issuance of Environmental Clearance Certificates ("ECC"), including EPL10712 (731.22 km^2), EPL9926 (13.04 km^2), EPL9372 (225.70 km^2), EPL9039 (653.54 km^2) and EPL9516 (545.57 km^2), as well as applications such as EPL10710 (12.09 km^2) and EPL10711 (128.65 km^2).

These licences have either not yet been granted or are not yet fully effective, and therefore do not constitute valid mineral tenure under the Namibian Minerals (Prospecting and Mining) Act at the date of this report.

Accordingly, these licences have not been included in the summary of material licences and do not form part of the Mineral Resource or Ore Reserve base. However, they may provide potential for future exploration upside, subject to the successful granting of the relevant approvals.

The Group does not rely on these licences for its current operations or resource base.

BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

Access to the Osino Property is provided by Namibia's sealed secondary road network and well-maintained gravel tracks. Road travel from Windhoek to the Twin Hills Gold Project (approximately 190 km to the northwest) typically requires 2 hours, while the journey via Omaruru to the Ondundu area (around 350 km) takes about 4 hours. Local access within license areas is via non-maintained farm roads and four-wheel-drive tracks. The nearest airport is Eros Airport in Windhoek.

2.2 Climate

The Osino Property is situated in a dry subtropical setting with cool, short winters and hot summers. Winter runs from late May to August; overnight lows at Twin Hills can dip below 0 °C, though most winter days remain between 5 °C and 25 °C. Ondundu, at slightly lower elevation, is warmer, its winter minima generally above 5 °C and commonly between 8 °C and 28 °C. Summer, spanning October to March, brings night-time averages of about 16 °C–20 °C, while daytime highs can rise to 35 °C.

Rainfall is modest and increases gradually from the arid southwest toward the northeast. Twin Hills receives roughly 239 mm (nine inches) of rain a year, whereas the Omaruru district averages about 177 mm. Most precipitation falls between November and April in brief but intense thunderstorms that set the area's ephemeral rivers flowing for hours or, in wetter years, weeks. Within the licence boundaries, the Khan River lies north of Twin Hills, the Omaruru River traverses the town of Omaruru, and the Ugab River crosses the northern portion of the Eureka Gold Project; each drains southwest toward the Atlantic.

Fieldwork can proceed throughout the year. During the peak of the wet rainy season short-lived access might issues arise when local roads are affected by storm runoff or isolated flooding.

2.3 Physiography

From southwest to northeast the Project area grades from arid to semi-arid shrubland into mopane savanna and mixed woodland. Relief is moderate overall. At Twin Hills, elevations rise from about 900 m above sea level in the southwest to roughly 1 500 m in the northeast, where isolated hills of marble and small granitic plugs stand above subdued plains. Ondundu, some 170 km to the northwest, occupies gently rising highlands between 1 000 m and 1 172 m; its most prominent feature is a north-south ridge formed by the altered core of the regional Ondundu Anticline that emerges above low-lying schistose and calcrete-mantled flats. The vegetation in the region is dominated by scrubs and small trees. Land use is broadly pastoral. Around Twin Hills, dryland cattle ranching and game farming predominate, while the drier Ondundu highlands support mixed goat and cattle grazing.

2.4 Local Resources and Infrastructure

Skilled labor is available within commuting distance of the Osino Property, with the Windhoek metropolitan area providing the majority of mine personnel. Additionally, smaller towns and settlements within 100 km of the license boundary offer further recruitment options.

For Twin Hills, electrical energy will be sourced from the NamPower national grid via a 19 km overhead line connecting the process plant to the proposed Erongo substation near Karibib. Recent engineering indicates that a solar component could be integrated into a hybrid supply scheme. The Osino Property is located in the 8,400 km^2 greater Khan River drainage basin, with the local Okawajo sub-catchment covering 92 km^2 (about 1% of the total). Hydrological modeling has estimated inflows for a future open pit and process-water demand. The channel crossing the mining lease is typically dry, receiving runoff only from rainfall and flash floods, with no expected perennial groundwater discharge into the Okawajo reach; some baseflow is likely along the Khan River further northwest.

At Ondundu, power options for a potential plant include tapping into the state-owned 220 kV Ruacana-Windhoek transmission corridor, located about 15 km east of the prospect. The area drains westward to the ephemeral Ugab River and is intersected by several short seasonal streams rising primarily to the southeast. Current operations rely on a borehole located 800 m west of the southern end of the mineralized trend, with local fault systems considered favorable targets for expanding the underground water supply.

3 HISTORY

3.1 Ownership History

Anglo American first explored parts of the Twin Hills area after the 1984 discovery of the nearby Navachab gold mine. In 2008, Bafex Exploration ("**Bafex**") obtained prospecting rights over portions of Twin Hills and, initially in joint venture with Desert Minerals Exploration ("**Desert**") and later independently, undertook follow-up work. Osino Resources, incorporated in 2012, entered the district in 2016 by acquiring mineral licenses through transactions that included purchasing Bafex from Helio Resources Corp. and securing additional EPLs from Damara Gold Corp. From 2016 onward Osino actively applied for and acquired EPLs and completed share deals with several license holders, progressively refining the EPL boundaries as exploration advanced. The company merged with Romulus Resources Ltd. in 2018, acquired the Ondundu Project from B2Gold Corp ("**B2Gold**"). in 2022, and obtained the Twin Hills mining licence later that same year. Ongoing license adjustments between 2016 and the present have resulted in the current EPL configuration. Shanjin International completed the full acquisition of Osino Resources in August 2024, becoming the ultimate owner of the Osino Property.

3.2 Exploration History

Gold has been discovered in Namibia since the 1850s, when small occurrences were worked in the Sinclair Formation of the Rehoboth district, but production remained minor. More substantial mineralization was identified at Ondundu in 1917; small-scale operations recovered about 20 000 ounces, mainly from alluvial material, before closing in 1963.

Modern reconnaissance in the began in the early 1980s. Tsumeb Corporation Limited ("**TCL**") undertook stream-sediment and soil sampling and limited drilling at Ondundu, while Anglo American applied similar exploration work at Twin Hills. Anglo American's work continued into the early 2000s but on a modest scale and without significant discovery.

Follow-up surveys in Twin Hills area commenced in 2008, when Bafex and Desert ran IP profiling and systematic geochemical sampling over two EPLs. A small drilling campaign obtained only scattered mineralized intercepts, and no economic discovery was declared. Large-scale, integrated exploration started in 2016 after Osino Resources entered the district. Combining geophysical, geochemical survey, drilling and surface sampling, A coherent orogenic gold system was delineated, with results reported in 2019.

At Ondundu, regional mapping, surface geochemistry, sampling of historical workings and limited drilling by TCL and Gold Fields Namibia (Pty) Ltd during the 1980s and 1990s failed to demonstrate economic potential. Exploration activity lapsed until 2005–2015, when Omatjete Mining Company (Pty) Ltd, Westport Resources Namibia (Pty) Ltd and Angus Mining Inc. carried out geophysical surveys, trenching, drilling, sampling and initial metallurgical testing that outlined the first continuous zones of mineralization. B2Gold expanded the program from 2015 to 2021, adding step-out and in-fill drilling to grow the mineral resource and improve confidence level, alongside further metallurgical studies. Osino Resources assumed control in 2022, completing resource-definition drilling and additional metallurgical testwork.

Exploration in other parts of the Osino Property remains at an early stage. In 2023 preliminary mapping, geophysical work and drilling confirmed gold mineralization at Eureka, and a geochemical soil survey was initiated over the Sandveld area.

3.3 Historic Resource/Reserve Estimation

In 2022 CSA Global South Africa (Pty) Ltd. ("**CSA**") issued maiden Mineral Resource statements for both deposits, set out in "Twin Hills Gold Project, Namibia — NI 43–101 Technical Report" and "Ondundu Gold Project, Namibia — NI 43–101 Technical Report", prepared under the CIM Definition Standards in accordance with National Instrument 43–101. Later that year Lycopodium Minerals Canada Ltd. ("**Lycopodium**") produced the first Ore Reserve for Twin Hills in "Twin Hills Gold Project, Namibia — Pre-feasibility Study, National Instrument 43–101 Technical Report", which simultaneously updated the Mineral Resource inventory. Lycopodium released a further update to both the Mineral Resource and Ore Reserve in 2023 within the "Definitive Feasibility Study of the Twin Hills Gold Project, Namibia — National Instrument 43–101 Technical Report".

3.4 Development and Production History

The Twin Hills Gold Project is in the development stage. In June 2023, Osino Resources released a Definite Feasibility Study ("**Twin Hills DFS**") for its flagship Twin Hills project based on 2.94 Moz reserves, outlining 13-year open-pit mine with average annual production of ~160 koz at AISC of about US$1,121/oz. Ondundu, Eureka and Sandveld are in the exploration stage.

4 GEOLOGICAL SETTING

4.1 Regional Geology

The Osino Property lies within the inland branch of the Pan-African Neoproterozoic Damara Belt (Figure 4–1), a northeast-trending fold-thrust-metamorphic province formed during the collision between the Congo Craton to the north and the Kalahari Craton to the south. Rifting and accretion began about 800–750 Ma and were largely complete by 600 Ma, with peak deformation occurring between 500 Ma and 530 Ma in the Damara Belt, 550–580 Ma in the Kaoko Belt to the northwest, and 530–545 Ma in the Gariep Belt to the south.

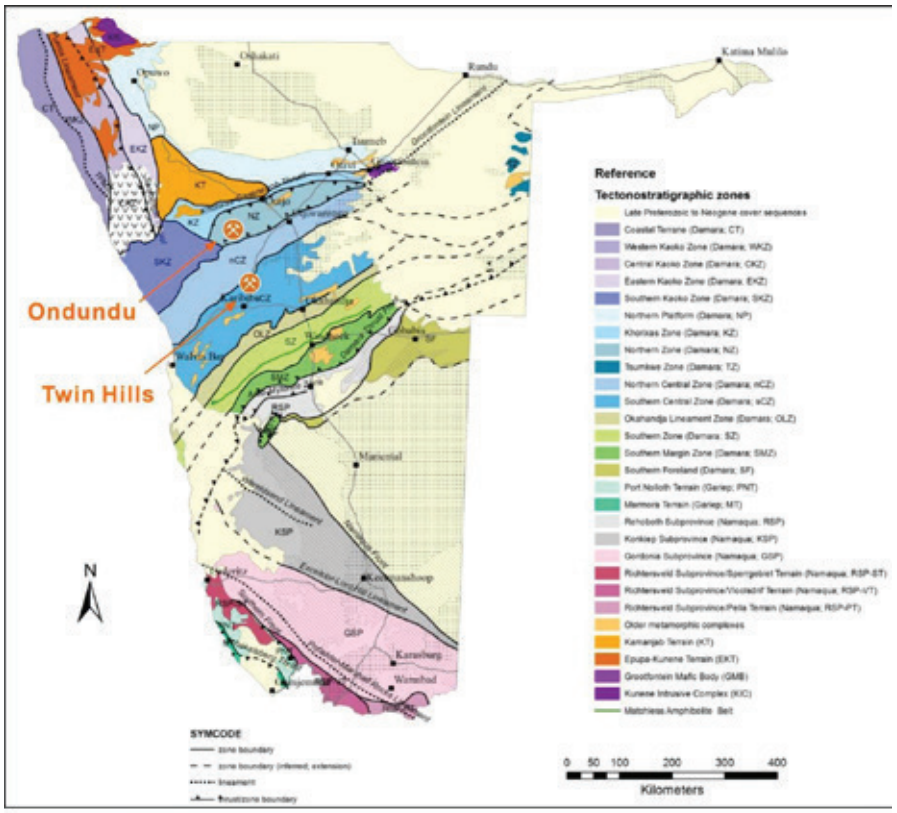


Figure 4–1 Regional Geological Map

Note: modified from Osino Resources, 2023

The Damara Orogen has been divided into three longitudinal zones. The northern zone is a gently folded foreland basin of low-grade metamorphic rocks. The central zone, resting on pre-Damaran basement, contains calcareous and pelitic metasediments with minor volcanics that were deposited on a back-arc, passive continental margin. Farther south, the suture zone is marked by southeast-verging thrust belts cutting pelitic sequences that have experienced high-pressure, low-temperature metamorphism.

During and after orogenesis the belt was intruded by a wide range of plutonic rocks, from gabbro and diorite to several generations of granite. Early syn- to late-tectonic I-type Salem granites are the most common, followed by post-tectonic I-type granites. A later Jurassic-to-Cretaceous episode emplaced alkaline ring complexes, large granitic batholiths, and widespread flood basalts.

4.2 Property Geology and Mineralization

The stratigraphy within the Osino Property is dominated by the Neoproterozoic rocks of the Nosib Group, unconformably overlain by the Swakop Group — the principal host to gold mineralization in the district. Several other significant deposits occur nearby, including the Otjikoto and Navachab gold mines. Regionally, a set of nearly parallel NE-SW-striking fault systems controls the primary structural framework and strongly influences the distribution of gold mineralization.

4.2.1 Twin Hills

The Twin Hills Project is situated in the Southern Central Zone of the Damara Orogen, where syn-tectonic Salem-type granite occupies the north-eastern margin while most of the area is underlain by metamorphosed sedimentary rocks of the Swakop Group. From oldest to youngest these comprise biotite-rich schists with minor calc-silicate and amphibolite of the Arandis Formation, dolomitic-calcitic marbles of the Karibib Formation, and schistose quartz-feldspar-mica meta-greywacke and meta-pelite of the Kuiseb Formation. The Swakop Group is intruded by syn-, late- and post-tectonic granites and by pegmatites that locally contain gem-quality black and coloured tourmaline mined on a small scale.

Local structure is dominated by tight to isoclinal folds and dome-and-basin geometries typical of the Southern Central Zone. An early NNW-SSE compression produced overturned or upright folds accompanied by flexural-slip on the limbs, particularly within the interbedded meta-greywacke. A subsequent NW-SE compression refolded these structures, generating doubly plunging folds and domes. As deformation waned, the crustal-scale Karibib Fault Zone along the southern margin of the Karibib Basin was re-activated as a dextral shear system; regional magnetic data suggest this structure extends for more than 100 km.

Gold mineralization is closely associated with arsenopyrite and pyrrhotite, and the presence of pyrrhotite imparts a distinct magnetic signature that aids exploration. The gold mineralization at Twin Hills is hosted by meta-greywackes that can be divided into interbedded and massive units. Gold is concentrated in millimetre-scale arsenopyrite veinlets and in fine-grained disseminations, while pyrrhotite, which has a wider distribution, occurs even in units with only minor gold content. Selvages to the sulphide-quartz veinlets display potassic alteration (biotite), and higher-grade zones are commonly silicified.

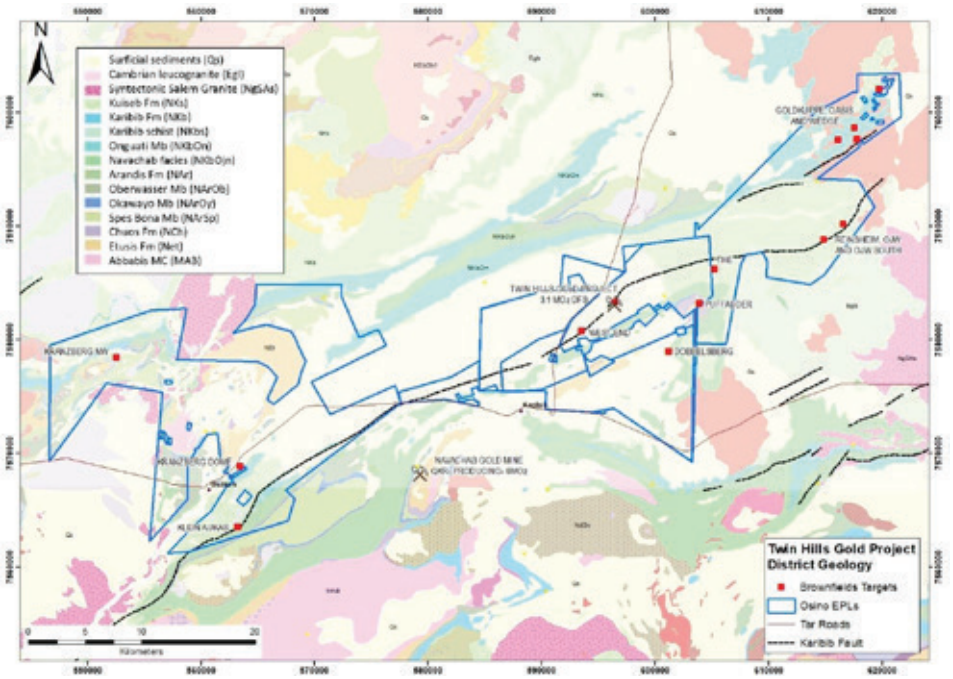


Figure 4–2 Geological Map of the Twin Hills Area

Note: modified from CSA, 2022

4.2.2 Ondundu

The Ondundu Project lies within the Northern Zone of the Damara Orogen, roughly 15 km north of the Autseib-Otjohorongo Fault. The prospect is centred on greenschist-facies metasedimentary sequence of the Kuiseb Formation — calcareous quartz-feldspar-mica meta-greywacke and meta-pelite — intruded by syn- to post-tectonic granites and pegmatites.

Deformation is complex and records at least four tectonic phases. An initial N-S shortening generated E- to E-NE trending asymmetric folds. A succeeding compressional event produced the region-defining Ondundu antiform along with tight, upright F_2 folds and localized greenschist-grade metamorphism. Later NW-SE convergence reactivated earlier extensional faults and introduced new NE-oriented folds, although its influence at Ondundu appears limited. The final recognized phase is brittle faulting that overprints earlier structures; this includes steep E-W faults accompanied by mafic dykes. The Margarethental Fault, the most significant of these structures, displays several hundred meters of right-lateral displacement and locally truncates both folds and mineralization.

The NNE-striking Ondundu anticline, plunging about 30° south, is the principal structural control of the core mineralization area. Parasitic folds on its limbs focus hydrothermal fluids, concentrating gold in bedding-parallel quartz veins. The richest mineralization occurs on the steeply western dipping limb of a syncline-anticline pair along the anticline's southeastern flank, where high strain provided conduits for fluid flow. Two mineralized vein clusters — Razorback and Margarethental — stand out; both comprise en-echelon Quartz vein packages thought to be linked to underlying shear zones.

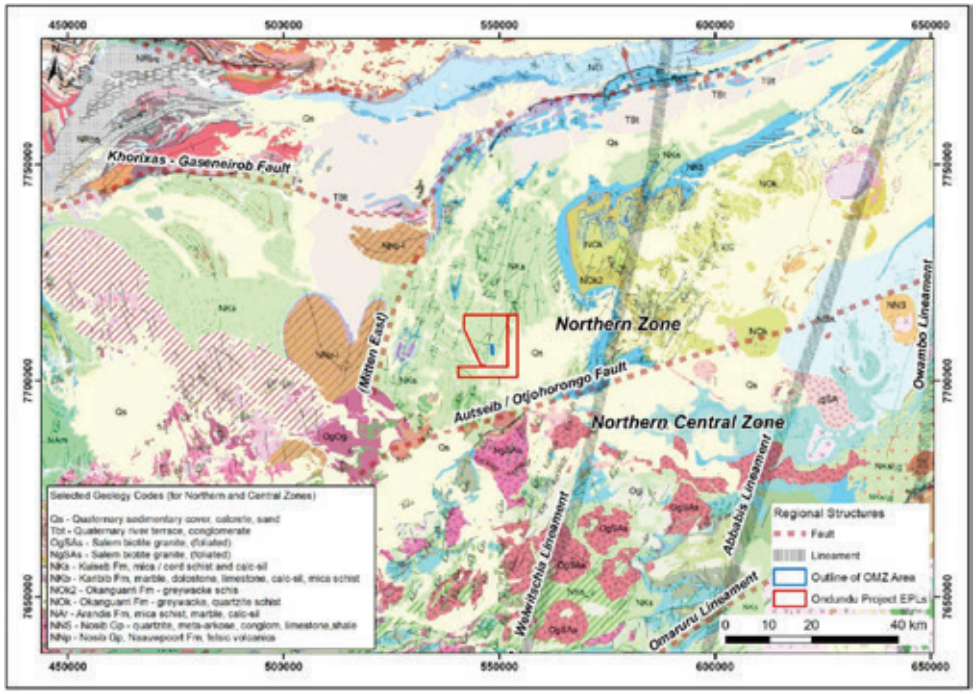


Figure 4–3 Geological Map of the Ondundu Area

Note: modified from CSA, 2022

The majority of the gold occurrence at Ondundu is present as free gold within quartz-Fe-carbonate-pyrite veins, commonly accompanied by sericite alteration.

4.3 Deposit Type

Orogenic gold deposits develop late in continental collision or accretion events, from the Archaean through to the Tertiary. They form when metamorphic or, less commonly, magmatic fluids rise from mid- to lower-crustal levels and focus along major structures near the brittle-ductile transition (roughly 5–15 km depth). The typical hosts are volcanic and turbiditic successions that have been metamorphosed to greenschist facies; amphibolite facies is less common but displays the strongest alteration zonation. Mineralization grows while the rocks are still deforming, so the ore is tightly controlled by faults, shear zones, fold hinges, and other lithological contrasts. Individual deposits can extend 1–2 km vertically. Close to surface, wall-rock alteration is dominated by sericite-carbonate-pyrite; with depth this grades through biotite-carbonate-pyrite to biotite-amphibolite-pyrrhotite and finally to biotite/phlogopite-diopside-pyrrhotite. Quartz ± carbonate veins occur throughout, yet the highest gold grades commonly reside in the immediately adjacent sulphidized wall rocks. The ore fluids are sourced mainly from devolatilization of deeply buried rocks, supplemented in some systems by fluids exsolved from crystallising felsic to intermediate intrusions.

Gold mineralization style at Twin Hills and Ondundu is classified as orogenic and linked to compressional to transpressional deformation during the 550–500 Ma Damara Orogeny. At Twin Hills, mineralization traces the Karibib Fault Zone along the southern margin of a tightly folded turbidite basin, while at Ondundu it formed under the same orogenic regime farther north.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

Exploration by Osino Resources began at Twin Hills in 2016, was initiated at Ondundu in 2022, and extended to the Eureka and Sandveld prospects in 2019 and 2023, respectively. Work has been concentrated at Twin Hills and Ondundu, while activities at Eureka and Sandveld remain at a preliminary prospecting stage. Across all areas the company has applied a consistent programme comprising systematic topographic and geological mapping, regional and geochemical surveys, surface sampling, ground magnetic surveying, trenching, and diamond ("**DD**"), reverse circulation ("**RC**") and grade control drilling. Based on the exploration database provided to BAW, major exploration programs as of the Effective Date are summarized in Table 5–1. Part of historical diamond, reverse circulation and rotary air blast ("**RAB**") drillholes conducted by B2Gold at Ondundu prior to 2021 are also included below.

Table 5–1 Summary of Exploration Programs as of the Effective Date

Type	Collar	Depth (m)	Samples
Twin Hills			
Exploration Drill Hole (DD&RC)	1,055	224,220	194,502
Grade Control Drill Hole	1,050	42,422	31,054
Sub-Total	2,105	266,642	225,556
Ondundu: Osino			
Exploration Drill Hole (DD&RC)	70	14,711	13,813
Ondundu: Pre-Osino (B2Gold)			
Exploration Drill Hole (DD, RC&RAB)	293	40,517	40,665

5.2 Drilling

All drilling on the Osino Property has been executed by specialized contractors who supplied the rigs, skilled crews, and safety equipment. Collars were laid out on a nominal 50 m × 50 m grid that was locally tightened to 25 m × 25 m for resource-definition purpose. Three drilling methods were employed:

Diamond drilling (HQ and NQ) to provide geological and structural data as well as grade control.

RC drilling using ~132 mm bits on Osino rigs and ~120 mm bits on earlier B2Gold holes, primarily for rapid resource evaluation.

RAB drilling, used by B2Gold for first-pass testing of geochemical and geological anomalies.

Drillholes were generally inclined perpendicular to the principal mineralized structures to optimize intersection angles; a small number of scissor and vertical holes confirmed true thickness and orientation.

Collar positions were surveyed with Trimble R2 differential GPS (CentrePoint RTX) in the WGS 84/UTM Zone 33S system; B2Gold used equivalent DGPS equipment. Down-hole deviation was measured from bottom to collar at 20–30 m intervals with REFLEX EZ-TRAC or comparable multi-shot downhole survey instruments (B2Gold).

Diamond core recovery averages generally above 95%. RC recovery, calculated for dry, fresh material against theoretical sample mass, averages above 90%. B2Gold reported approximately 99% recovery for its core drilling.

Core is checked at the rig for recovery and quality, then moved to a secure facility for detailed logging of lithology, structure, oxidation, mineralization, and alteration. All diamond core is photographed before storage. Sampling is continuous through mineralized zones and selective elsewhere: diamond core is sawn longitudinally, with the upper half dispatched for assay in nominal 1 m intervals (locally 0.5–1.5 m to respect geological boundaries). RC and RAB chips are collected at 1 m intervals and reduced to 2–3.5 kg representative splits with a three-tier riffle splitter for laboratory analysis.

5.3 Sample Preparation, Analysis and Security

5.3.1 Density Determination

As of the Effective Date, Osino Resources and B2Gold had completed 23,931 bulk density determinations on diamond-core samples from the Twin Hills Project and approximately 5,102 determinations from the Ondundu Project. Core pieces longer than 5 cm were selected at nominal down-hole intervals across all major lithologies and oxidation states.

At Twin Hills, density measurements returned consistent values across lithologies, with averages of 2.74–2.77 t/m^3 for the dominant greywacke and schist units. When grouped by weathering state, mean densities were 2.24 t/m^3 (calcrete), 2.57 t/m^3 (oxide), 2.65 t/m^3 (transition), and 2.76 t/m^3 (fresh).

At Ondundu, sandstone, siltstone and mixed lithologies showed very similar results, with average densities of 2.72–2.73 t/m^3. When classified by oxidation state, mean values were 2.60 t/m^3 (oxide), 2.67 t/m^3 (transition), and 2.75 t/m^3 (fresh).

All measurements were conducted using the conventional hydrostatic immersion (water displacement) method on wax-coated samples, with outliers removed prior to statistical analysis. Representative domain-based mean values were applied to the block models.

These programs are considered adequate in scope and quality, and the resulting densities provide a reliable basis for tonnage estimation in the Mineral Resource models for both Twin Hills and Ondundu.

5.3.2 Sample Preparation

Since May 2018 all chip and half-core samples, together with the accompanying QA/QC inserts, have been submitted to the Activation Laboratories Ltd ("**Actlabs**") for preparation. Osino Resources transports sealed sample bags from field camps at Omaruru and Ondundu to Actlabs' preparation facility in Windhoek, Namibia.

At Actlabs, each sample is dried at 60 °C, crushed to 80% passing 2 mm (10 mesh), and riffle-split (single tier) to obtain a representative 250 g sub-sample. This fraction is pulverized in a mild-steel bowl to 95% passing 105 μm (150 mesh). The bowl is purged with clean sand between samples to minimize carry-over. A 65 g pulp is then scooped into a labelled zip-lock bag for dispatch to the analytical laboratory; the coarse reject and remaining pulp are stored in Windhoek under secure conditions.

5.3.3 Sample Analysis

All prepared pulp samples generated at the Windhoek preparation facility has been dispatched to accredited Actlabs analytical laboratories. The primary destination is Actlabs Kamloops in Canada, an ISO 17025-accredited laboratory. As drilling accelerated from October 2020, additional samples have also been routed to Actlabs laboratories in Medellín, Colombia, and Zacatecas, Mexico, both certified to ISO 9001. BAW did not conduct on-site audits of these facilities.

Upon arrival the pulp samples are re-homogenized, after which a 30 g aliquot is extracted for gold determination. The routine procedure employs fire assay followed by an atomic absorption spectrometry (AAS) finish, which reliably reports grades between 5 ppb and 5,000 ppb Au. Any sample returning more than 5 g/t Au in the initial pass is automatically re-analyzed by fire assay with a gravimetric finish; this technique dissolves the silver from the bead with nitric acid, anneals the resulting gold flake, and weighs it on a micro-balance, providing a range from 0.03 ppm up to 10,000 ppm Au.

To evaluate potential bias by the existence of coarse gold in samples, selected intervals have also been subjected to metallic screen fire assay ("**SFA**"). Osino Comparative reviews by Osino Resources carried out in 2019 and 2021 showed that SFA and routine fire-assay results are statistically consistent, so the conventional fire-assay method remains the primary protocol. Coarse-reject duplicate results are monitored continuously, and additional screen-fire assays are commissioned whenever variance indicates the possible presence of nuggety gold.

5.3.4 Sample Security

During its site visit, BAW reviewed the sample-security procedures and found that mine-site personnel made reasonable efforts to preserve samples, maintain accurate chain-of-custody records and logging, and ensure secure transport to the laboratory. In BAW's opinion, the implemented security protocol is adequate to safeguard the validity and integrity of all samples.

5.4 Quality Assurance and Quality Control ("QA/QC")

For historical drilling and sampling undertaken by B2Gold before 2021, BAW has relied on the QA/QC data analysis and evaluation results in CSA Global's 2022 report "Ondundu Gold Project, Namibia — Amended and Restated NI 43–101 Technical Report". CSA's audit concluded that: (i) blank submissions showed no evidence of contamination; (ii) accuracy checks revealed no fatal flaws; (iii) preparation and pulp duplicates displayed acceptable precision with no material bias; and (iv) as is typical, field duplicates exhibited lower precision and higher bias relative to laboratory duplicates, yet remained within industry expectations.

Osino Resources monitors analytical quality of Actlabs by inserting certified reference materials ("**CRMs**"), blanks, and three tiers of duplicates (field, coarse-reject, and pulp) into the routine sample stream at a combined rate of about 15–17%. The mix is approximately 5% CRMs, 5% blanks, and 6 — 7% duplicates. CRMs are commercial standards from Geostats Pty Ltd that span low- to high-grade gold values; blanks consist of locally sourced barren river sand. Field duplicates are quarter-core pieces taken from the same interval as the primary half-core sample, whereas coarse duplicates are created from the crusher rejects and pulp duplicates from the pulverised splits. All QC items are inserted at random so their identity remains unknown to laboratory staff.

Results are compiled and reviewed every quarter. Any analytical batch containing a QC result outside the established control limits is examined, and all or part of that batch is re-assayed when warranted. Osino provided the 2019–2022 QA/QC dataset to BAW. Independent reviews on these data are documented in "Twin Hills Gold Project, Namibia — NI 43–101 Technical Report" (CSA, 2022), "Twin Hills Gold Project, Namibia — Preliminary Economic Assessment" (Lycopodium, 2022), and "Definitive Feasibility Study of the Twin Hills Gold Project, Namibia" (Lycopodium, 2023) concluded that the QA/QC protocols meet industry standards: blanks, CRMs, duplicates perform acceptably, minor biases are present but not systematic, and umpire-laboratory checks are satisfactory. BAW fully relies on those findings for its assessment of data quality.

5.5 Site Visits and Data Verification

A multidisciplinary BAW team comprising geologists, mining engineers, and supporting specialists visited the Twin Hills Project from June 26 to July 1, 2025. The objective was to review the exploration dataset, verify field and laboratory procedures, and inspect the site infrastructure.

5.5.1 Technical Discussions

During the visit, BAW held extensive technical discussions with the Osino geology and mining teams. These discussions strengthened the understanding of geological controls and supported the refinement of mineralisation thresholds, particularly with reference to exploration data collected since 2023. Based on these reviews, updated mineralisation cut-off criteria were jointly developed and incorporated into the revised geological model.

5.5.2 Verification of Exploration Data

BAW received the exploration database provided by Osino. To confirm the accuracy of spatial data, a number of historical drillhole collars were randomly selected and verified in the field using handheld GPS. The checks confirmed that collar locations matched database records and that decommissioned collars had been properly sealed and rehabilitated.



Figure 5–1 Field Verification of Drillhole Collars — Twin Hills Project

5.5.3 Core Shed Inspection and Logging Verification

Twin Hills maintains a dedicated core shed for the storage of both historical and recent drill core. The facility is organised and in good condition. BAW conducted random checks of core against the original geological logs, finding no significant discrepancies. Lithological and mineralisation descriptions were consistent with direct observations.



Figure 5–2 Core shed visit — Twin Hills Project

During the visit, BAW also inspected active drill sites operated by Osino. Drill core was observed at the rig and in transport to the logging facility, where core orientation, geological logging, and sampling procedures were reviewed. No inconsistencies with standard industry practice were observed.

5.5.4 Independent Sampling and Laboratory Verification

As part of the data verification program, BAW collected **21 quarter-core samples** from different mineralisation zones and submitted them to **Activation Laboratories (Actlabs, Canada)** for independent check assays.

- **Analytical Methods:** Fire Assay with Atomic Absorption Spectrometry (FA-AA) for routine samples; Fire Assay with Gravimetric Finish (FA-GRA) for high-grade samples (> 5 g/t Au).

- **Results:** Assay results ranged from below detection (< 0.005 g/t Au) to 6.58 g/t Au. Duplicates and splits showed good reproducibility. QAQC inserts (standards and blanks) confirmed accuracy.

- **Interpretation:** Overall agreement between original mine laboratory results and BAW check assays was reasonable, with no systematic bias identified. Occasional discrepancies are attributed to the nugget effect inherent in coarse-gold mineralisation.

Table 5–2 Re-Assay of Twinhills Programs

ZONE	Original Assay (FA)	Re-Assay (FA) Au_ppm
TwinHills	1.442	0.711
TwinHills	1.697	1.674
TwinHills	3.02	2.383
TwinHills	0.843	0.732
TwinHills	7.24	6.58
TwinHills	2.233	4.686
TwinHills	0.988	0.755
TwinHills	5.09	3.564
TwinHills	4.459	4.764
TwinHills	1.669	0.561
TwinHills	1.087	0.564
TwinHills	0.512	0.568
TwinHills	2.524	1.706
TwinHills	0.646	0.557
TwinHills	1.868	1.917
TwinHills	0.628	0.638
TwinHills	1.809	2.93
TwinHills	1.799	1.753
TwinHills	0.596	4.503
TwinHills	1.699	2.108

Re-assay programs were undertaken on samples from both Ondundu and Twin Hills. At **Ondundu**, several outliers were recorded, which is consistent with the coarse and nuggety nature of the orebody. The results also reflect differences between preparation and analytical methods. Orientation studies completed in 2023 demonstrated poor correlation between assays produced by conventional Fire Assay (FA) and those using larger sample masses. Techniques such as **LeachWell (LW)** and **Screen Fire Assay (SFA)** provided more consistent results, while FA tended to under-report. These findings support the decision to adopt **PhotonAssay (PA)** at Ondundu (and at Eureka), which also offers cost advantages compared with SFA and LW.

At **Eureka**, similar orientation testwork confirmed the negative bias of FA and further highlighted challenges of repeatability due to the nugget effect.

At **Twin Hills**, the re-assays returned an encouraging overall average grade broadly consistent with the original FA results. Some high-grade samples, however, displayed notable variance, which is interpreted as being related to laboratory factors (e.g., over- or under-milling) and minor nugget effects. No size-fraction analysis was undertaken as part of this program.

Overall, the re-assay programs provide additional confidence in the assay database. While nugget-related variability is present, particularly at Ondundu and Eureka, the adoption of larger-mass or PhotonAssay methods has demonstrably improved reproducibility and reliability.

5.5.5 Infrastructure and Operations

The BAW team also inspected the project's industrial facilities, including the tailings storage facility, processing plant, surface infrastructure, and underground openings. These facilities were found to be consistent with the scale and stage of the project's development.

5.5.6 Conclusion

The site inspections and verification work undertaken by BAW provide confidence in the geological database and assay results underpinning the Mineral Resource estimate.

- Field checks confirmed the accuracy of drillhole collar locations and integrity of decommissioned sites.
- Core inspections demonstrated consistency between geological logging and observed lithologies.
- Independent check assays confirmed the reliability of the assay dataset, despite localised variability caused by coarse gold distribution.

Taken together, the verification activities confirm that the data quality is sufficient to support the Mineral Resource estimation in accordance with the JORC Code (2012).

5.6 Comments

The exploration program at the Osino Property, including drilling, sampling, laboratory procedures, and QA/QC protocols, has been planned and executed to a standard consistent with accepted industry practice and the requirements of the JORC Code 2012. Data generated under these protocols are considered reliable and suitable for Mineral Resource estimation and subsequent technical studies.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The previous estimation of Mineral Resources for the Osino Property was conducted for Twin Hills and Ondundu by CSA Global in 2023 documented in the Twin Hills DFS and in 2022 documented in Ondundu Gold Project, Namibia — Amended and Restated NI 43–101 Technical Report respectively. The classification, reporting and estimation of Mineral Resources for the Osino Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX.

6.2 Resources Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as below.

A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The general relationships between exploration results, Resources and Reserves under the JORC Code are illustrated in.

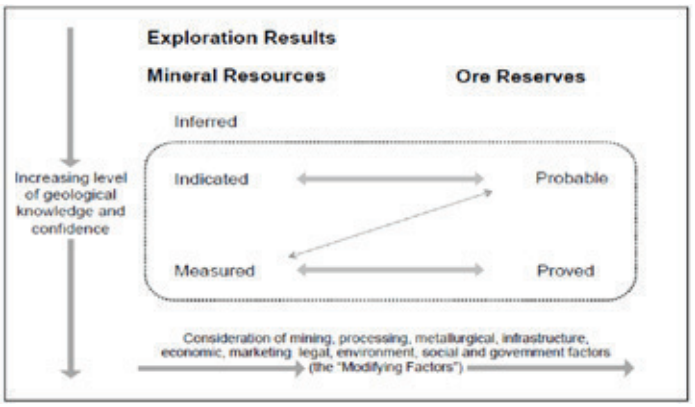


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Osino Property are reported in the subsequent chapter of this CPR.

6.3 Resources Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as below

- **Database Compilation and Verification**: Consolidation of drilling data with quality checks for accuracy and completeness.
- **Geological Modelling**: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- **Data Conditioning**: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- **Block Modelling and Interpolation**: Development of a 3D block model and grade estimation using suitable interpolation methods.
- **Bulk Density Assignment**: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- **Resource Classification**: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.

- **RPEEE Assessment**: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.

- **Model Validation and Reporting**: Visual and statistical validation of the block model, followed by preparation of the Mineral Resource Statement.

6.4 Drillhole Database

6.4.1 Twin Hills Drillhole Data

BAW compiled 2,105 drillholes totaling 266,641.58 m and 222,840 assay intervals for Twin Hills. Because QA/QC documentation is incomplete for a portion of this legacy set, the full compilation was used to refine the geological interpretation only. For the JORC estimation workflow, BAW built a dedicated QA/QC-compliant database comprising 1,090 holes, 227,475.65 m, and 194,863 assays (DD 485/135,977.11 m; RC 605/91,498.54 m).

For context, CSA Global reports 1,069 holes for 225,574 m (DD 482/135,980 m; RC 586/89,594 m) completed since 2019 and used in its Mineral Resource estimation. The underlying working selection was not provided to BAW; consequently, precise hole-by-hole reconciliation of CSA's inclusions/exclusions is not possible and their figures are treated as a benchmark only.

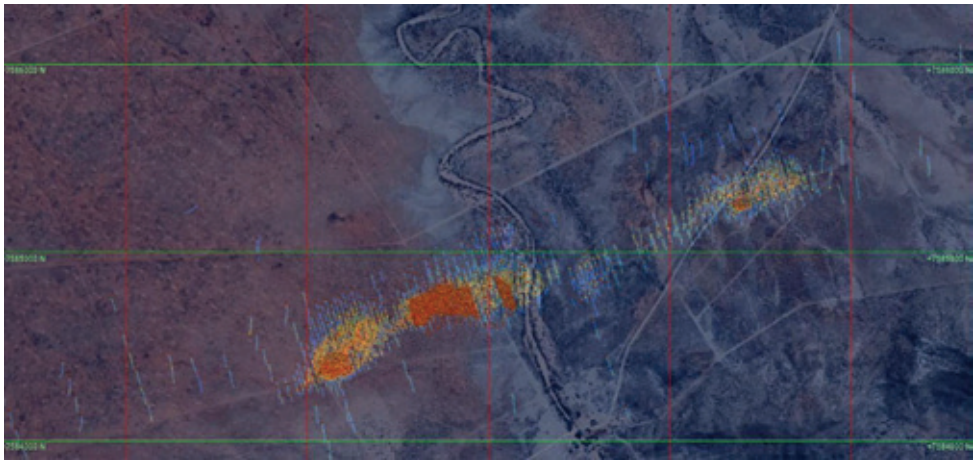


Figure 6–2 Drillhole Planview of Twin Hills of the Osino Property

6.4.2 Ondundu Drillhole Data

BAW compiled 924 drillholes totaling 93,464.18 m for Ondundu. This full compilation — sourced across multiple campaigns and data vintages — was used to refine the geological interpretation; Not all drillhole data contain adequate QA/QC information to support a JORC-compliant Mineral Resource Estimate (MRE). For context, the CSA Global report documents 854 holes for 74,832 m of drilling plus 5,166 m of trenching, of which ~46,500 m (mostly DD) were ultimately used for CSA's resource estimate.

For BAW's JORC workflow, the estimation database was restricted to modern, higher-quality drilling completed by B2Gold and Osino. This working subset comprises 623 holes for 63,660.8 m with 65,208 assay intervals. Within this subset, DD (180 holes/42,895.8 m) and RC (50 holes/8,327 m) inform geostatistics and grade estimation, while RAB (392 holes/12,228 m) is retained for geological control only.

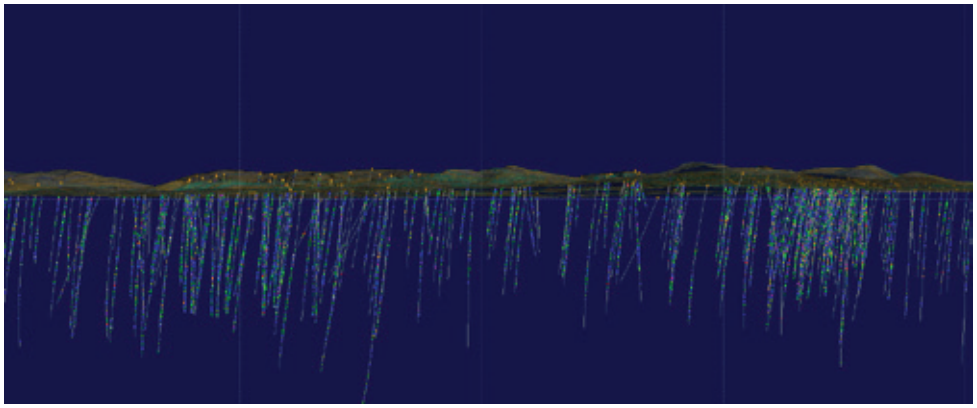


Figure 6–3 Drillhole Planview of Ondundu of the Osino Property

Table 6–1 Summary of Drillhole Database of the Osino Property

Project	Dataset	Holes	Metres (m)	Assays	Composition/Notes
Twin Hills	BAW — Compiled (all available)	2,105	266,641.58	222,840	Mixed vintages/mixed QA; used to update geological interpretation only.
Twin Hills	BAW — MRE	1,090	227,475.65	194,863	DD 485/135,977.11 m; RC 605/91,498.54 m; used for geostatistics & JORC MRE.
Twin Hills	CSA — Reported MRE dataset (context)	1,069	225,574	—	DD 482/135,980 m; RC 586/89,594 m; working selection not provided to BAW.
Ondundu	BAW — Compiled (all available)	924	93,464.18	—	Multi-campaign compilation; used for geological interpretation.
Ondundu	BAW — (B2Gold + Osino)	623	63,660.8	65,208	DD 180/42,895.8 m; RC 50/8,327 m used for geostatistics & MRE; RAB 392/12,228 m for geological context only.
Ondundu	CSA — Reported project totals (context)	854	74,832	—	Plus 5,166 m of trenches; ~46,500 m (mostly DD) used in CSA's MRE.

BAW compiled a geological database from validated collar, downhole survey, and assay data. BAW considers that the geological database sufficiently satisfies the JORC Code (2012) requirements and can be used to support subsequent Mineral Resource classification.

6.5 Domain Interpretation

For Twin Hills, a high-resolution digital terrain model (DTM) was generated from an aerial UAV (drone) survey. For Ondundu, Osino Resources supplied a LiDAR-derived DTM originally captured by B2Gold. Drillhole collar coordinates were plotted against the respective DTMs and their elevations checked; in all cases, collar elevations closely matched the DTM, with no systematic offsets observed. For subsequent workflows — geological modelling, block modelling, and volume reporting — all collars were validated and, where necessary, snapped/projected to the DTM to ensure consistent vertical control.

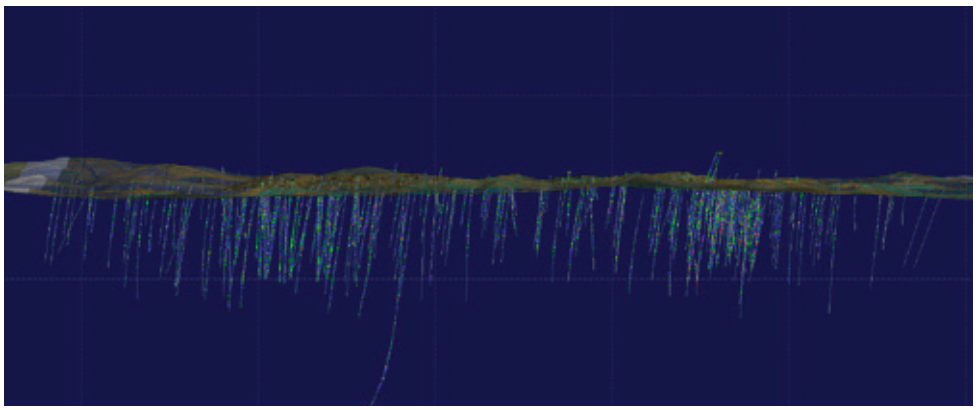


Figure 6–4Topography Model for Ondundu as of December 31, 2025

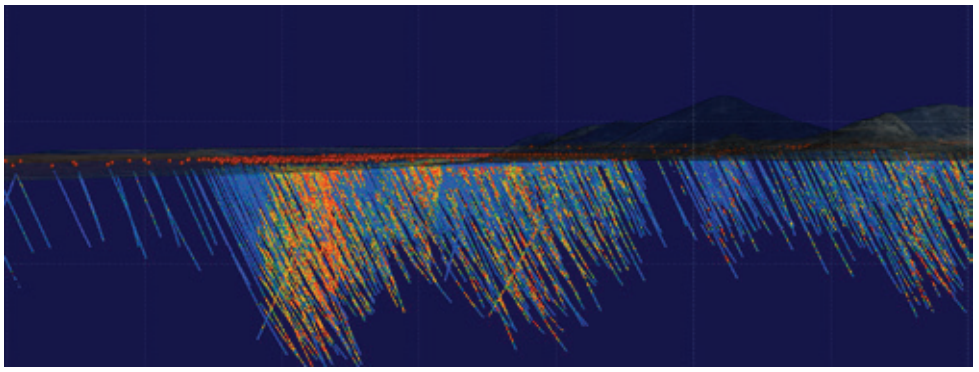


Figure 6–5 Topography Model for Twin hills as of December 31, 2025

Mineralization at Twin Hills is typical orogenic gold of the Damara Belt. Gold occurs as fine disseminations and short quartz-sulphide veinlets hosted predominantly in Kuiseb Formation metasediments within a broad shear/fold corridor. Continuity is controlled by axial-plane shear zones and bedding-parallel flexural slip; higher grades coincide with silicification and biotite-sulphide alteration (arsenopyrite ± pyrrhotite). The orebodies form laterally continuous, gently to moderately dipping lenses (e.g., Bulge, Twin Hills Central, Clouds) with predictable down-dip persistence.

For Twin hills resource modelling, mineralized domains were defined using implicit grade shells guided by the geological interpretation and drill-supported continuity. Thresholds were selected after review of grade distributions and spatial continuity: a 0.40 g/t Au shell was applied to the principal domains (Bulge, THC, Clouds), while Twin Hills North used 0.30 g/t Au to maintain geological continuity in a lower-tenor setting. These shells act as hard boundaries for compositing, top-cutting and variogram-based estimation; search ellipsoids are aligned to domain anisotropy, and extrapolation is limited to ≤50 m beyond drilling. BAW updated the grade shell and conduct the following estimate.

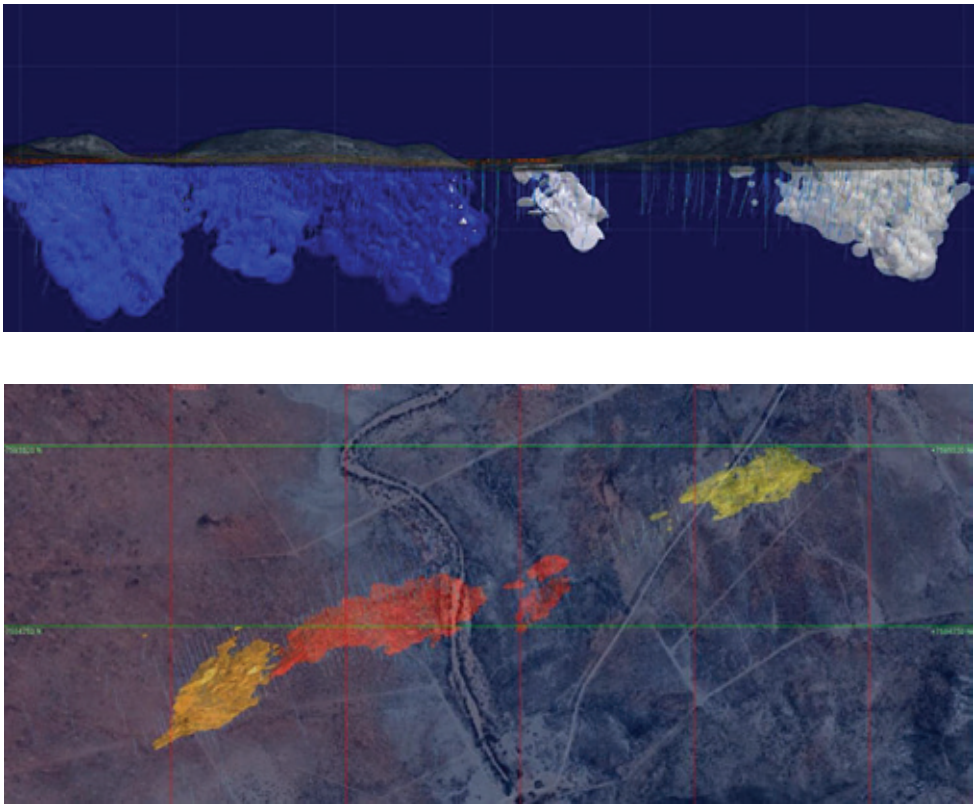


Figure 6–6 Spatial Distribution of the Twinhills Mineralised Zones (Upper: Cross-Sectional view; Lower: Planview)

Following CSA's reporting, BAW compiled newly acquired drilling. In the absence of auditable QA/QC records for these holes, the data were used solely to refine the geological interpretation and mineralisation wireframes and were not included in the grade estimation.

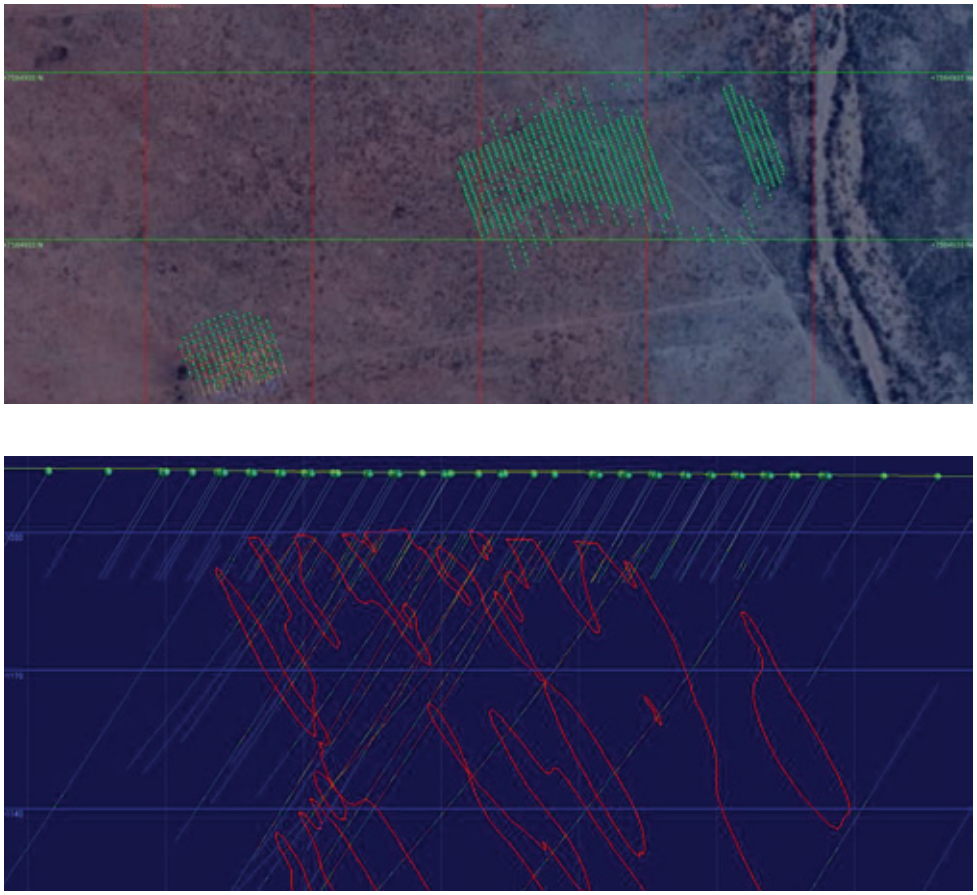


Figure 6–7 Updated Twin Hills Wireframe (Upper: Planview; Lower: Cross-sectional view)

Ondundu mineralisation is hosted by Kuiseb turbidites within the Ondundu Main Zone (OMZ) and adjacent splays. Two styles are recognised and modelled separately: (i) steep, shear-hosted zones with strong along-strike continuity (approximately N-S), and (ii) bedding-parallel zones formed by fluid dispersion along favourable stratigraphy with more variable continuity. Gold occurs in disseminations and thin veinlets with arsenopyrite as the principal sulphide; alteration comprises silica-sericite-biotite assemblages and ankerite.

Mineralised geometry was captured using implicit grade shells at 0.40 g/t Au, constructed within the structural framework and supported by modern B2Gold & Osino drilling; earlier, lower-confidence data informed geology but were not used for estimation. Domains (shear-hosted vs bedding-parallel) were treated as hard boundaries for compositing, capping and estimation, with search anisotropy aligned to each domain's structural trend and extrapolation capped at ~50 m beyond the last mineralized intercept. As at Twin Hills, these thresholds define the geometric extent of mineralization and should not be conflated with the economic reporting cut-off applied under the RPEEE open-pit scenario.

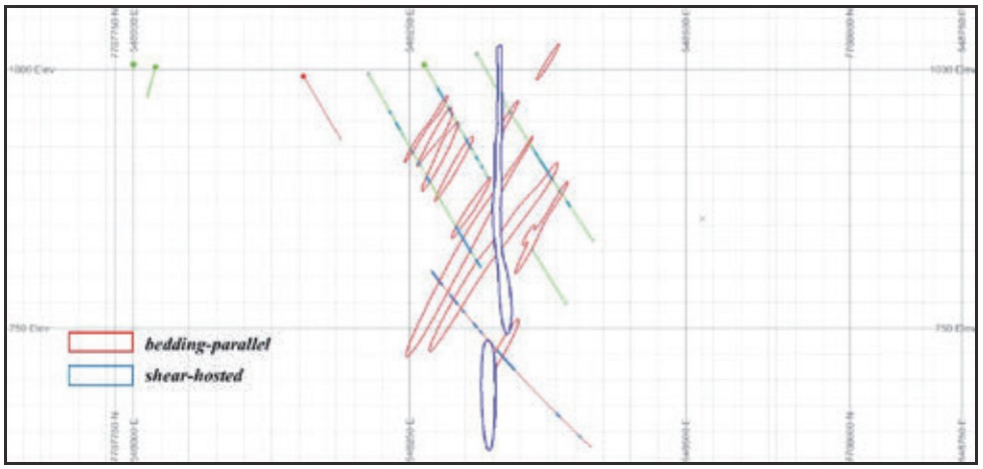


Figure 6–8 Spatial Distribution of the Ondundu Mineralised Zones

No standalone lithology model was constructed, Drill samples were flagged as Calcrete, Oxide, Transitional, or Fresh, and wireframes for the Oxidized, Transitional, and Fresh zones were build using the standardized weathering codes. Calcrete (pedogenic carbonate cover where present) zone were constructed separately for Twin hills. The domain codes used in modelling are tabulated in Table 6–2.

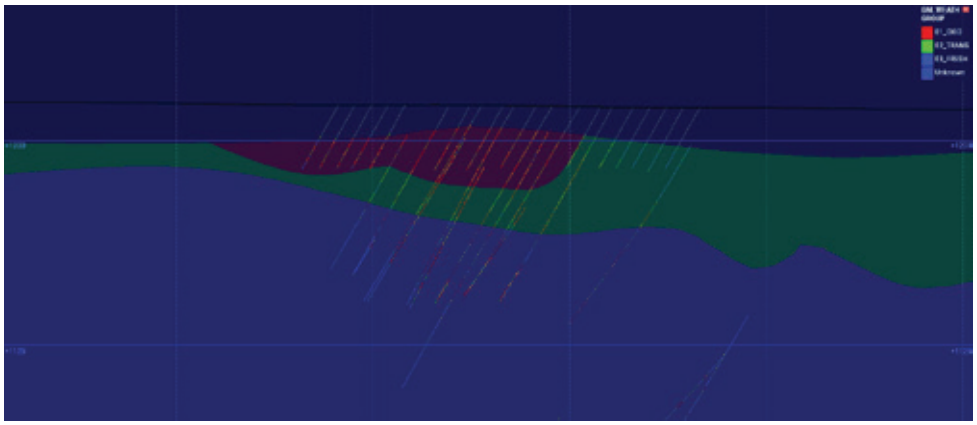


Figure 6–9 Spatial Distribution of Oxidation Zones for Twin Hills

Table 6–2 Domain Codes for Twin hills and Ondundu Models

Field	Description	Value
Domain	Zone	1: Calcrete (Waste) 2: Country Rock (Waste) 100: Bulge 200: Twin Hills Central 300: Clouds 400: Twin Hills North 500: Clouds West 1 501: Clouds West 2 600: Kudu 700: Oryx 106: Shear-Hosted 107: Bedding-Parallel
Oxidation	Oxide	10- Oxide 20- Transitional 30- Fresh

6.6 Compositing

Basic statistics on assays data had been performed in order to better understand grades distribution and take necessary actions before resource estimate. At Twin Hills, DD and RC samples were collected at 1 m intervals. For geostatistics and grade estimation, assays were length-weighted and composited to 2 m strictly within hard-bounded mineralised domains (e.g., Bulge/THC/Clouds) and within oxidation units (Calcrete, Oxide, Transitional, Fresh). Cross-domain compositing was not permitted. Short residuals at domain edges < 0.5 m were discarded; residuals ≥ 0.5 m were merged into adjacent composites while preserving length weighting. The resulting 2 m composites formed the basis for capping/top-cuts, variogram modelling, and subsequent OK/LUC estimation.

Table 6–3 Origin Assay Statistics by Geological Domain for Twin Hills

	Domain	Record	Mean	Sd	Cv	Mode	Min	Max
Length.	100	12,507	1.00	0.01	0.01	1.00	0.61	1.55
Length.	200	10,556	1.00	0.01	0.01	1.00	0.20	1.46
Length.	700	3,385	1.00	0.00	0.00	1.00	1.00	1.25
Length.	300	3,815	1.00	—	—	1.00	1.00	1.00
Length.	500	486	1.00	—	—	1.00	1.00	1.00
Length.	501	89	1.00	—	—	1.00	1.00	1.00
Length.	400	51	1.00	—	—	1.00	1.00	1.00
Length.	600	336	1.00	—	—	1.00	1.00	1.00
Length.	106	4,991	0.95	0.30	0.31	1.00	0.40	5.91
Length.	107	3,356	0.93	0.21	0.23	1.00	0.13	5.91
Au_gt	100	12,507	0.97	1.33	1.38	0.41	0.00	52.00
Au_gt	200	10,556	1.17	1.46	1.25	0.43	0.01	52.10
Au_gt	700	3,385	1.03	1.60	1.55	0.47	0.01	51.00
Au_gt	300	3,815	1.26	2.28	1.81	0.48	0.02	89.40
Au_gt	500	486	1.19	1.31	1.10	0.51	0.04	10.50
Au_gt	501	89	0.57	0.48	0.84	0.04	0.01	2.51
Au_gt	400	51	3.40	12.55	3.69	—	0.04	78.70
Au_gt	600	336	0.69	0.45	0.65	0.25	0.05	3.49
Au_gt	106	4,975	1.19	5.06	4.25	0.02	0.01	271.00
Au_gt	107	3,351	1.09	4.22	3.87	0.02	0.00	169.00

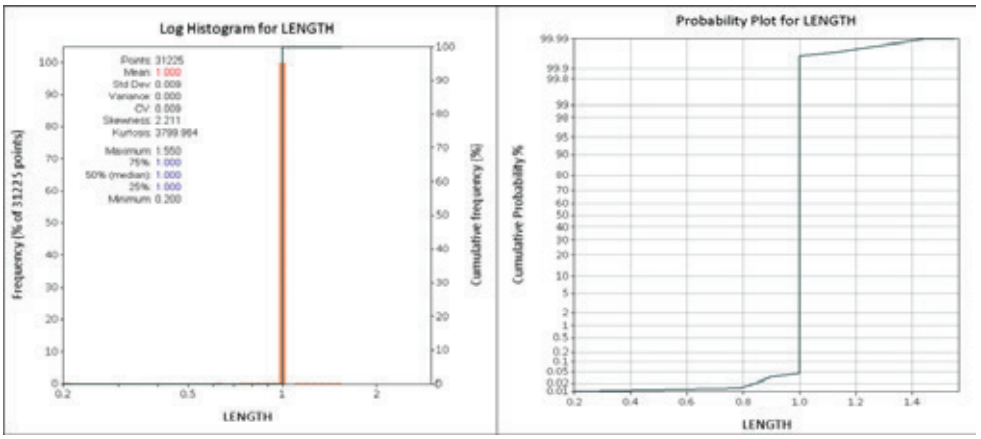


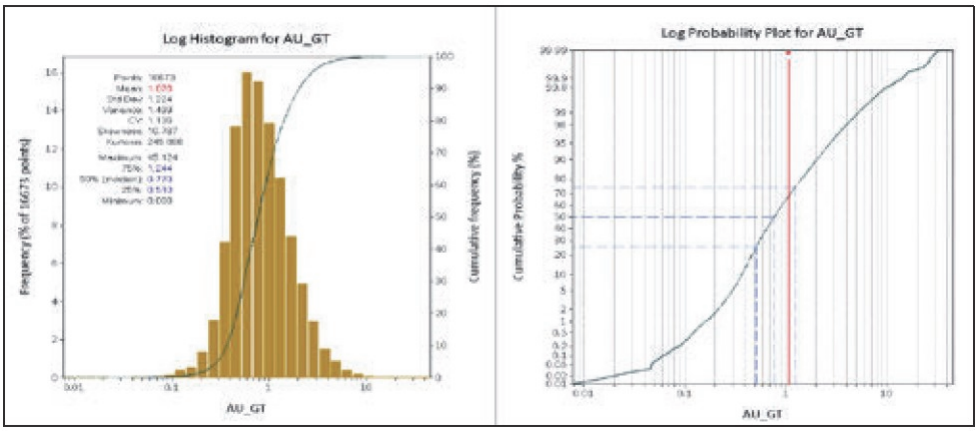
Figure 6–10 Histogram of Sample Length Distribution within the Major Geological Domains

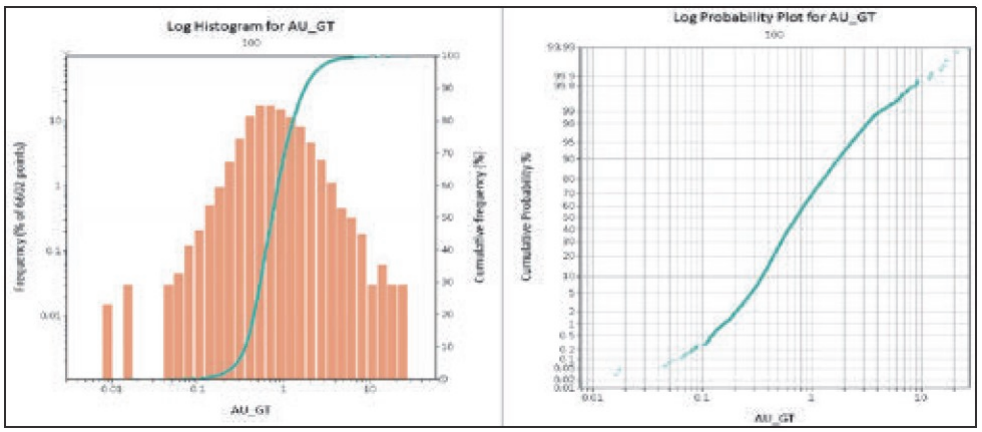
At Ondundu, modern B2Gold/Osino DD and RC drilling followed the same protocol: 1 m primary sampling, then 2 m length-weighted composites generated within hard-bounded domains (shear-hosted and bedding-parallel) and within the relevant oxidation state; cross-domain compositing was not allowed. RAB data were excluded from estimation (used only for geological context). These 2 m composites underpinned capping, geostatistics, and the Mineral Resource estimate.

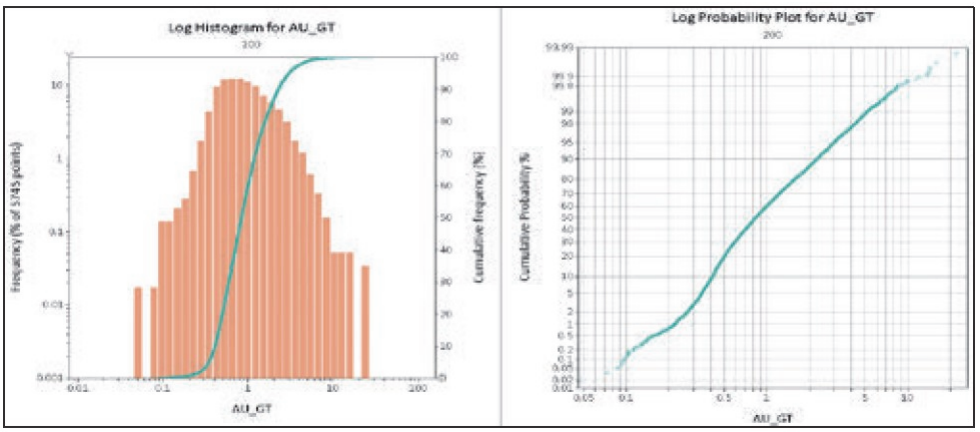
BAW conducted univariate statistical analyses on raw assay data for Composites within each geological domain to assess population characteristics.

Table 6–4 Summary Statistic of Composites against Raws of Each Domain

Domain	Item	Raw	Mean	Sd	Cv	Mode	Min	Max
100	Assay	12,507	0.97	1.33	1.38	0.41	—	52.00
	Composite	6,602	0.96	0.99	1.02	0.57	0.01	27.34
	Diff	–47%	–1%	–26%	–26%	38%	0%	–47%
200	Assay	10,556	1.17	1.46	1.25	0.43	0.01	52.10
	Composite	5,745	1.16	1.13	0.98	0.49	0.05	26.33
	Diff	–46%	–1%	–22%	–22%	14%	360%	–49%
300	Assay	3,815	1.26	2.28	1.81	0.48	0.02	89.40
	Composite	2,026	1.25	1.71	1.36	0.27	0.05	45.12
	Diff	–47%	0%	–25%	–25%	–45%	130%	–50%
500	Assay	486	1.19	1.31	1.10	0.51	0.04	10.50
	Composite	254	1.19	1.07	0.90	0.35	0.16	8.20
	Diff	–48%	0%	–18%	–18%	–32%	288%	–22%
600	Assay	336	0.69	0.45	0.65	0.25	0.05	3.49
	Composite	178	0.69	0.33	0.48	—	0.13	2.05
	Diff	–47%	0%	–26%	–26%	0%	157%	–41%
700	Assay	3,385	1.03	1.60	1.55	0.47	0.01	51.00
	Composite	1,791	1.03	1.22	1.18	0.50	0.01	29.56
	Diff	–47%	0%	–24%	–24%	6%	25%	–42%
106	Assay	4,975	1.19	5.06	4.25	0.02	0.01	271.00
	Composite	2,347	1.10	2.26	2.05	0.02	0.01	57.17
	Diff	–53%	–8%	–55%	–52%	0%	100%	–79%
107	Assay	3,351	1.09	4.22	3.87	0.02	0.00	169.00
	Composite	1,653	1.06	3.37	3.20	0.02	0.01	112.70
	Diff	–51%	–3%	–20%	–17%	0%	220%	–33%


Log Histogram for AU_GT
Frequency (% of 16673 points)
Cumulative Frequency (%)
AU_GT
Log Probability Plot for AU_GT
Cumulative Probability %
AU_GT


Log Histogram for AU_GT
Frequency (% of 6602 points)
Cumulative Frequency (%)
AU_GT
Log Probability Plot for AU_GT
Cumulative Probability %
AU_GT


Log Histogram for AU_GT
Frequency (% of 5745 points)
Cumulative Frequency (%)
AU_GT
Log Probability Plot for AU_GT
Cumulative Probability %
AU_GT

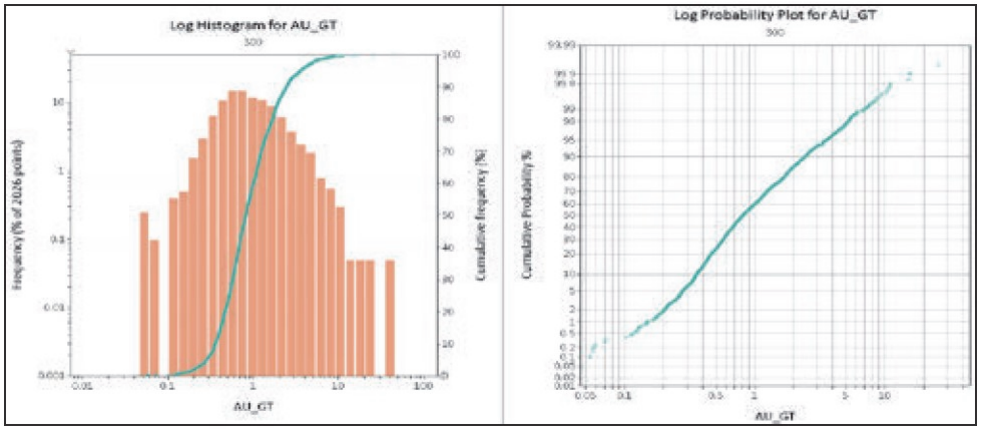


Figure 6–11 Histograms and Cumulative Frequency Plots of Composites Distributions within the Major Geological Domains

6.7 Grade Capping

BAW applied grade capping to the 2-m composited assay data on a domain-by-domain basis to mitigate the influence of high-grade outliers. Statistical analysis, including histograms, log-probability plots, and cumulative frequency distributions, was performed to assess grade distribution. Additionally, visual check for outliers in 3D space was conducted within each domain to identify the capping value.

Grade capping was assessed on the 2 m composites by domain. Top cuts were applied sparingly to remove the undue influence of isolated extreme composites lacking spatial support; thresholds were set from the composite grade distributions. No capping was required for Bulge, Clouds West 1/2, or Kudu.

Table 6–5 Statistical Analysis for Capped Composites

Domain	Capping Value	No. of Replaced Samples	Capped Ratio	Au Mean Before Capping	Au Mean After Capping	Difference
	Au g/t		(%)			(%)
100	0	0	0.00%	0.96	0.96	0%
200	20	2	0.03%	1.16	1.16	0%
300	20	2	0.10%	1.25	1.23	–2%
400	6	2	6.90%	3.12	1.3	–58%
500	0	0	0.00%	1.19	1.19	0%
501	0	0	0.00%	0.56	0.56	0%
600	0	0	0.00%	0.71	0.71	0%
700	20	1	0.06%	1.21	1.1	–9%
106	11	8	0.34%	1.10	1.04	–5%
107	19	2	0.12%	1.06	0.99	–7%

6.8 Variogram Study

BAW conducted a semi-variogram study to guide the grade interpolation search strategy for Bulge, Twin Hills Central, Clouds and Oryx. The study focused on capped composites within the mineralised domain, preparing downhole variograms and omnivariograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as the spherical search ellipse parameters for Ordinary Kriging ("**OK**") interpolation, ensuring accurate grade estimation based on the spatial variability of gold mineralisation.

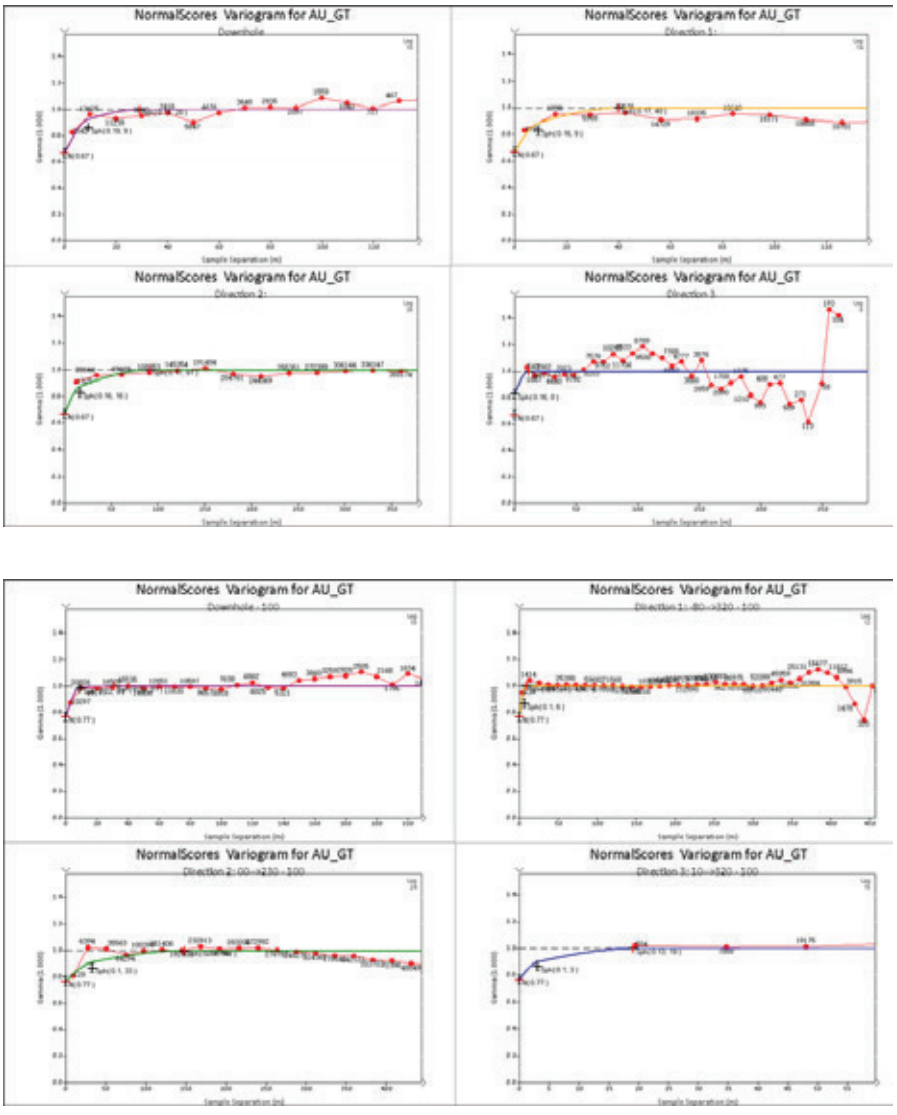


Figure 6–12 Variograms of the Major Mineralized Domains

Variogram modelling by BAW did not yield sufficiently stable structures in several domains. Accordingly, CSA's variogram orientations and structures were adopted as the base framework, then were rebuilt and validated against the capped 2 m composites. Fits were satisfactory and reproduced the observed spatial continuity. Therefore CSA's variogram and kriging parameters were deemed fit for purpose and were retained for subsequent OK/LUC estimation.

Table 6–6 Variogram Parameters

	Rotation		Spherical 1				Spherical 2			
Zone	ZXZ	Nugget	Sill 1	Range 1	Range 2	Range 3	Sill 2	Range 1	Range 2	Range 3
100	–30/60/120	0.56	0.24	27	35.5	20	0.2	53	50	45
200	–30/60/120	0.42	0.43	24.5	20	22.5	0.15	50	39	40
300	–30/60/120	0.53	0.22	11.5	27	23	0.26	40	35	32
400	–20/67/45	0.45	0.01	8.9	12.3	9.1	0.54	22.1	31.6	12.8
500/501 .	–20/67/45	0.45	0.01	8.9	12.3	9.1	0.54	22.1	31.6	12.8
600	157/75/60	0.66	0.42	70.5	56.5	30	0.19	100	82	86
700	157/75/60	0.66	0.42	70.5	56.5	30	0.19	100	82	86
106	–90/90/25	0.4	0.6	50	20	10				
107	255/60/0	0.3	0.7	50	50	5				

6.9 Bulk Density

Bulk density is assigned to the block model by oxidation domain (including a calcrete cover where present) derived from weathering surfaces. Each block inherits a dry-basis bulk density from its oxidation class. These assignments are used to convert modelled mineralised volumes to tonnes and underpin ore/waste tonnages, strip ratios and planning outputs within the designed pit-shell. Density coding is independent of grade domaining (hard boundaries are the mineralisation shells) and does not control grade estimation.

Ondundu. The block model is likewise coded by oxidation state. Each state carries a dry-basis bulk density applied across mineralised and waste blocks. Intersecting this density-coded model with the pit-shell and the reported cut-off yields Mineral Resources. At Twin Hills, density domaining is separate from grade domaining and serves tonnage conversion and mine-planning inputs. Totals are reported on a dry-tonne basis.

Table 6–7 Bulk Density Assignments for the Osino Property

Material	Twin Hills Density Value (t/m^3)	Ondundu Density Value (t/m^3)
Calcrete	2.24	/
Oxidized	2.57	2.60
Transitional	2.65	2.67
Fresh	2.76	2.75

6.10 Block Modeling

An un-rotated block model was constructed by BAW for resource estimation. To reflect the spatial geometry of the mineralisation, parent block dimensions were set at 20 m X, 20 m Y, and 5m vertically. Sub-blocks were defined to allow for finer resolution within the model.

Table 6–8 Block Model Definition

Site	Direction	Origin	Length	No. of Blocks	Block Size	Sub-block Size	Rotation	Small Mining Unit
Twin Hills.	X	596,580	6,760	85	20	5	0	5
	Y	7,582,780	3,160	180	20	5	0	5
	Z	600	800	350	5	1	0	5
Ondundu	X	547,700	1,200	48	25	5	0	
	Y	7,706,000	3,100	124	25	5	0	
	Z	500	610	122	5	1	0	

Grades were interpolated from 2-m length-weighted composites into a coded block model using OK, while respecting all domain contacts as hard boundaries within a 20 m × 20 m × 5 m parent grid. OK panels were utilized exclusively for the Twin Hills North and Clouds West areas; the Bulge, Twin Hills Central, and Clouds domains were reported using Localised Uniform Conditioning (LUC), based on Small Mining Unit (SMU) outputs to account for selectivity. Search ellipses were aligned with the orientations and ranges of the modeled variograms, and a three-pass strategy was implemented.

Table 6–9 Estimation Parameters adopted for IDW^3, OK and Nearest Neighbour (NN) Methods

Domain	Pass	Rotation ZXY	SIST1	SIST2	SIST3	Max No. of Composites Per Hole	Min No. of Composites	Max No. of Composites
100	I		30	75	30	5	10	20
	II	–30/60/120	60	150	60	5	10	20
	III		90	225	90	5	10	20
200	I		78.50	46	34.50	5	10	20
	II	–30/60/120	157	92	69	5	10	20
	III		235.50	138	103.50	5	10	20
300	I		48.50	50.50	32	5	10	20
	II	–30/60/120	97	101	64	5	10	20
	III		145.50	151.50	96	5	10	20
400	I		78.50	46	34.50	5	10	20
	II	–20/67/45	157	92	69	5	10	20
	III		235.50	138	103.50	5	10	20
501	I		76	65	45	5	10	20
	II	–20/67/45	152	130	90	5	10	20
	III		228	195	135	5	10	20
502	I		76	65	45	5	10	20
	II	–20/67/45	152	130	90	5	10	20
	III		228	195	135	5	10	20
600	I		76	65	45	5	10	20
	II	157/75/60	152	130	90	5	10	20
	III		228	195	135	5	10	20
700	I		100	82	86	5	10	20
	II	157/75/60	200	164	172	5	10	20
	III		300	246	258	5	10	20
106	I		50	20	10	5	5	15
	II	–90/90/25	100	40	20	5	5	15
	III		150	120	30	5	5	15
107	I		50	50	5	5	5	15
	II	255/60/0	100	100	10	5	5	15
	III		150	150	15	5	5	15

After building the OK panel model (20 × 20 × 5 m) within hard-bounded domains, LUC was applied to domains reported by selective mining (Bulge, Twin Hills Central, Clouds, Twin Hills West). Using the domain variograms and the selected SMU size of 5 × 5 × 5 m, a uniform conditioning (UC) change-of-support model was derived per panel to generate conditional grade-tonnage (CCDF) curves and recoverable grades at SMU scale. UC results were then localised to the fine SMU grid by ranking SMUs within each panel using the OK local mean, assigning grades so that (i) the panel mean equals the OK grade (mass preservation) and (ii) the SMU distribution matches the UC CCDF (selectivity preservation). The process honours hard boundaries, capping, density/oxidation coding, and uses search orientations consistent with the variography. The resulting LUC SMU model underpins in-pit reporting and mine planning; only Twin Hills North and Clouds West were reported directly from OK.

Grades were estimated by ordinary kriging (OK) from 2 m length-weighted composites into a coded block model. Domain contacts (shear-hosted and bedding-parallel) were treated as hard boundaries, and estimation was performed on 25 × 25 × 5 m parent cells. Anisotropic search ellipses were oriented to the modelled variogram directions and ranges and applied in a three-pass sequence: Pass 1 required 5–15 composites with no more than 5 from any single hole; if unmet, Pass 2 doubled the ellipse axes; if still unmet, Pass 3 expanded the original ellipse to populate any remaining unestimated blocks. Totals are reported on a dry-tonne basis.

BAW considers that CSA's estimation methodology is appropriate and fit for purpose for Mineral Resource estimation and reporting.

6.11 Resource Classification

The classification of Mineral Resources for the Twin Hill project follows the JORC Code (2012) requirements and industry best practices, incorporating an integrated assessment of geological continuity, drilling density, data quality, variogram performance, and estimation confidence.

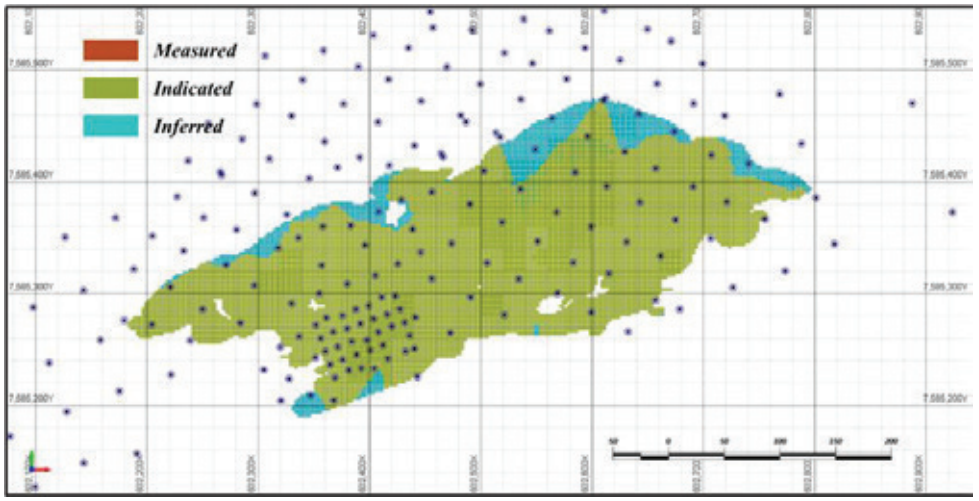
BAW adopted a classification strategy that reflects confidence in the geological interpretation and grade continuity, supported by both drilling spatial configuration and the results from three-pass Ordinary Kriging estimation. The following criteria were applied to define the confidence categories:

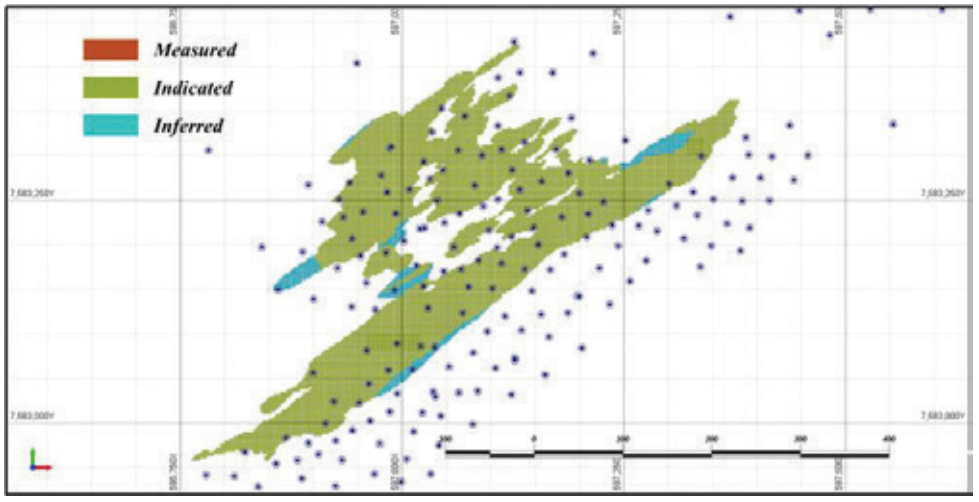
- **Measured Mineral Resources**: Areas supported by ~12.5 m × 12.5 m drilling (or better), strong geological/structural control within the grade shell, robust estimation on **pass 1**, and consistent reconciliation with neighbouring data.

- **Indicated Mineral Resources:** Areas supported by ~35 m × 35 m drilling, demonstrable along-strike and down-dip continuity within hard-bounded domains, estimation on **pass 1–2** with adequate data support (multiple holes, sufficient composites), and no material data risk.

- **Inferred Mineral Resources:** Areas with ≤50 m × 50 m spacing (and ≤50 m extrapolation from drilling) where continuity is reasonable but local grade/tonnage variability remains higher; estimated typically on pass 2–3.

All Ondundu blocks were classed as Inferred Resources.





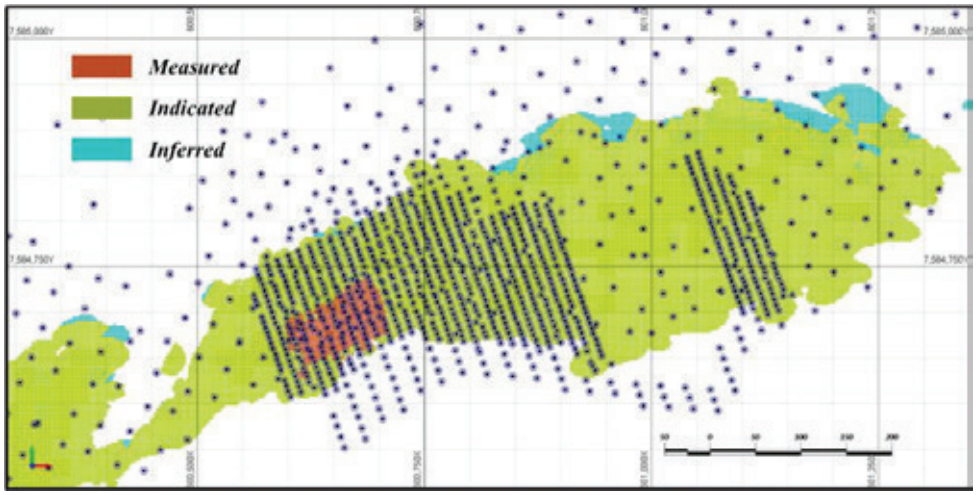


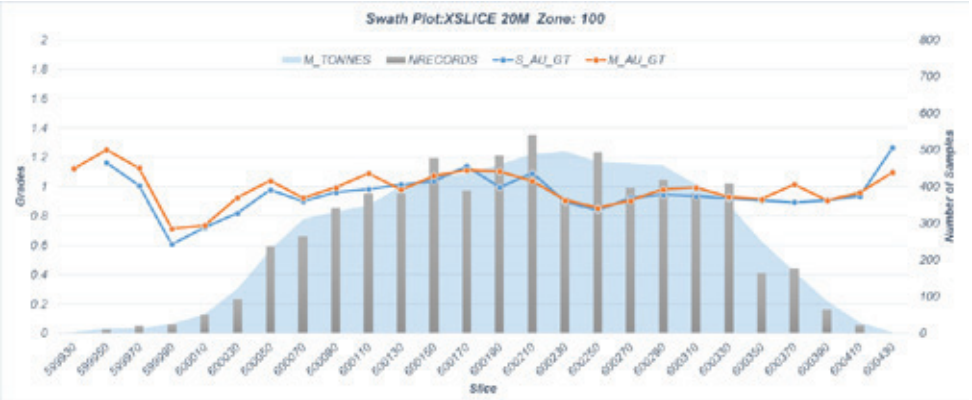
Figure 6–13 Planview of Mineral Resource Classification of Twin Hills

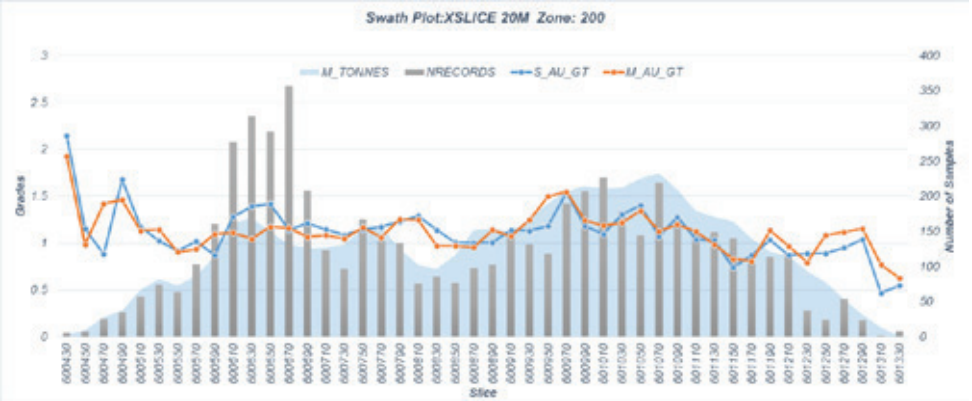
BAW is satisfied that the geological modelling honours the current geological information and knowledge. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding, and meet the JORC Code (2012) requirements for public reporting.

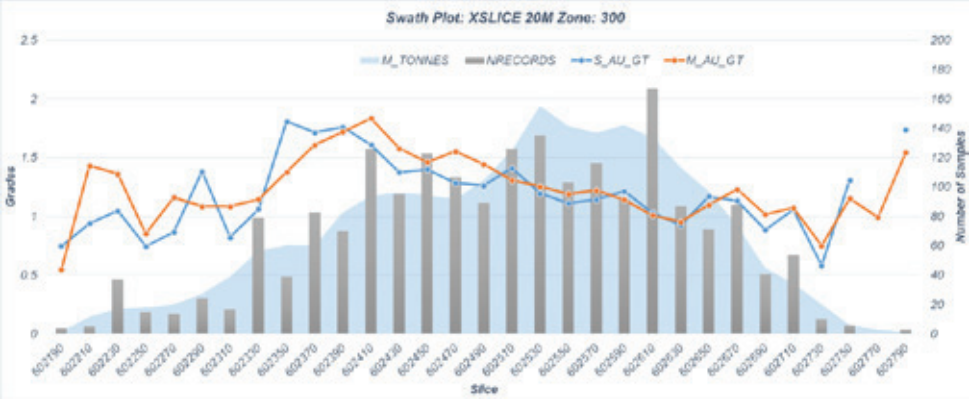
6.12 Model Validation

BAW conducted a comprehensive validation of the interpolated model, which included visual inspection, comparison of gold grades between IDW3 and OK, and swath plot analysis. BAW concluded that the OK method better reflects the geological characteristics of the deposit.

Swath plots for gold within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals. Due to the number of mineralized zones, BAW selected two representative zones. The block models and composites are well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates.


Swath Plot:XSLICE 20M Zone: 100
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice


Swath Plot:XSLICE 20M Zone: 200
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice


Swath Plot: XSLICE 20M Zone: 300
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice

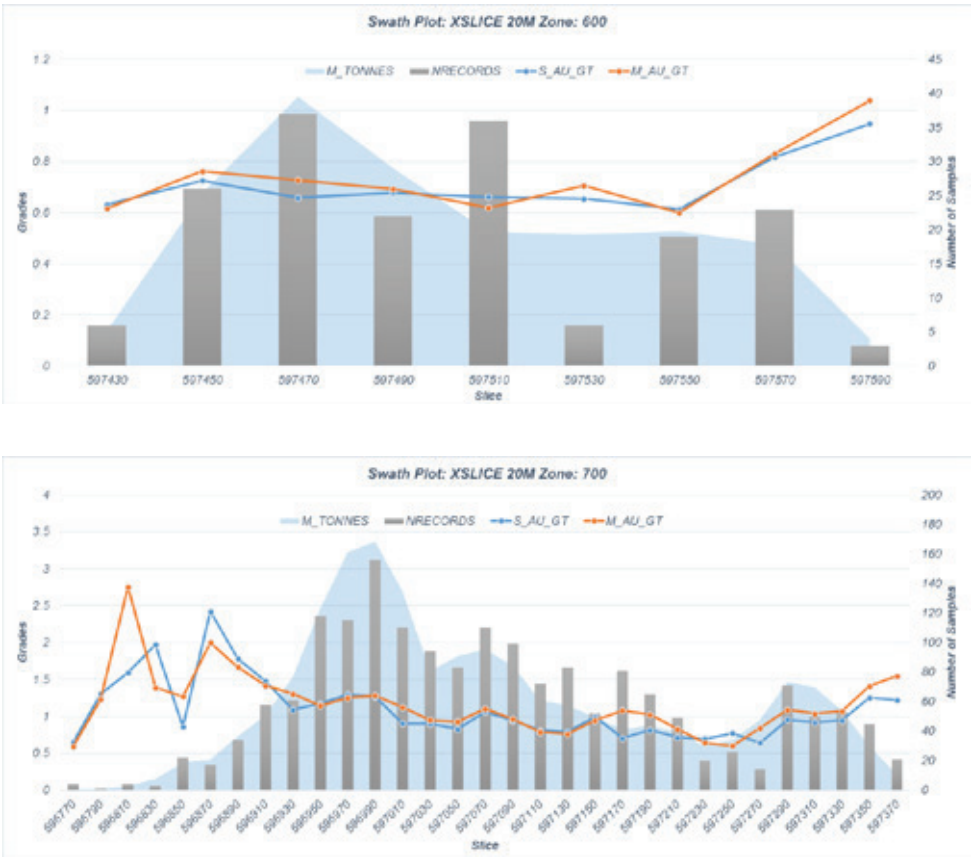
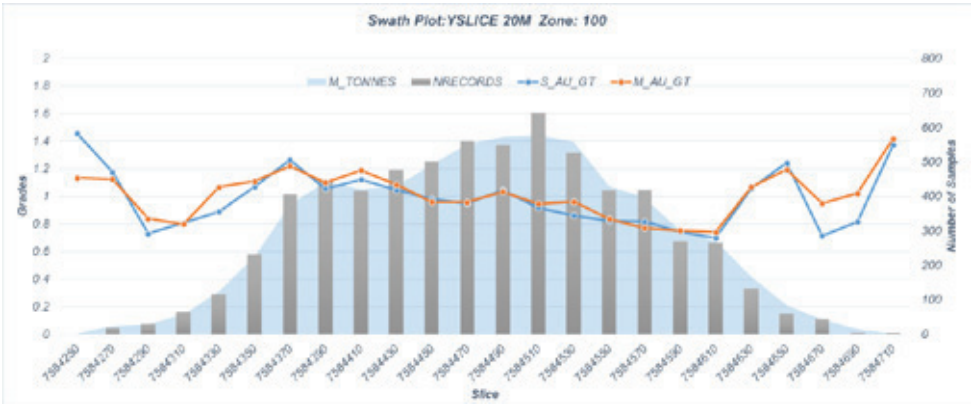


Figure 6–14 Swath Plot for Au Grade within Mineralised Zone X direction 20m slice



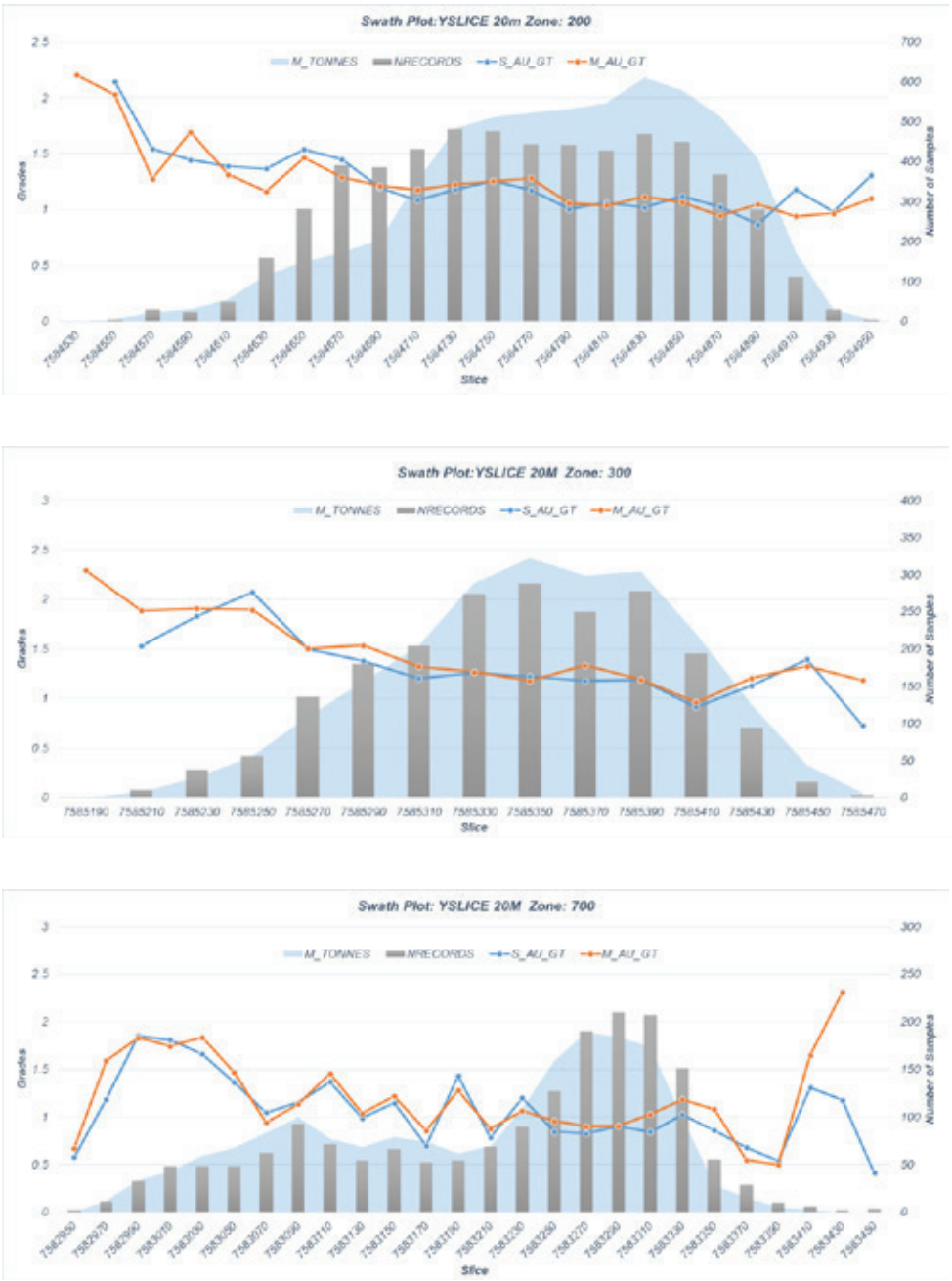
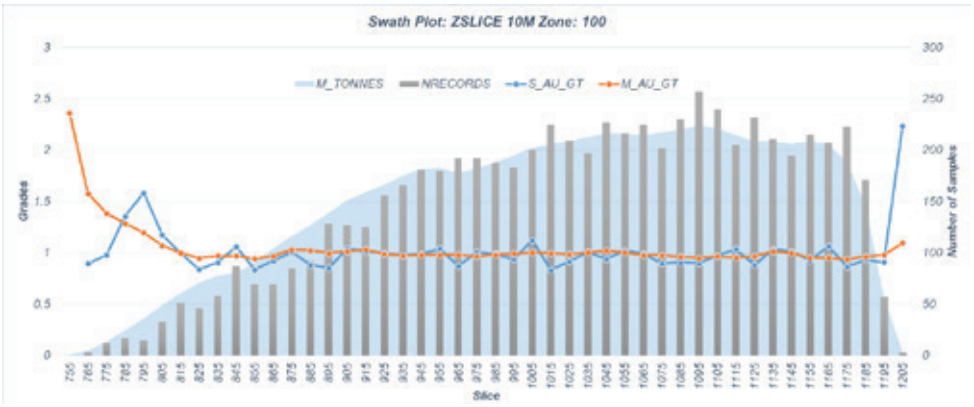
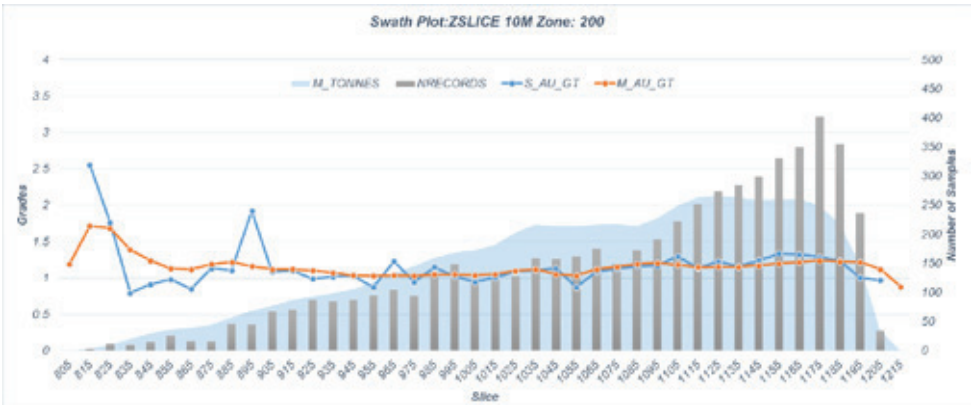
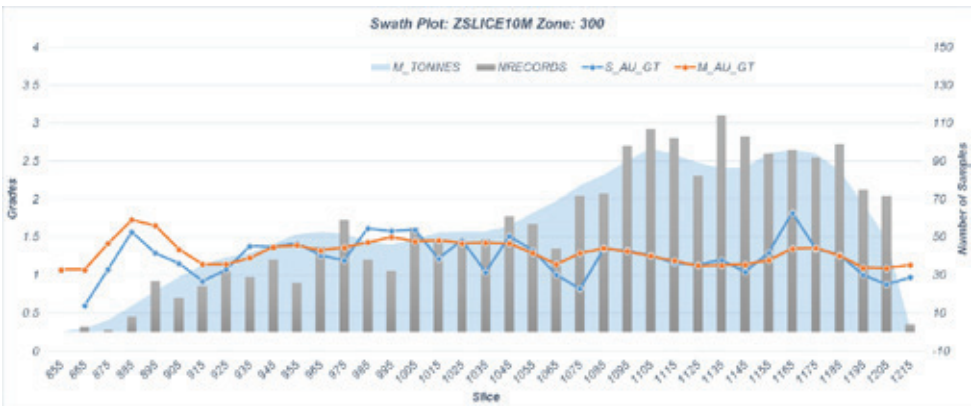


Figure 6–15 Swath Plot for Au Grade within Mineralised Zone Y direction 20m slice


Swath Plot: ZSLICE 10M Zone: 100
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice


Swath Plot:ZSLICE 10M Zone: 200
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice


Swath Plot: ZSLICE10M Zone: 300
M_TONNES
NRECORDS
S_AU_GT
M_AU_GT
Grades
Number of Samples
Slice

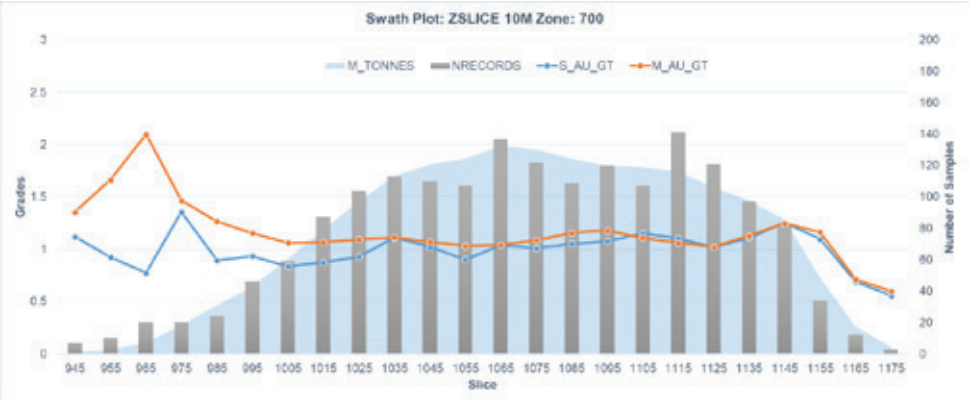


Figure 6–16 Swath Plot for Au Grade within Mineralised Zone Z direction 10m slice

6.13 RPEEE and Cut-Off Grade Estimation

In compliance with the JORC Code (2012), the Mineral Resources for the Osino Property have been reported only where Reasonable Prospects For Eventual Economic Extraction ("**RPEEE**") can be established with the following considerations:

- **Commodity Price:** Gold price of USD2,600/oz was adopted, based on the three-year historical average, which is deemed a reasonable long-term assumption.

- **Open-Pit Potential:** Both open-pit and underground scenarios were evaluated. BAW considers near-term open-pit mining to be realistic and developed an optimized pit shell, constrained strictly within the mining license boundary, based on mining, processing, management costs, recoveries, and other modifying factors. A break-even cut-off grade was calculated for reporting open-pit resources.

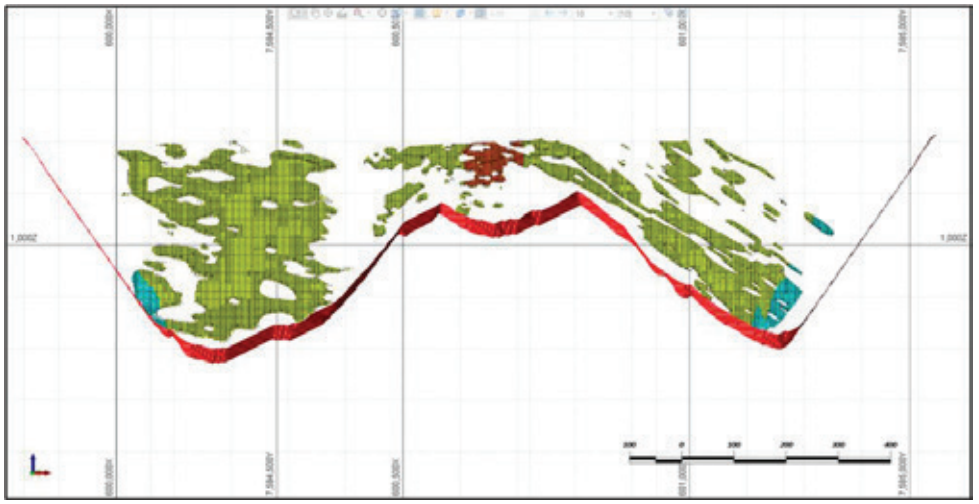


Figure 6–17 Pit-shell generated by BAW 2025 for Twin Hills

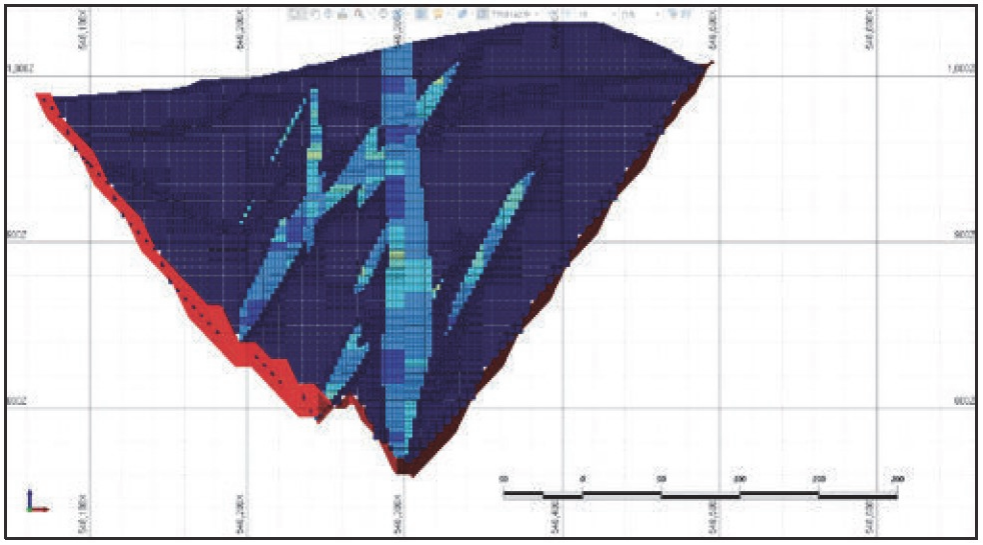


Figure 6–18 Pit -shell generated by BAW 2025 for Ondundu

A break-even cut-off grade was calculated for reporting open-pit resources. Under the current gold price assumptions the theoretical break-even cut-off grade is 0.20 g/t Au. However, recognising that recovery and plant performance decline at lower head grades, BAW performed a pragmatic adjustment considering head- and tails-grade relationships and derived an effective (operational) BCOG of 0.30 g/t Au. Accordingly, 0.30 g/t Au was adopted for pit optimisation and Mineral Resource estimation.

Table 6–10 Cut-off Grade adopted for Mineral Resources Estimation for the Osino Property

Component	Symbol	Twin Hills	Ondundu	Unit
Gold price	PAu	2,600	2,600	US$/oz
Government royalty + export levy	r	4%	4%	% of gross
Selling (refining)	Sref	0.55	0.55	US$/oz
Selling (transport)	Str	2.2	2.2	US$/oz
Process recovery	R	90%	90%	%
Mining (ore at pit rim)	Cm	2	2	US$/t ore
Processing (ROM→plant)	Cp	8	8	US$/t ore
Rehandle & grade control	Crh	0.15	0.15	US$/t ore
G&A	Cga	4	4	US$/t ore
Elevation factor — ore		0.03	0.03	US$/t per 10 m
Elevation factor — waste		0.03	0.03	US$/t per 10 m
In-situ Cut-off	g/t	0.20	0.20	
BCOG	g/t	0.3	0.3	

6.14 Mineral Resource Statement

The Mineral Resources of the Osino Property were estimated as of December 31, 2025 with the following key assumptions:

- Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured Mineral Resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

- The Mineral Resource estimate is reported as of December 31, 2025.

- In-Pit Resources are contained within a conceptual open-pit shell generated using a gold price of USD2,600/oz, feasibility study cost parameters, a metallurgical recovery of 90%, and other assumptions consistent with open-pit mining. These parameters satisfy the "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) requirement.
- The cut-off grades applied are 0.3 g/t Au for in-pit Resources.
- Totals may not add up.

Table 6–11 Mineral Resources Statement Prepared by BAW for Twin Hills of the Osino Property as of December 31, 2025

Pit	Cut-off Grade (g/t)	Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)
Twin Hills		Measured	706	1.47	1.04
Combined		Indicated	83,643	1.08	90.41
	0.3	**M + I**	84,349	1.08	91.45
		Inferred	7,031	1.10	7.72
		Sub-total	91,380	1.09	99.17

Table 6–12 Mineral Resources Statement Prepared by BAW for Ondundu of the Osino Property as of December 31, 2025

	Cut-off Grade (g/t)	Category	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)
Ondundu		Measured	—	—	—
		Indicated	—	—	—
	0.3	M + I	—	—	—
		Inferred	31,190	1.03	32.05
		Sub-total	**31,190**	**1.03**	**32.05**

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao and Dr Weiliang Wang who are a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Wang is also a registered geologist with the Professional Geoscientists of Ontario (PGO). They both have sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which they are undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao and Dr Wang consent to the reporting of this information in the form and context in which it appears.

6.15 Comparison with Previous Estimates

The previous Mineral Resource estimations for the Osino Property (including the Twin Hills and Ondundu projects) were completed by CSA Global and documented in the Twin Hills DFS (2023) and the Ondundu Gold Project, Namibia — Amended and Restated NI 43–101 Technical Report (2022).

For the current update, BAW reviewed the available geological, drilling, and economic data provided by the Osino management. A minor revision of the wireframe model was completed based on newly collected geological information. However, due to the absence of QAQC data for the recently received drilling results, these new drillholes were not incorporated into the grade interpolation or resource classification. The estimation and classification principles applied remain consistent with those used in the previous CSA Global estimates. The cut-off grade and pit shell were updated to reflect current economic assumptions, and a revised pit shell was generated accordingly. A summary comparison of the previous and current Mineral Resource estimates is presented in Table 6–12 below.

Table 6–12 Comparison of Previous and Current Mineral Resource Estimates for the Osino Property

Site	Category	Resource as of December 31, 2024			Resource as of December 31, 2025			% Difference in Contained Gold
		Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	Tonnage (kt)	Gold Grade (g/t)	Contained Gold (t)	
Twin Hills . .	Measured	—	—	—	706	1.47	1.04	0%
	Indicated	84,300	1.08	91.44	83,643	1.08	90.41	–1%
	Inferred	7,000	1.10	7.78	7,031	1.10	7.72	–1%
	Total	**91,300**	**1.09**	**99.22**	**91,380**	**1.09**	**99.17**	**0%**
Ondundu . . .	Measured	—	—	—	—	—	—	0%
	Indicated	—	—	—	—	—	—	0%
	Inferred	26,000	1.13	27.99	31,190	1.03	32.05	14%
	Total	**26,000**	**1.13**	**27.99**	**31,190**	**1.03**	**32.05**	**14%**

For Twin Hills, the comparison between December 31, 2024, and December 31, 2025, indicates no material change in total contained gold (less than 1%). The update involved only minor wireframe adjustments and pit shell re-optimization based on revised economic parameters. No additional drilling data were incorporated into grade interpolation or classification due to the absence of QAQC validation. The estimation methodology and classification principles remain consistent with the 2023 CSA Global model.

For Ondundu, total contained gold increased by approximately 14%, primarily due to adjustments to the pit shell and cut-off grade under updated gold price and operating cost assumptions. No changes were made to the geological interpretation or estimation method. The Competent Person considers these updates non-material, reflecting routine model refinement and adjustments to economic parameters.

6.16 Exploration Potential

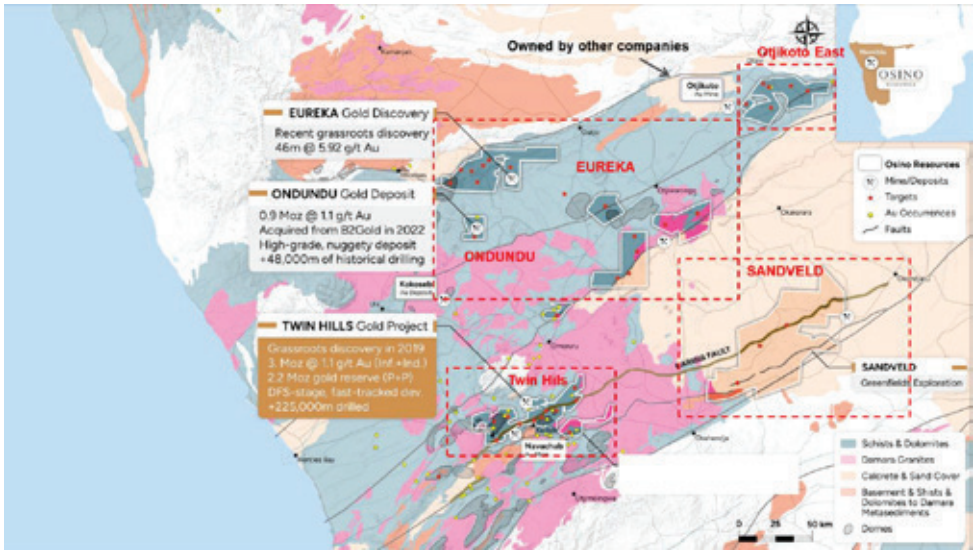


Figure 6–19 Osino Resources Project Locations and Regional Geology

Twin Hills Main Deposits (Bulge, Twin Hills Central, Clouds, etc.)

The Twin Hills main deposits are situated within subsidiary shears of the Karibib Fault Zone and hosted by turbiditic metagreywackes and micaceous schists of the Kuiseb Formation. Mineralization is controlled by fold hinges and bedding-parallel slip zones, commonly accompanied by silicification and sericitization. Drilling demonstrates that the ore bodies remain open along strike and at depth, with high-grade shoots plunging northeastward along fold hinges. Broader low-grade halos surround the main mineralized zones, suggesting a large and continuous mineralizing system. Strong potential exists for both down-dip extensions and lateral expansion.

Twin Hills Brownfields Satellite Targets (Twin Hills East, Oryx, Kudu, Clouds West, etc.)

At the periphery of the main deposits, several targets have been validated by coincident geochemical anomalies, magnetic features, and scout drilling. Mineralization is structurally controlled by secondary folds and splays of the Karibib Fault Zone, with localized magnetic highs and silicified alteration. Drilling confirms continuous mineralization in some areas, and these zones may link with the main deposits, forming part of a larger system. These brownfields areas therefore represent important near-term potential for additional discoveries.

Goldkuppe-Oasis-Wedge Belt

This belt hosts mineralization within interbedded dolomitic marbles and calc-silicate rocks of the Karibib Formation, controlled by axial planar faults and folds. Mineralization occurs as quartz-sulphide veins and skarn alteration zones, with intense iron and silica enrichment. Drilling has identified multiple high-grade mineralized lenses, analogous to Navachab-style deposits. Strike and depth extensions remain largely untested, and further drilling could significantly expand the mineralized footprint.

Ondundu Project

The Ondundu deposit is structurally controlled by the regional Ondundu Anticline and associated parasitic folds. Gold is hosted in bedding-parallel slip zones and quartz-carbonate-pyrite veins, with a nuggety character. Drilling shows mineralization extending for several kilometres along strike, locally thickening on fold limbs. The deposit remains open at depth and along strike, indicating strong potential for extensions and discovery of blind shoots.

Eureka Project

Mineralization at Eureka is concentrated in fold hinge zones and associated with garnet alteration and strong magnetic anomalies. Gold is hosted in sulphidic breccias adjacent to quartz veins, with coarse visible gold locally observed. Drilling has confirmed multiple thick, high-grade zones correlating with surface anomalies, highlighting the project's breakthrough potential. The South Shoot, where fold hinge structures, magnetic highs, and surface mineralization coincide, represents a high-priority target for follow-up exploration.

Sandveld Area

The Sandveld area lies along the eastern extension of the Karibib Fault Zone, largely concealed beneath thick calcrete and aeolian sands. Soil and calcrete geochemistry has delineated several anomalies. Given its location along a Navachab-style structural corridor, Sandveld is considered highly prospective for concealed deposits. Future exploration will require undercover geophysics and bedrock drilling to validate these anomalies.

6.17 Conclusions and Recommendations

Twin Hills

- **Infill & Step-Out Drilling**: Tighten spacing below and along the current pit shells to enhance confidence and increase resource estimates. Prioritize untested anomalies to the east of the KFZ and around the Dobbelsberg dome.

- **Refresh RPEEE and Inputs**: Re-optimize pit shells and update domain and estimation parameters as new geological, geotechnical, and hydro data become available. Complete targeted geotechnical work in deeper THC and Bulge areas to refine slope design.

- **Metallurgical Variability**: Continue conducting ore-type and oxidation variability tests (including grade-recovery, comminution, and leach response) and use the results to calibrate BCOG and economic shell sensitivities.

Ondundu

- **Resource Drilling**: Implement infill and step-out drilling programs along the OMZ and its splays to increase tonnage and improve confidence. Initial priorities include Little Ondundu E/W, Carr Veins, OMZ/Geolex South, and Far South.

- **Supporting Technical Studies**: Advance hydrogeological, geotechnical, and metallurgical studies (as budgeted) to strengthen domain classifications, specific gravity assignments, and RPEEE inputs.

- **Model Consistency**: Maintain separate shear-hosted and bedding-parallel domains with hard boundaries to ensure clarity and accuracy in modeling.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Osino Property presented in this CPR are made in conformity with the requirements of the JORC Code (2012) which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code (2012), the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.

A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.

Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedure

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructures, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

7.3 Estimation Procedure for Open-Pit Operation

The procedures adopted by BAW to estimate Ore Reserves for the open-pit operation are illustrated as follows:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected pit shell for surface constraints and potential interactions with planned production operations.

- **Pit Optimization**: Optimize the position and dimension of the ultimate pit boundary based on the geological and economic parameters of the deposit, along with mining, processing, and market conditions.

- **Mine Design**: Refine the optimal pit shell generated during optimization through detailed design, incorporating access ramps, bench configurations, and mining constraints.

- **Mine Production Schedule**: Schedule the material within the designed pit shell according to feasible tonnage and processing plant targets.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.4 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the JORC Code (2012), BAW reviewed a number of technical studies prepared for the Osino Property and made reference with the actual operation and current mining plan. The confidence level in the Modifying Factors demonstrated in those technical studies are considered by BAW to be akin to a feasibility study level and are suitable to support Ore Reserve estimation. The technical studies reviewed by BAW include:

- Twin Hills Gold Project Preliminary Economic Assessment ("**PEA**") — Mining Study, 2021.
- Twin Hills Gold Project Pre-feasibility Study ("**PFS**") — Mining Study, 2022.
- Mining Geotechnical Prefeasibility Study for Twin Hill Gold Project, 2022.
- Definitive Feasibility Study of the Twin Hills Gold Project, Namibia/National Instrument 43–101 Technical Report ("**Twin Hills DFS**"), July 2023.

7.5 Cut-Off Grade

Based on the Twin Hills DFS, the cut-off grade analysis is summarized in this section. The marginal cut-off (or mill limiting cut-off) represents the lowest cut-off grade applicable at any given time, typically becoming relevant towards the end of the mine life or during periods of high waste stripping. This cut-off grade is applied when the open pit can produce sufficient ore, but the processing plant is the limiting factor, as is the case for the Twin Hills DFS. Additionally, mine and market limiting cut-off grades represent other scenarios. The mill limiting cut-off grade of approximately 0.30 g/t was calculated using the latest cost parameters outlined in Table 8–1. The cut-off grade for the ROM feed is generally calculated using the following formula.

$$Mill\ Limiting\ Cut-off\ Grade\ (g/t) = \frac{(Unit\ Processing\ Cost\ (\$/t) + \frac{General\ and\ Admin\ cost\ (\$)}{Mill\ Capacity\ (t)}}{Net\ Price\ \left(\frac{\$}{g}\right) \times Processing\ Recovery\ (\%)}$$

The validation and re-estimation of the cut-off grade was performed by BAW as summarized in Table 7–1.

Table 7–1 Cut-off Grade adopted in Ore Reserves Estimation for the Osino Property

Parameters		BAW	Twin Hills DFS
Unit Cost	$/t	16.70	15.77
Mining Cost	$/t	2.70	2.00
Processing Cost	$/t	9.32	9.09
G&A Cost	$/t	4.68	4.68
Offsite Costs	USD/oz	89.35	70.75
	USD/g	2.87	2.27
Refining	USD/oz	3.85	0.55
Transport Costs	USD/oz	5.50	2.20
Mineral Extraction Tax (4% of gold extracted)	USD/oz	80.00	68.00
Gold Price	USD/oz	2,000.00	1,700.00
	USD/g	64.30	54.66
Processing Recovery	%	77.3%[2]	88.0%
Breakeven Cut-off Grade	g/t	0.35	0.34
Mill limiting Cut-off Grade	g/t	0.29	0.30

Note:

1. Source: provided by the mine management and summarized by BAW;
2. The adjustments were made to the processing recovery to confirm the break-even condition, when the grade approaches the cut-off grade.

In addition, the following elevated cut-off grades were applied for the designed pits of the Twin Hills project:

- Main and Clouds West Pits: 0.40 g/t
- Clouds Pit: 0.40 g/t
- Twin Hills West Pit: 0.45 g/t

Based on the analysis of these cut-off grades and the current project status, BAW agrees to adopt the elevated cut-off grades. Additionally, considering the differences in gold price assumptions, BAW has established the breakeven cut-off grade of 0.35 g/t as the baseline for the entire project.

7.6 Mining Dilution and Ore Loss

The establishment of the mining block model for the Twin Hills Gold Project is a critical step in transforming the geological understanding of the deposit into a practical plan for mining. It incorporates various "modifying factors" to account for the realities of open-pit mining.

7.6.1 Establishment of the Mining Block Model

1. Foundation in the Resource Model

The mining block model is built upon the existing Mineral Resource model. The original Resource model uses parent cell sizes of 5.0 meters (X) by 5.0 meters (Y) by 5.0 meters (Z), with sub-celling down to a minimum size of 2.5 meters (X) by 2.5 meters (Y) by less than 0.5 meters (Z). This sub-cell resolution is designed to best represent the known in-situ mineralization.

2. Regularization to Selective Mining Unit (SMU):

To accurately reflect practical mining selectivity and account for ore loss and dilution, the sub-celled Resource models are "regularized" to a specific SMU block size.

The selected SMU size for the Twin Hills Gold Project is 10.0 meters (X) by 5.0 meters (Y) by 2.5 meters (Z). This size is chosen to mimic the real-world mining selectivity associated with grade control, blasting, excavation, and haulage practices.

The mining operation is planned with 5.0-meter benches for ore and selective waste, which will be loaded in two 2.5-meter flitches (or 3.0 m after swell from blasting) to minimize dilution. Bulk waste material is mined in 10.0-meter benches.

3. Estimation of Mining Modifying Factors:

The regularization process involves assigning mining dilution and losses to transform the in-situ Resource block models into Mining block models. Partial ore content within each regularized SMU block is adjusted. This is done by multiplying partial ore tonnes with a 1.50 (50%) waste factor and assuming a 0 g/t dilution grade.

7.6.2 Comparison with Resource Model

During the transformation of in-situ Resource block models into Mining block models, mining losses and dilution are first estimated and simulated. A key assumption consistent with the preceding context is that the waste grade is 0 g/t. Meanwhile, changes in grade and metal quantity are utilized to quantify and estimate mining losses and dilution. Due to differences in the occurrence state of ore bodies and variations in geometric dimensions, the estimation results may vary across different areas. The results of each area are summarized in Table 7–2.

Table 7–2 Mine Modifying Factors from In-situ Resource to Diluted Reserve Ore Tonnes

Model	COG Diluted	Parameter (Units)	In-situ Material	Diluted	Dilution Material	Mining Losses
Main & Clouds West. . .		Tonnes (Mt)	52.78	52.13		
	0.35 g/t	Metal (Moz)	56.32	52.26	6%	7%
		Grade (g/t)	1.07	1.00		
Clouds Pit Design.		Tonnes (Mt)	8.39	8.12		
	0.35 g/t	Metal (Moz)	10.79	9.70	7%	10%
		Grade (g/t)	1.29	1.19		
TH West Pit Design . . .		Tonnes (Mt)	5.82	5.47		
	0.35 g/t	Metal (Moz)	6.38	5.25	12%	18%
		Grade (g/t)	1.10	0.96		
Total.		Tonnes (Mt)	67.00	65.72		
	0.35 g/t	Metal (Moz)	73.49	67.22	7%	9%
		Grade (g/t)	1.10	1.02		

Source: summarized by BAW.

7.7 Ore Reserves Statement

The Ore Reserves of the Osino Property were estimated as of December 31, 2025 with the following key assumptions:

- All of the Ore Reserves are included within the Mineral Resources;
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);

- Adopted cut-off grade: 0.35 g/t Au, based on a gold price of US$2,000/oz;
- Ore Reserves are reported within a designed pit based on optimized shell 33, within the exploration licenses;
- Mining recovery: 91%;
- Mining dilution: 7%;
- Totals may not add up.

Table 7–2 summarises the Ore Reserve statement for the Osino Property as of December 31, 2025 at a cut-off of 0.35 g/t Au.

Table 7–3 Ore Reserves Statement for the Osino Property as of December 31, 2025

Pit	Category	Tonnage (Mt)	Gold Grade (g/t)	Contained Gold (t)
Twin Hills Combined	Proved	0.7	1.29	0.9
	Probable	65.0	1.02	66.3
	Total	65.7	1.02	67.2

Notes:

The information in this CPR relating to Mineral Resources is compiled by Mr. Hongbo Liu and Dr Weiliang Wang who are a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Wang is also a registered geologist with the Professional Geoscientists of Ontario (PGO). They both have sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which they are undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu and Dr Wang consent to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Background

The mine management of the Osino Property commissioned Lycopodium Minerals Africa (Pty) Ltd. ("**Lycopodium**") to conduct multiple technical studies for the Osino Property from 2020 to 2023, including a preliminary economic assessment, a feasibility study and a detailed feasibility study in compliance with National Instrument 43–101 — Standards of Disclosure for Mineral Projects (NI 43–101).

The project envisions a low-risk, technically straightforward open-pit mining operation utilizing contract mining, feeding a conventional Carbon-in-Leach (CIL) metallurgical plant designed to process 5 mtpa of mineralized material.

8.2 Geotechnical Conditions

The geotechnical investigations confirmed ground conditions influencing both site infrastructure and pit slope stability. For the processing plant and associated facilities (Civils Geotechnical), the subsurface is typically characterized by shallow hardpan calcrete encountered at an average depth of 0.4 m below ground level. While this hardpan calcrete is deemed suitable for supporting lightly loaded structures, its lateral extent and vertical continuity are variable, necessitating the use of reinforced strip footings to mitigate risks associated with potential weak or discontinuous zones. Below this hardpan, powder calcrete may be present, a material considered unsuitable for direct foundations due to its compressible and/or collapsible nature, requiring in-situ improvement. For heavy, settlement-sensitive structures, foundations are recommended to be extended through the upper variable layers to ensure proper founding on more consistently competent massive cemented alluvium. The presence of hardpan calcrete near the surface means conventional trenching for general underground services is difficult, indicating that specialized equipment like a bucket wheel trencher may be required. In terms of construction materials, calcrete is classified as G4 to G8 material suitable for structural fill in engineered layer-works, roads, and platforms, though schist should be avoided as it tends to slake upon excavation and exposure.

Regarding Pit Geotechnical analysis, the Feasibility Study validated the existing slope design parameters from the PFS, concluding that stability is primarily governed by small-scale structures. However, the identification of zones with lower Rock Quality Designation (RQD $< 30\%$) within the Twin Hills Central (THC) area, attributed to faults and deeper weathering along structures, requires further investigation, ideally using deep geophysics, to assess potential risks to slope stability. While groundwater is noted to have only a minor effect on the overall angle stability, its presence along structures can reduce shear strength, presenting a significant potential impact on structurally controlled failures.

8.3 Hydrogeological Conditions

Hydrogeological modeling and testing focused on aquifer characterization, water supply capacity, and environmental risks. The project relies on two main geological formations for groundwater: the Karibib Marbles, identified as having the highest water supply potential with highly variable yields up to > 2000 m^3/day, and the Kuiseb Schists, which exhibit low permeability (bulk hydraulic conductivity of 0.01 to 0.03 m/day). Recharge occurs actively in the karstic and silicified marble hills from precipitation. The DFS water balance confirms that the total process plant demand of 1.1 Mm^3/year can be met by combining groundwater abstraction (estimated sustainable yield of 1.2 Mm^3/year) and the projected passive dewatering inflows from the pits, which are expected to reach a cumulative maximum of 1.71 Mm^3/year in Year 10. Due to the low permeability of the schists, groundwater management will primarily utilize in-pit sumps, maintaining pore pressures at least 50 m behind the pit walls. In terms of water quality, geochemical testing classified the altered and mineralized waste rock and tailings material as Potentially Acid Generating (PAG),

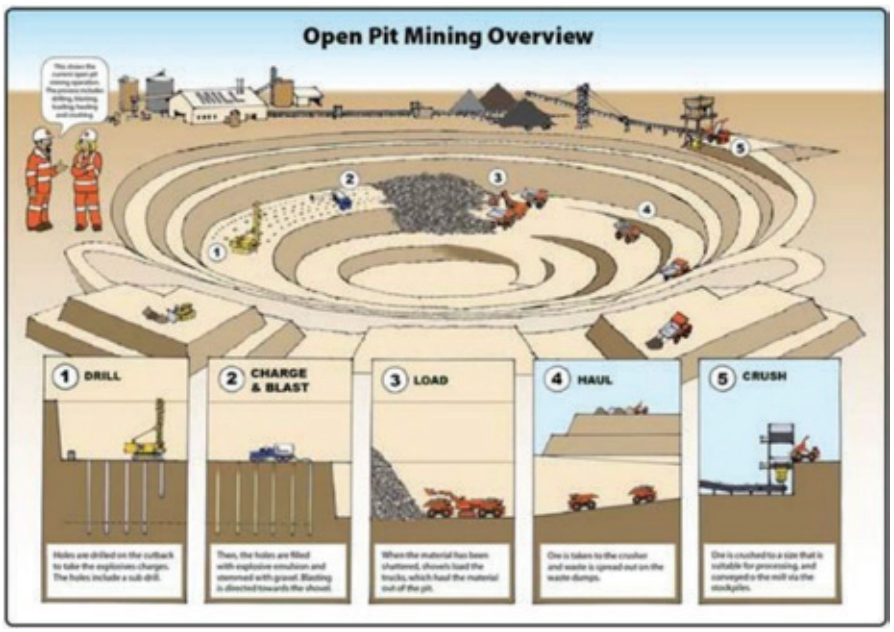
with arsenic, aluminium, and iron identified as key pollutants of concern in high water-to-rock leaching ratios. Consequently, the Tailings Storage Facility (TSF) design incorporates a composite geosynthetic liner system over the basin footprint to reduce seepage and prevent contaminants from contacting the groundwater. Contaminant transport modeling indicates that the mine's drawdown cone will effectively capture potential plumes, confining seepage migration to within 35 m of the facilities. Furthermore, the project faces a critical surface water risk because the Okawayo River flows directly through the Central Pit eastern wall, necessitating flood mitigation structures to prevent flooding, which also presents an opportunity to enhance aquifer recharge to the marble karstic aquifers.

8.4 Mining Method and Contractor Mining

The orebody will be mined using conventional shovel-and-truck methods, with bulk mining complemented by selective mining in areas containing narrow ore zones. For the Twin Hills Gold Project, mining is assumed to be conducted by conventional open-pit methods (Figure 8–1). All mining activities, except for mine technical services, will be outsourced to a mining contractor. The contractor's scope of work includes drilling, blasting, loading, and hauling both ore and waste material.

The contractor will supply all required materials, equipment, facilities, services, supervision, and labour to execute mining operations in accordance with the mining contract. Key responsibilities include:

- Drilling, blasting, loading, and hauling of ore and waste to designated dumps, stockpiles, or the crusher.
- Routine mining of ore zones, including waste stripping, stockpiling, and re-handling of ROM ore.
- Construction and maintenance of haul roads, access ramps, bunds, drains, and stockpile pads.
- Placement and shaping of overburden and waste dumps.
- Secondary breakage of oversized material as required.
- Minor pit dewatering, sump excavation, and water management.
- Operation and upkeep of ore stockpiles and waste dumps.
- Supply and maintenance of all required mining equipment.
- Mobilization of personnel, equipment, and infrastructure.
- Logging and reporting of mining data for mine management.



Source: Twin Hills DFS

Figure 8–1 Conventional Open Pit Mining

8.5 Geotechnical Study and Mine Design Parameters

To address the geotechnical aspects of the pit slope design, 15 boreholes were selected and logged from core photographs to characterize the rock mass and inform preliminary rock mass ratings in the previous geotechnical studies.

The proposed pit slope design parameters are summarized in Table 8–1. The bullnose area of the Twin Hills Central pit was treated as a separate design sector due to several factors: extensive weak and disturbed rock masses intersected by drilling, large-scale geological structures, parallel jointing, and the effect of convex slope curvature. The latter reduces confinement and slope stability, requiring flatter slope angles in this area.

The investigation incorporated detailed foliation data, assessment of weak zones associated with the biotite schist, and an updated hydrogeological model. The analysis also highlighted the influence of small-scale geological structures on slope stability, leading to adjustments of batter angles where necessary.

Double-bench designs are recommended for the south slope. However, they are not advised for the north slope, where flatter batter angles, drilling challenges at 70°, and narrow berm widths increase the risk of breakback and potential instability.

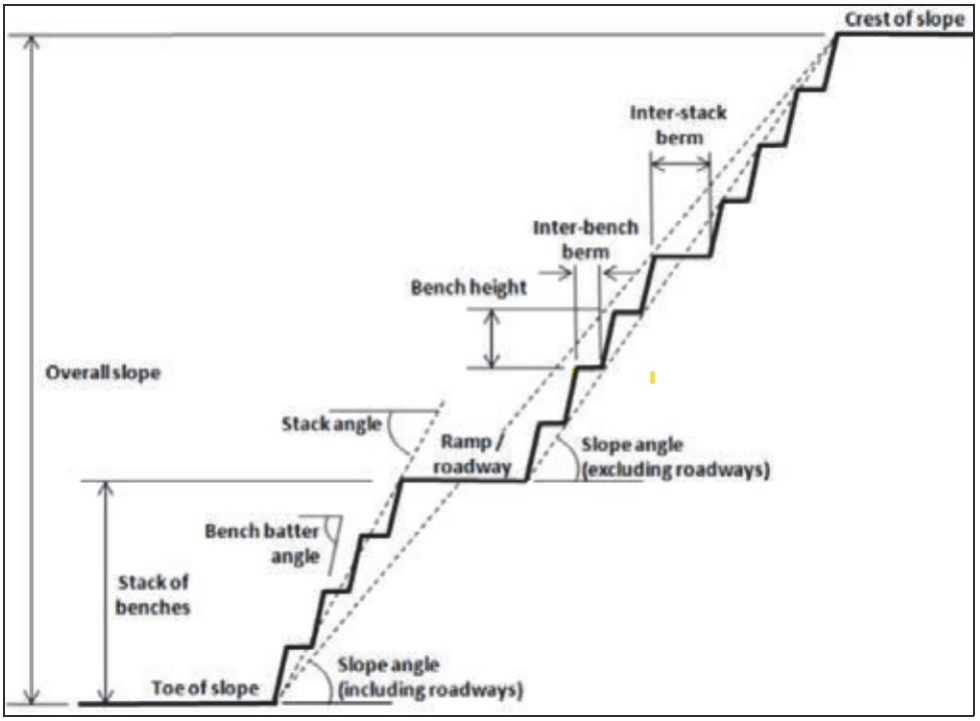


Figure 8–2 Typical Pit-Slope Profile

The design recommendations were adjusted with regards to the batter angles and are presented in Table 8–1. Further, double bench parameters for the south slope were included.

Table 8–1 Pit Slope Design Parameters

Pits	Overall Slope Angle (deg)	Slope Height (m)	Bench Height (m)	Toe to Crest Stack Angle (deg)	Stack Height (m)	Batter Angle	Berm Width (m)	Toe to Toe IRA (deg)	Geotechnical Berm Width (m)
Weathered Material . . .	42°	50	10	46°	50	70°	7.6	42°	15
TH Bulge North									
Unweathered	44°	350	10	60°	50	70°	2.8	57°	15
TH Bulge South									
Unweathered	52°	350	10/20	63°	50/60	80°	4.2/9.9	59°/56°	15
TH BN North									
Unweathered*	50°	50	10	55°	50	70°	6.6	50°	15
TH Central North									
Unweathered	43°	250	10	60°	50	70°	2.8	57°	15
TH Central South									
Unweathered	52°	250	10/20	63°	50/60	80°	4.2/9.9	59°/56°	15
THC East End	48°	250	10	63°	50	80°	4.1	60°	15
Clouds N	48°	170	10	60°	50	80°	5	56°	15
Clouds S*	48°	170	10	60°	50	70°	5	56°	15
Clouds W	48°	170	10	60°	50	70°	5	56°	15
THW Oryx Pit North. .	48°	100	10	60°	50	70°	2.7	58°	15
THW Oryx Pit South. .	47°	160	10	60°	50	80°	5	56°	15

Source: *Technical studies stated in 7.2.2 including PEA, PFS, Mining Geotechnical Prefeasibility Study and Twin Hills DFS summarized by BAW.*

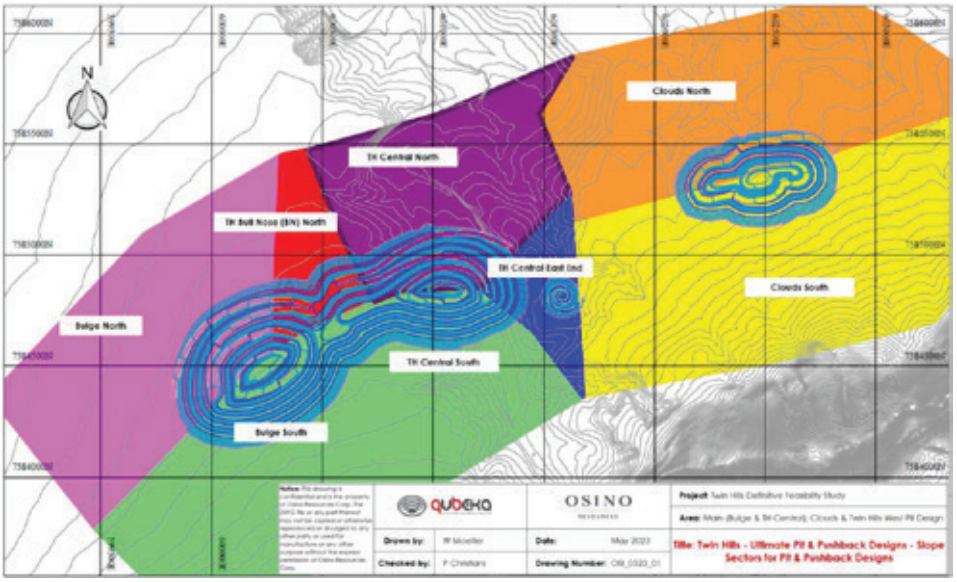


Figure 8–3 Overall Layout of the Designed Pits for Twin Hills of the Osino Property

8.6 Pit Optimization

The pit optimization aims to determine a generalized pit shell that maximizes the value of a deposit. Optimizations were conducted using computer-aided optimization program, which is commonly used for open-pit optimization and was therefore selected for this task. During the course of pit optimization, the mining cost, processing cost, recovery and various parameters of the slope profile are used to calculate a series of incremental pit shells. Each shell represents the optimum configuration for a slightly higher commodity price factor.

8.6.1 PIT OPTIMIZATION PARAMETERS

The parameters utilised for pit optimization was summarized in 8–2.

Table 8–2 Parameters Utilised for Pit Optimization for the Osino Property

Mining Operating Costs — Variable	Unit	Value
Mining Costs — Ore @ Pit Rim	USD/t Mined	2.55
Mining Costs — Waste @ Pit Rim	USD/t Mined	2.35
Mining Costs — Ore — Elevation Dependant	USD/t/10 m	0.07
Mining Costs — Waste	USD/t/10 m	0.07
Mining Costs — Average	USD/t Mined	2.7
Total Processing Costs — Variable	Unit	Value
CIL Plant Operating Costs	USD/t Milled	9.32
Fixed Cost	Unit	Value
Annual Total Fixed Cost	USD	23,394,147
Plant Production Metrics	Unit	Value
Plant Throughput	mtpa	5
Oxide Ore Throughput Enhanced Factor	%	15
Material	Pit	LOM Average Overall Circuit Recovery (%)
Oxides	Bulge	94.2
	TH Central	94.2
	Clouds	94.2
	TH West	94.2
Fresh	Bulge	93.1
	TH Central	94.6
	Clouds	88.4
	TH West	93.1
Parameters	Unit	Value
Base Gold (Au) Price — Real	USD/oz	2,000
Royalty (3%) + Export Levy (1%)	%	4
Metal Credit	%	99.9

Mining Operating Costs — Variable	Unit	Value
Net Gold Price	USD/oz	1,630.30
Selling Costs — Gold Refining Costs	USD/oz	0.55
Selling Costs — Gold Transport Costs	USD/oz	2.2

8.6.2 Pit Shell Selection

The optimization process varies the base input price upward and downward to generate a series of pit shells. Each shell represents the maximum cash flow achievable under its respective parameters and factored price. Lower prices yield smaller shells, while higher prices produce larger ones, resulting in a sequence of "nested" shells where smaller, higher-value shells lie inside larger, lower-value shells. These nested shells are important because:

- Smaller shells highlight the highest-value portions of the orebody, guiding initial mining.
- Larger shells indicate how much additional mineralization may become economic — or, conversely, how existing ore might become uneconomic — if parameters change.
- They allow the generation of production schedules for various mining scenarios.

The objective of open-pit optimization is to identify a optimized pit-shell that maximizes the project value over the time. From the series of shells generated, one is selected to guide the ultimate pit design. This final pit design defines the Mineral Reserve, LOM production, and associated project cash flows. Consequently, pit optimization and shell selection form the critical first step in any Ore Reserves estimation. Shell selection criteria typically balance several objectives, which may conflict:

- **Maximizing NPV** (primary criterion): The optimum shell is the one that maximizes discounted cash flow under the specified case.
- **Maximizing LOM** (secondary criterion): Extending mine life can support strategic goals such as market share retention or capturing future opportunities, provided minimum profitability is maintained.
- **Minimizing production cost**: Some companies prefer to define pit limits where incremental production costs exceed a set threshold.
- **Ensuring acceptable resource utilization.**

The Ore Reserves estimation for the Twin Hills was performed using the selected shell which is supported by the Measured and Indicated Resources only. This practice is consistent with public reporting guidelines. The following shells were selected to guide the ultimate pit designs:

- Twin Hills Central & Bulge: the 0.80 revenue factor shell
- Clouds: the 0.94 revenue factor shell
- Twin Hills West: the 0.98 revenue factor shell

The typical pit by pit analysis graph was show in Figure 8–4 to 6:

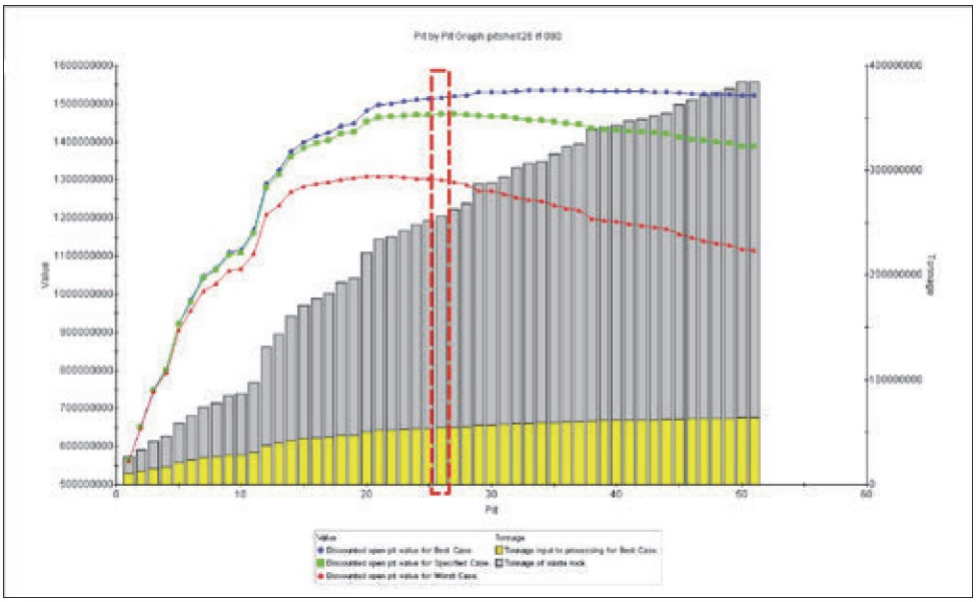


Figure 8–4 Pit by Pit Graph with Preliminary Cash Flow for Twin Hills Central & Bulge

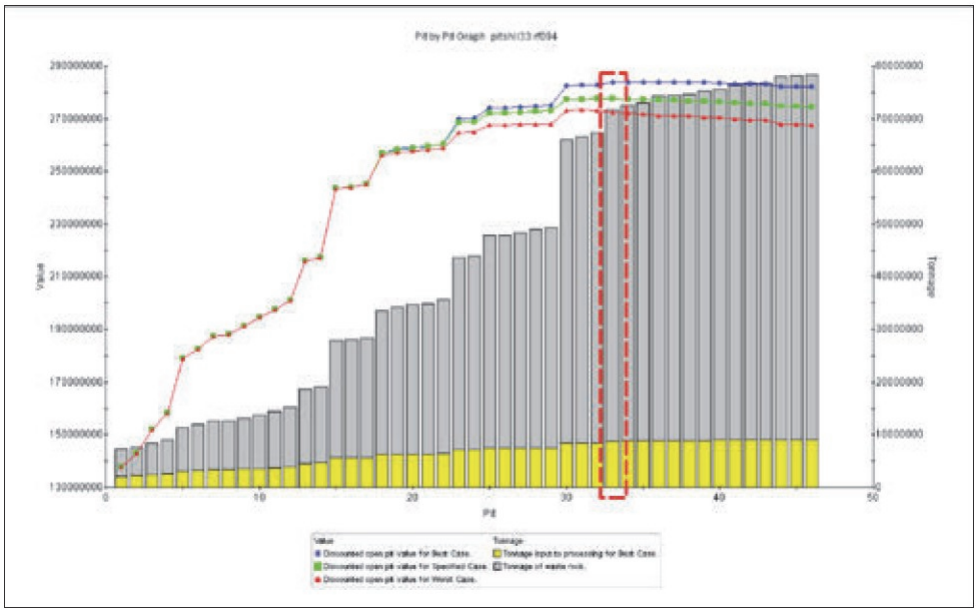


Figure 8–5 Pit by Pit Graph with Preliminary Cash Flow for Clouds

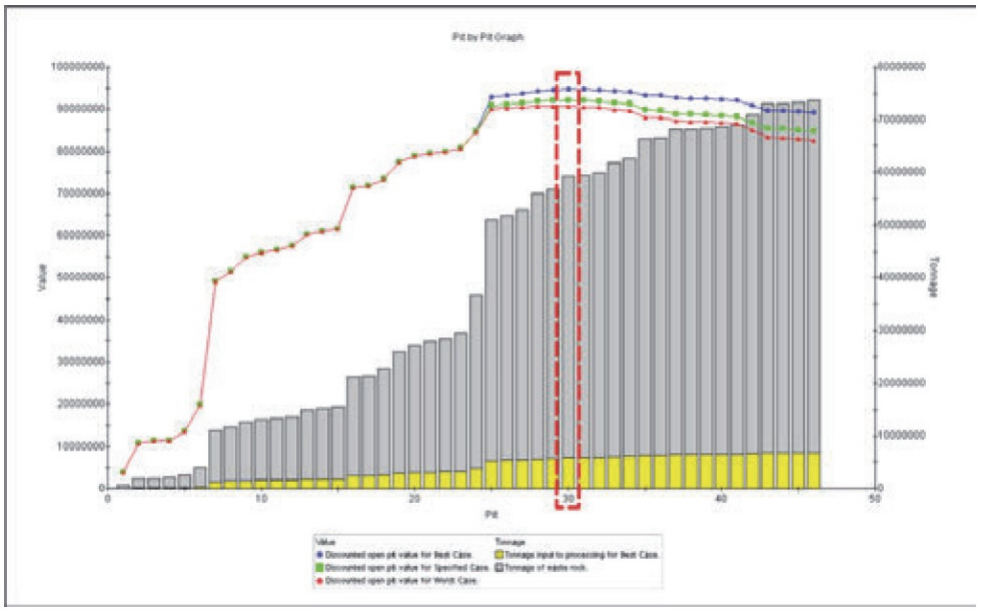


Figure 8–6 Figure 8–5 Pit by Pit Graph with Preliminary Cash Flow for Twin Hills West

The optimized pit-shells are illustrated in isometric view in Figure 8–7 below.

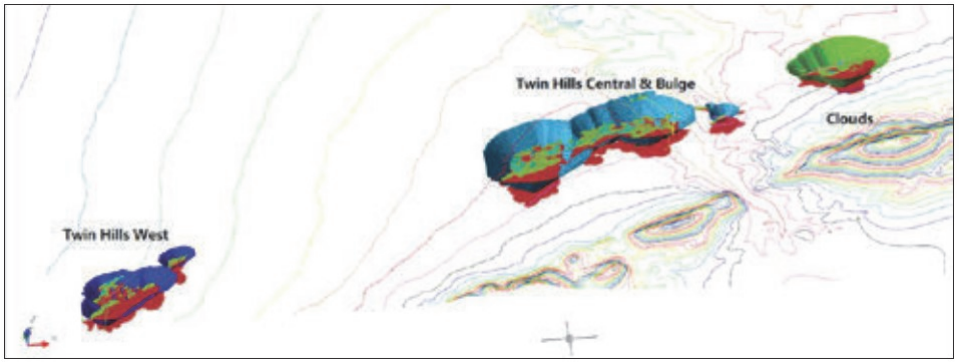


Figure 8–7 Selected Optimized Pit Shells in Isometric View for the Osino Property

A comparison of the confirmed final pit shell against the existing open-pit design provided by Osino was conducted, which concluded that the Twin Hills Central & Bulge area is technically sound, and that the corresponding pushbacks were also retained. In contrast, the other two (relevant areas) require a comprehensive redesign.

8.7 Open Pit Design

The pit optimization runs underscored the importance of pit staging in enhancing project value. Analysis of the optimization outputs identified the high-value areas prioritized by the process. Accordingly, the smaller pit shells (lower revenue factors) serve as a guide for locating interim stage designs.

When developing these stages, careful attention is given to ensuring coherent mining access, realistic bench turnover rates, and compliance with minimum mining widths. By incorporating interim pushbacks, ore delivery to the plant is maximized in the early years while deferring waste stripping as far into the future as possible.

The optimization exercise ultimately led to the selection of lower revenue factor shells, which together define an extraction sequence that balances value and practicality. The resulting pushback stages provide access to the shallower parts of the orebody during the initial years of production, supporting both early cash flow and long-term project efficiency.

The open pit in Twin Hill West and Clouds was redesigned by BAW, while the open pit in the Twin Hills Central & Bulge area retained the design results provided by Osino.

The ultimate pit designs for Twin Hill are shown in Figure 8–5 whereas the layouts of the pushback of different stages are shown in Figure 8–6 to 14. The pushbacks were reviewed by BAW and conducted as the main supporting data for mining schedule.

The proposed ultimate open pit at the Osino Property is 1,042 m long and 634 m wide, consisting of 16 benches from 122 m to –58 m depth. Bench heights of 12 m have been employed based on geotechnical stability modelling. The current strip ratio is 2.28 : 1, while the overall proposed strip ratio for the pit is 3.54 : 1. The pit design incorporates ultimate pit wall angles of between 46° and 50°, with intermediate bench angles of between 65° and 70°.

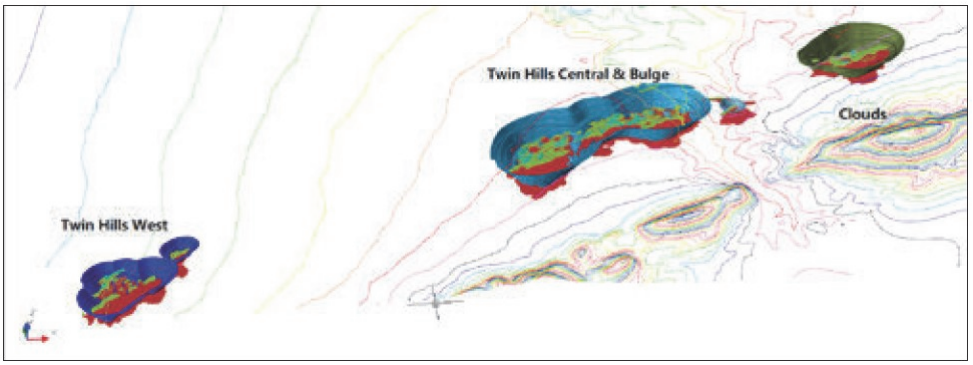


Figure 8–8 Ultimate Pit Designs for Twin Hills of the Osino Property

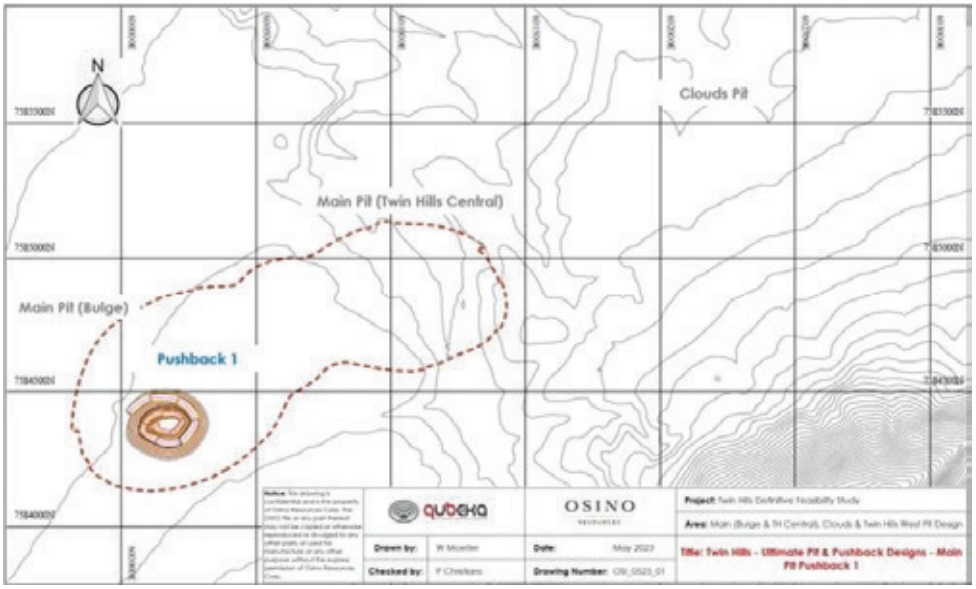


Figure 8–9 Twin Hills Main Pit Pushback 01 Design — Plan View

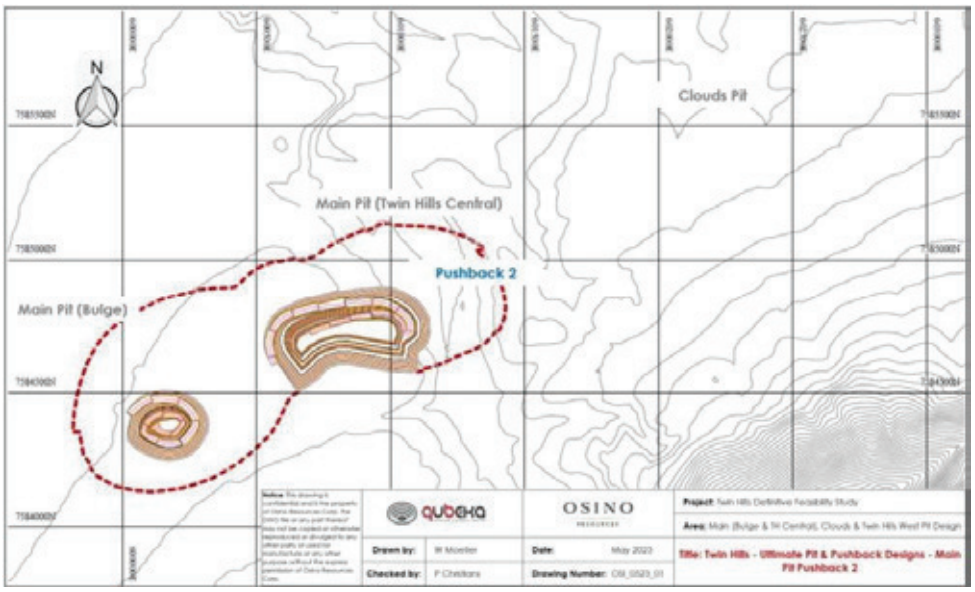


Figure 8–10 Twin Hills Main Pit Pushback 02 Design — Plan View

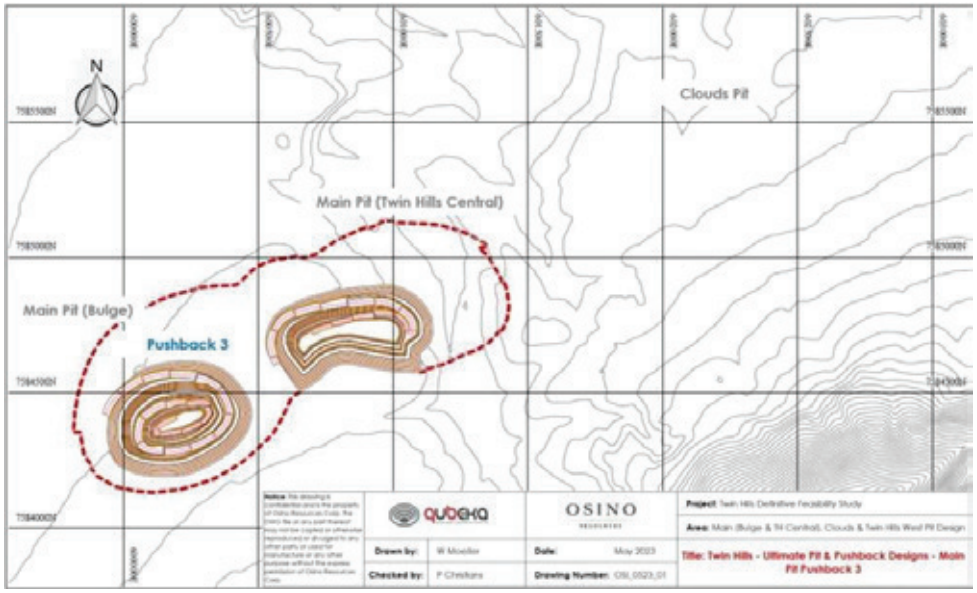


Figure 8–11 Twin Hills Main Pit Pushback 03 Design — Plan View

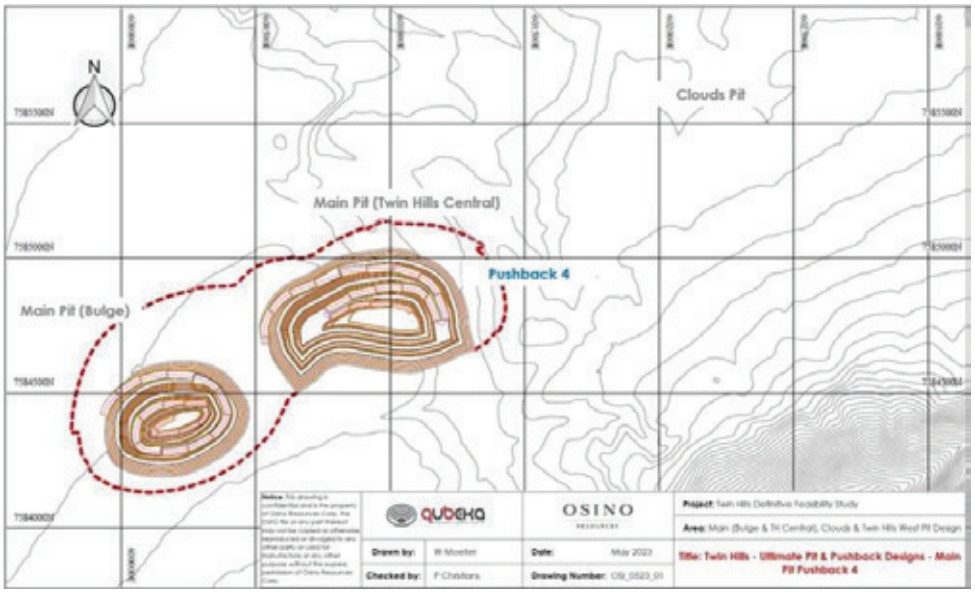


Figure 8–12 Twin Hills Main Pit Pushback 04 Design — Plan View

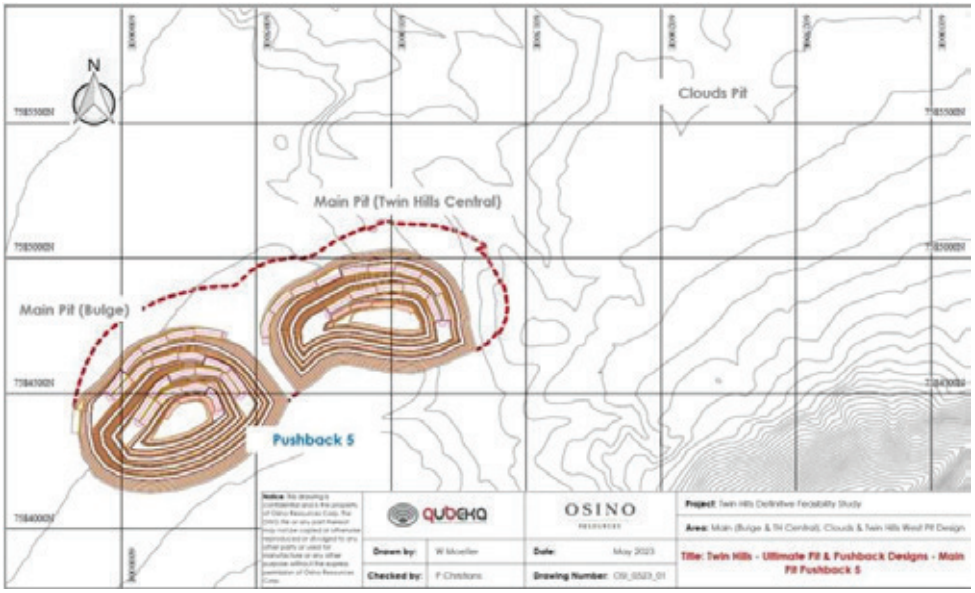


Figure 8–13 Twin Hills Main Pit Pushback 05 Design — Plan View

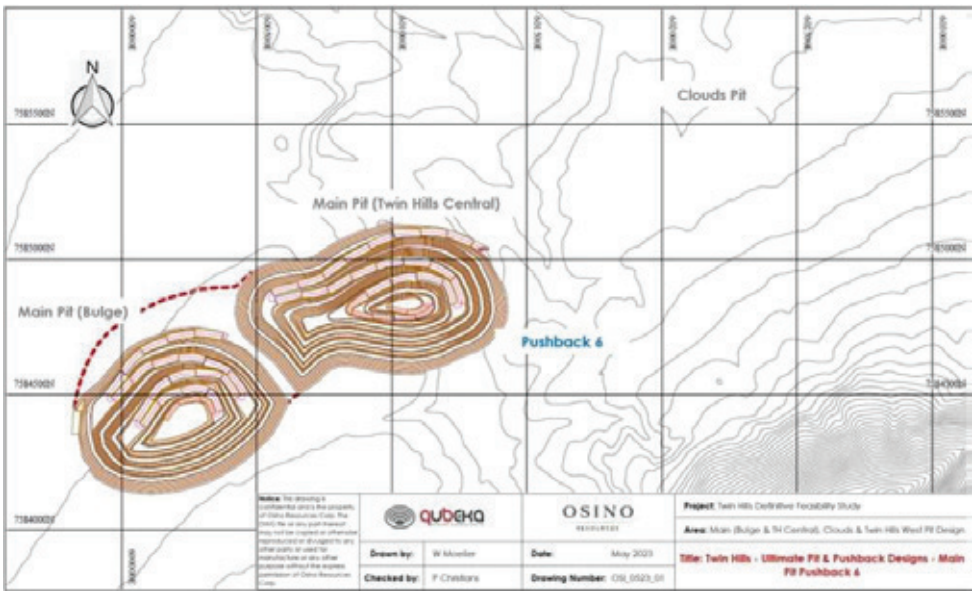


Figure 8–14 Twin Hills Main Pit Pushback 06 Design — Plan View

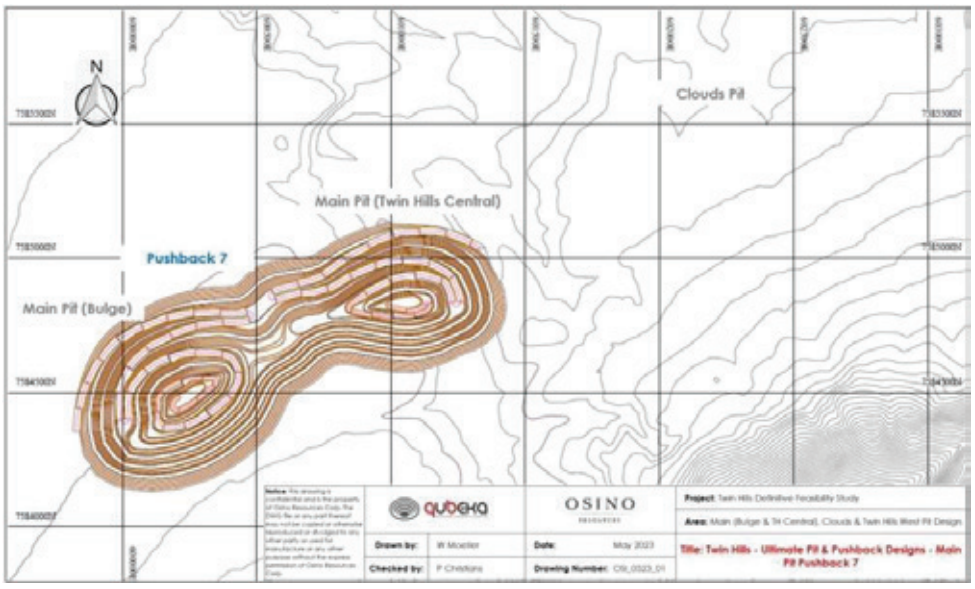


Figure 8–15 Twin Hills Main Pit Pushback 07 and Ultimate Pit Design — Plan View

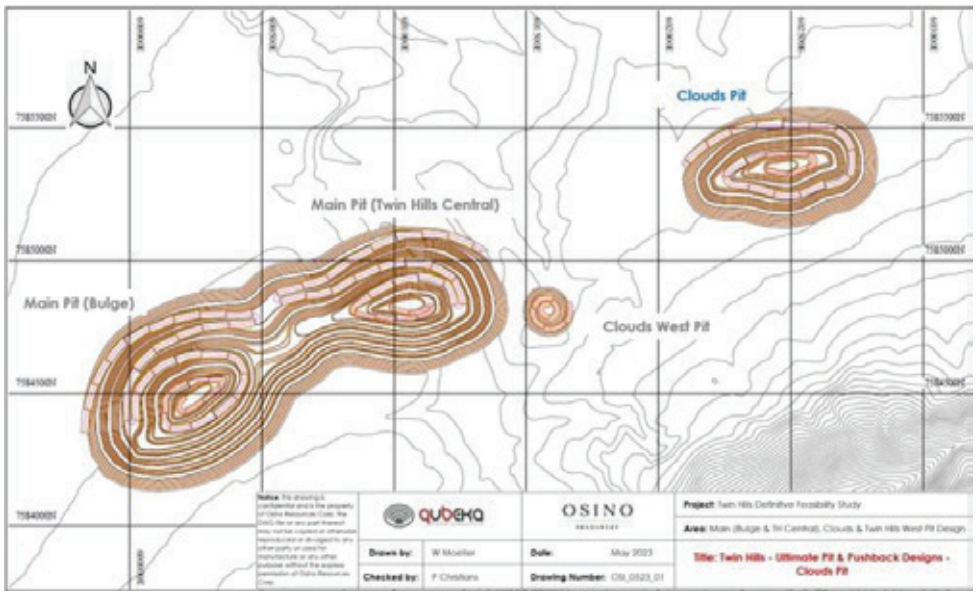


Figure 8–16 Clouds and Clouds West Ultimate Pit Plan — Plan View

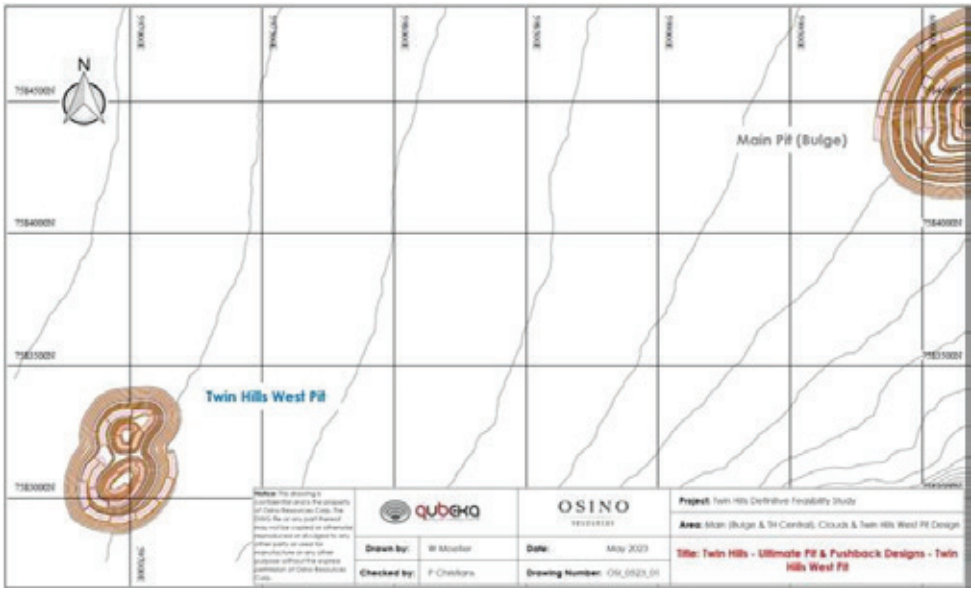


Figure 8–17 Twin Hills West Ultimate Pit Design — Plan View

8.8 Waste Dump

The overall layout of mining facilities is shown in Figure 8–15. The proposed waste rock dumps ("**WRD**") complexes consist of three separate dumps located east (Dump B) and west (Dump C) from the Main pit and north of TH West (Dump A). The volume of the proposed WRD correlate precisely to the LOM waste volume requirement of ~150 Mm^3. If additional waste dumping volume is required, there is ample space to extend these dumps away from the pit.

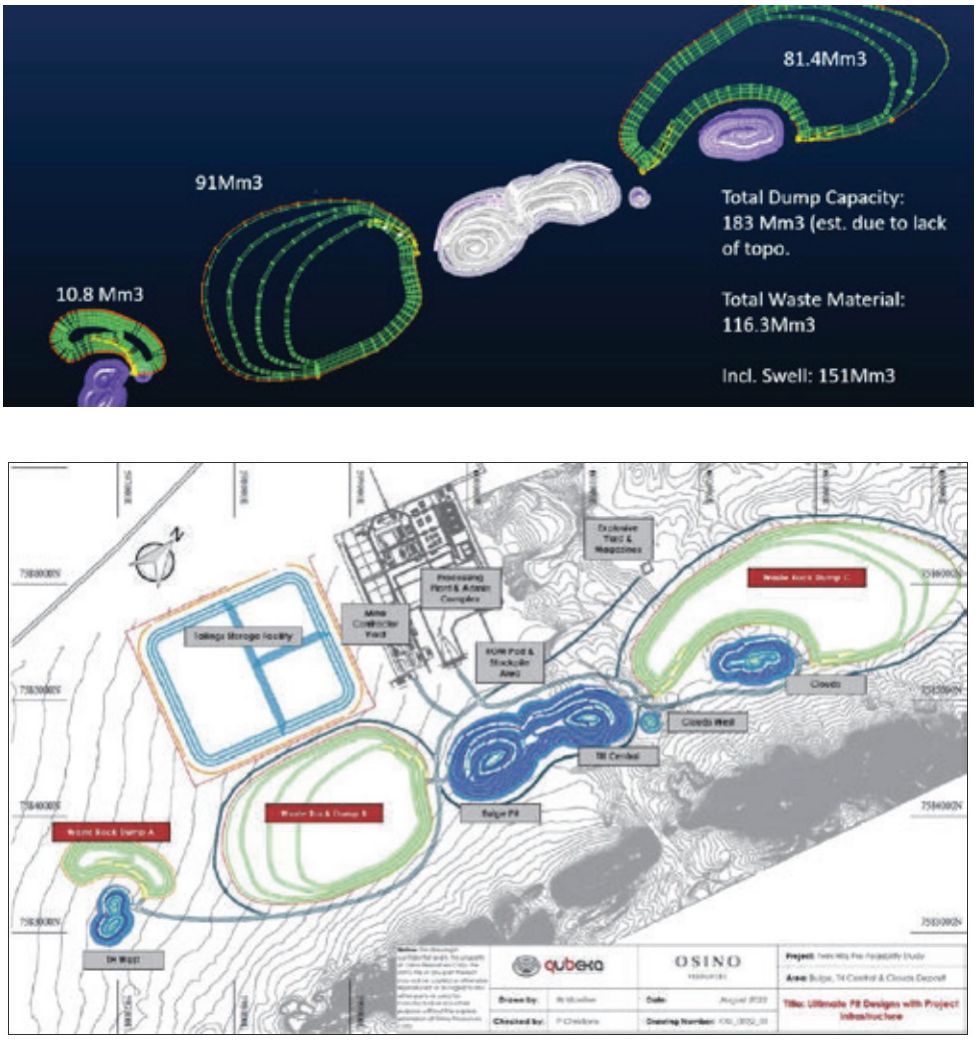


Figure 8–18 Overall Layout of Mining Facilities including WRD of the Osino Property

8.9 Mining Equipment

Table 8–3 summarizes the key mining equipment proposed for open-pit operation at Twin Hills.

Table 8–3 Key Mining Equipment proposed for Twin Hills of the Osino Property

Equipment	Manufacturer	Model	Quantity (Maximum)	Description
	Primary Mining Equipment			
Haul Trucks	Caterpillar	777	30	100-t Rigid Dump Trucks
Hydraulic Excavators	Liebherr	R9200	7	200-t Backhoe Excavator
FEL — Ore in-pit & Stockpiles	Caterpillar	992	1	105-t Front End Loader
Production and Wall Control Drills	Sandvik	DI650i	8	Down-the-Hole Drill Rig
	Primary Mining Equipment			
Track Dozer (Waste rock dumps)	Caterpillar	D9	2	
Track Dozer (In-pit loading areas)	Caterpillar	D8	3	
Wheel Dozer	Caterpillar	834K	1	
Diesel Bowser	Volvo	A30	2	
Water Tanker	Komatsu	HM400	2	
Hydraulic Hammer	Caterpillar	336	1	
Grader	Caterpillar	14M	2	

8.10 LOM Production Schedule

The production schedule is presented in Table 8–4, derived from BAW's model, scheduling and optimized pit design. The LOM is estimated to be around 14 years starting from 2026 to 2040 whereas construction and development will take place in 2025 and 2026.

8.11 Infrastructure

The overall project infrastructure scope is defined within the Definitive Feasibility Study (DFS) and is conceptually divided into Process Plant Design and Related Infrastructure and Non-Process Infrastructure (NPI). DRA Global was responsible for the design of the NPI, Bulk Grid Power Supply, Alternative Power Supply, Bulk Water Connection to National Infrastructure, Hydrology, and Water Balance.

8.11.1 Site Access, Geotechnical Conditions, and Roads

The Project area is located approximately 150 km northwest of central Namibia. Critical infrastructure development includes the road network, which requires the re-routing of the existing District Road (DR1941). The rerouted DR1941 will form the main access road to the mine and the process plant. Intersection turnoffs leading from the sealed C33 road network are planned as sealed roads themselves, largely to minimize dust-related safety risks and maintenance costs associated with high traffic volumes. Access roads to the NamPower metering yard, however, will be graveled.

Geotechnical assessments confirmed that the hardpan calcrete layer underlies the surficial alluvium and is present as gravel and cobbles scattered across the site. This calcrete layer varies in thickness from 0 m to 40 m. This material is generally suitable for use as G4 to G8 construction material, recommended for structural fill in engineered layer-works, such as haul and access roads. Conversely, the presence of calcrete means that conventional excavation for underground pipe laying is difficult. The design approach for plant terraces restricts excavation into topsoil, aiming to utilize the G6 fill material available on-site, situated upon the calcrete layer.

8.11.2 Power Supply and Distribution

The project's power supply strategy integrates bulk supply from the national utility, NamPower, with renewable energy sources. The bulk connection involves constructing an approximate 20 km long 66 kV overhead power line connecting the NamPower Erongo Substation to the new Twin Hills 66/11 kV Switchyard. Safety considerations for this line include incorporating giraffe protection structures around susceptible pole structures, and adjusting the ground clearance distance due to the presence of giraffe in the vicinity.

The base case includes a Solar PV plant to minimize the mine's carbon footprint and reduce the effective levelized cost of energy over the life of mine (LOM). This renewable energy plant is expected to reduce the carbon footprint by 19.9 kt of CO2 emissions annually compared to a scenario relying 100% on coal generation. Cost projections from Independent Power Producer (IPP) bidders for the PV plant range from 5.5 to 6.63 US cents/kWh, significantly lower than the anticipated NamPower tariff of 9.77 US cents/kWh. Emergency power needs, estimated at 1.65 MW, are covered by a dedicated containerized 2.0 MW diesel generator set to ensure safe shutdown of critical equipment.

8.11.3 Water Management

Water is considered a scarce shared resource in Namibia. The mine's water balance confirms that the total plant demand of approximately 1.1 million cubic meters per year (Mm^3/year) can be sustainably supplied throughout the LOM by combining groundwater from boreholes and pit dewatering operations. The total estimated sustainable yield from the Southern and Northern borehole sources combined is 138 m^3/h. Pit dewatering water will be directed to twin settling ponds before being pumped as clear water to the process plant.

Raw water storage capacity at the plant is 3,600 m^3, provided by two 1,800 m^3 bolted sectional panel tanks. Potable water supply (provided externally by others) will require a water softening plant due to the high concentration of calcium and magnesium in the borehole water. Sewage generated by the process plant will be transferred to a sewage treatment plant (provided by others). Importantly, designs for all water retention and storage ponds, as well as the TSF, include multi-layered barrier systems and lining to prevent potential groundwater contamination from stormwater runoff and acid rock drainage.

*8.11.4 **Process Plant and Non-Process Facilities***

The process plant facilities, designed for a nominal throughput of 5.0 Mtpa, include necessary infrastructure such as the Administration Office, Plant Office, Main Control Room, workshops (Boilermaker, Electrical, Control & Instrumentation (EC&I), Light Delivery Vehicle (LDV) maintenance), a main warehouse (900 m^2), and a clinic/First Aid and Emergency Response Building (315 m^2). The plant includes a specialized fire water pump station and associated facilities.

The Non-Process Infrastructure also accounts for the Mine Contractor's establishment. Mining-related facilities include the Ore Stockpiles and Run-of-Mine (ROM) Pad. ROM stockpiles will be classified into categories, with a strategy to maintain at least 60 days of ROM ore to allow for blending flexibility and consistent feed to the crusher. Waste rock from the pits will be deposited in external Waste Rock Dumps (WRD), which are planned to consist of three separate dumps located east and west of the Main pit, and north of Twin Hills West.

*8.11.4 **Tailings Storage Facility (TSF)***

The project utilizes a filtered tailings approach, with the TSF located approximately 600 m west of the processing plant. The tailings will be filtered to a target moisture content of 14% to 16% and deposited via a purpose-built forward stacking conveying system. This design choice prioritizes high availability and production reliability.

The TSF is designed as a downstream-type facility and incorporates a composite lining system to mitigate the risk of Acid Rock Drainage (ARD) seepage into the groundwater. This system includes a 1.5 mm HDPE geomembrane and a 150 mm crushed calcrete layer, which provides geochemical neutralization potential. Waste rock material sourced from the mine pit will be progressively hauled and placed to construct the outer containment berms and provide cladding over the surface of the filtered tailings mass. The TSF development is planned in a 6-layer configuration, achieving a final pad height of 38 m. Since the base case relies on filtered tailings, no water is expected to be recovered and recycled to the processing plant from the TSF.

AW reviewed the mine layout diagram, along with the infrastructure layout and design, and considers them to be reasonable. For a visual reference, please refer to Figure [•]–[•].

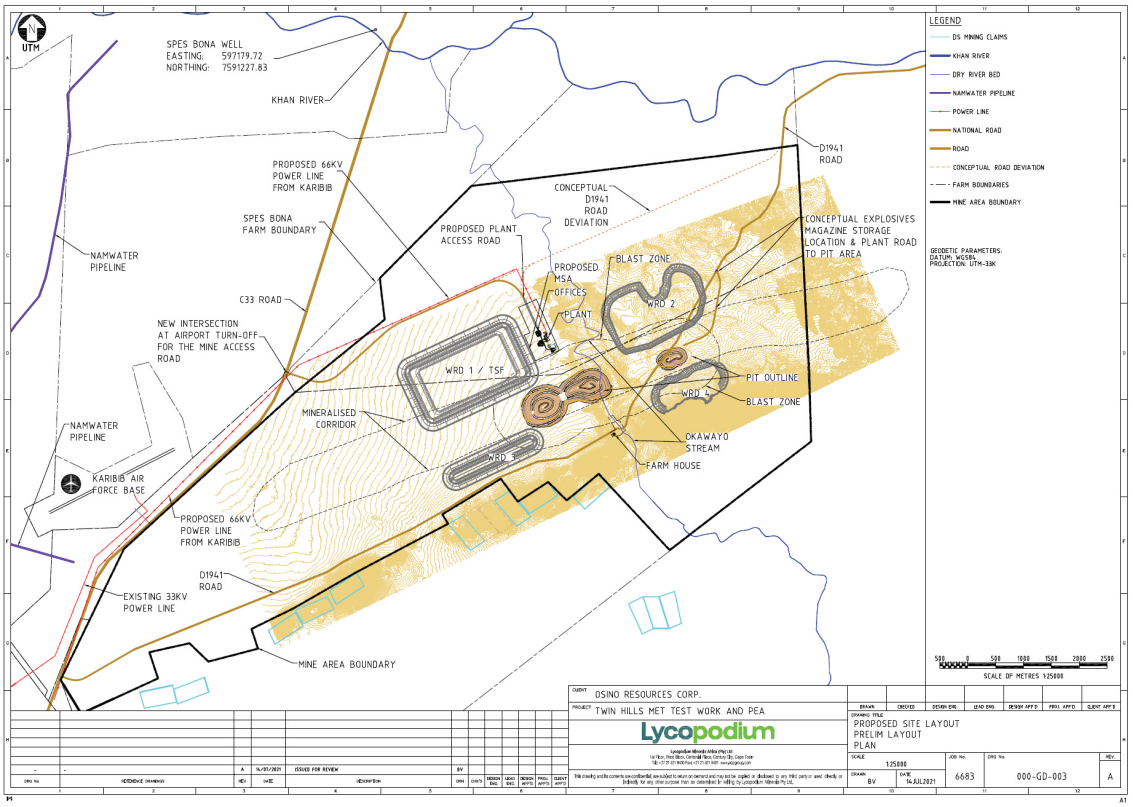


Figure 8–[•] Infrastructure and Mine Layout Diagram

Table 8–4 LOM Production Schedule of the Osino Property

	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Mining																	
Ore Mined	Mt	65.72	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	—
Waste Mined	Mt	350.58	17.60	30.21	30.09	29.06	29.06	28.73	31.17	28.81	32.89	27.09	30.47	24.93	9.77	0.69	—
Total Tonnage	Mt	416.30	17.64	35.00	35.10	35.00	35.00	35.00	35.10	35.00	35.00	35.00	35.10	28.47	17.85	2.05	—
Strip Ratio		5.33	385.66	6.31	6.02	4.90	4.89	4.58	7.94	4.65	15.61	3.43	6.58	7.04	1.21	0.51	—
Gold Grade	g/t	1.02	0.80	1.10	1.10	1.11	0.97	1.06	1.06	0.95	0.95	1.04	1.09	0.93	0.90	1.17	—
Contained Metal	t	67.22	0.04	5.27	5.49	6.59	5.77	6.64	4.15	5.90	2.00	8.20	5.03	3.30	7.25	1.59	—
Stockpile																	
Stockpile Balance (closing)	Mt		0.05	1.18	1.15	2.07	2.99	4.24	3.13	4.31	1.39	4.28	3.88	2.40	5.46	1.80	—
Stockpile Grade	g/t		0.80	1.09	1.08	1.12	1.05	1.00	0.91	0.93	0.63	0.86	0.82	0.60	0.63	0.49	—
Processing																	
Ore Processed	Mt	65.72		3.65	5.03	5.02	5.02	5.02	5.03	5.02	5.02	5.02	5.03	5.02	5.02	5.02	1.80
Feed Grade	g/t	1.02		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
Contained Gold	t	67.22		4.01	5.54	5.52	4.96	5.52	5.54	4.74	5.15	5.40	5.54	5.02	5.26	4.14	0.89
Processing Recovery	%	92%		92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
Gold Output	t	61.8		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

9 PROCESSING

9.1 Introduction

The gold mineralization at Twin Hills is hosted by meta-greywackes which can be divided into interbedded and massive units. The gold mineralization is closely associated with arsenopyrite in millimetre-scale veinlets as well as fine-grained disseminates.

Gold is associated to a lesser extent with pyrrhotite which is more pervasive and occurs in units not well mineralized with gold. Selvages to the sulphide-quartz veinlets are characterized by potassic alteration(biotite) and higher-grade zones have often been silicified.

Massive or semi-massive sulphide concentrations with annealed textures, comprise coarse-grained aggregates of chalcopyrite-pyrite and lesser pyrrhotite, often with elevated copper and gold grades. In addition, there is low-grade gold mineralization associated with pervasive skarn alteration adjacent to the intrusive bodies around Goldkuppe. Gold is associated with north-south striking quartz veins with pyrrhotite and arsenopyrite samples average of 0.13 mg/l/min.

BAW observed that the Twin Hill and Goldkuppe deposits exhibit classic characteristics of orogenic gold mineralization. These deposits feature structurally controlled quartz-carbonate-sulfide veining hosted within metamorphosed volcanic-sedimentary sequences. Notably, they display distinct wall-rock alteration zonation and a strong association with shear zones and fold structures in greenschist to amphibolite facies terranes.

9.2 Metallurgical Testwork for Twin Hill

In 2020, Osino Resources contracted SGS South Africa (Pty) Ltd ("**SGS**") to conduct metallurgical test work on samples extracted from the Twin Hills ore body, contributing to the Preliminary Economic Assessment ("**PEA**") for the Twin Hills project.

Building on this foundation, Osino Resources commissioned Lycopodium Minerals Africa (Pty) Ltd ("**LMA**") in October 2021 to undertake metallurgical test work as part of the Twin Hills Pre-Feasibility Study ("**PFS**"). The results from this work were intended to inform the design, sizing, and costing for the processing flowsheet.

Following the completion of the PFS, LMA continued to work with Osino Resources to oversee further metallurgical test work on samples from the Twin Hills gold deposit in Namibia.

After the PFS was finalized by Lycopodium Mineral Canada Ltd (LMCL), LMA was contracted again by Osino Resources to initiate additional variability metallurgical test work. The results from this latest phase will be used to design, sizing, and costing for a flowsheet for the Twin Hills DFS.

Details of previous metallurgical testwork are discussed below.

9.2.1 PEA Testwork (2020)

In June 2020, SGS, as part of the PEA, published a report on metallurgical tests on samples from the Twin Hills mineralization. The objective was to determine gold dissolution via direct cyanidation leaching of 10 composite samples prepared by Osino Resources.

The cyanidation tests demonstrated high gold recovery potential, achieving over 94% dissolution in one sample after 1-hour pre-oxidation, over 90% in three fine-ground samples, and an arithmetic average of 89%.

9.2.2 Osino Resources' Testwork (2020 to 2021)

Following the PEA testwork, additional tests were initiated to confirm and expand key design parameters. Samples received from core drilling included Oxide, Fresh West, and Fresh East materials designated by Osino Resources' geologists:

- 5 x Fresh West High Grade samples
- 5 x Fresh West Low Grade samples
- 5 x Fresh East High Grade samples
- 5 x Fresh East Low Grade samples
- 5 x Oxide samples (3 x West, 2 x East)
- 5 x Cloud samples (2 x Oxide, 3 x Fresh)

Standard diagnostic leach tests for fresh ore averaged 76.38% gold recovery in the CIL step, while oxide samples averaged 89.3%. A total of 16.77% of gold in the fresh samples was liberated during the hydrochloric acid leach.

At the PEA design grind (P80 of 75 m) with pre-oxidation and a 48-hour leaching time, average gold recoveries were 88.3% for Fresh West, 82.4% for Fresh East, and 88.6% for Oxide samples. Initial results for Cloud Fresh samples showed gold recoveries of 70–74%, while Cloud Oxide samples exceeded 90%.

9.2.3 PFS Testwork (2021 to 2022)

Samples received for the PFS testwork included Twin Hills Central, Bulge, Clouds (a new deposit), and Transition materials, designated by Osino's Geologist. Additional samples included those from the Twin Hills West satellite deposit. The results were reported as an addendum to the PFS test work.

The average CIL gold recovery for Twin Hills West Transition samples was 88%, compared to 92.7% for the Transition Composite. The Fresh samples showed an average CIL gold recovery of 85.7%, higher than 83.0% for the Clouds Composite, but lower than 87.6% and 92.3% for the Bulge and Twin Hills Central composites, respectively. Twin Hills Fresh samples 9 and 10 had CIL gold recoveries of <80%, with gold head grades of 2.92 g/t Au and 1.49 g/t Au. Overall, the average gold recoveries for Twin Hills West samples were 89.9% for Transition and 88.8% for Fresh samples.

Recovery discounts are applied as a 0.66% reduction to overall gold recoveries for each ore source, as illustrated in Table 9–1. The weighted overall gold recovery from the tonnage of each ore source is 92.6% for the first six years and a life of mine average of 92.0%.

Table 9–1 Overall Circuit Discounted Gold Recoveries

Material	Pit	LOM Recovery (%)	First 6 Years Recovery (%)
Transitional Ore	Bulge	92.7	93.3
	TH Central	92.7	93.3
	Clouds	92.7	93.3
	TH West	92.7	93.3
Fresh Ore	Bulge	91.0	93.9
	TH Central	93.4	94.0
	Clouds	88.0	89.6
	TH West	88.0	

9.2.4 Post-PFS Testwork (2022)

During and after the PFS, LMA was contracted by Osino Resources to oversee further variability metallurgical testwork on samples from the Twin Hills gold deposit in Namibia. The results would inform the design, sizing, and costing of a flowsheet for the subsequent Twin Hills DFS. A total of 40 variability samples were tested, consisting of:

- Bulge Fresh Individual Samples

- Twin Hills Central Fresh Individual Samples
- Clouds Fresh Individual Samples

For the Bulge samples, grades varied between 0.81 g/t and 3.44 g/t Au, with overall recoveries between ~86% and 98%, averaging ~94% Au recovered. Reagent consumptions varied from 1.01 kg/t to 1.09 kg/t Lime and 0.22 kg/t to 0.34 kg/t NaCN.

The Central samples had grades ranging from 0.59 g/t to 2.78 g/t Au, with overall recoveries between ~90% and ~97%, averaging 95%. Lime consumption varied between 1.14 kg/t and 1.19 kg/t, while NaCN consumption ranged from 0.31 kg/t to 0.40 kg/t.

The Cloud samples contained gold grades between 0.91 g/t and 5.46 g/t Au, with an average of 1.68 g/t Au. Overall recoveries were between ~85% and ~95%, with lime consumption varying from 1.09 kg/t to 1.24 kg/t and NaCN consumption from 0.26 kg/t to 0.35 kg/t.

9.3 Metallurgical Testwork for Ondundu

The Ondundu project is located 130 km from the Twin Hills project. Gravity concentration was performed on three different grinds, followed by further test work, including diagnostic leaching, gravity concentration, and direct cyanidation at the optimum grind.

Cyanidation test work was conducted on the gravity tails. A portion of the gravity tails was sub-sampled and combined with a specified amount of water in a stoppered glass bottle. Specified reagents and pre-abraded carbon were added, and the slurry was agitated by bottle rolling for a set period. The slurry was then filtered, separating the carbon from the residue. The filter cake was washed and repulped twice. The final residue was oven-dried and assayed for gold, while the carbon was also oven-dried and assayed for gold. The final filtrate was analyzed for gold, and titrations were performed to establish the residual cyanide and lime concentrations.

9.3.1 Diagnostic Leaching on ROM Sample

The results of the diagnostic leach test on the Ondundu ROM samples indicated a small amount of refractory gold, with 1.77% of the available gold locked in sulfides. The expected GIL recovery on the ROM is excellent at 94.67%, although there is a high preg-robber percentage of 19.76%. Gold associated with the roast and silica/gangue is generally considered unrecoverable and accounts for 1.76% of the total gold in the ROM samples.

9.3.2 Gravity Concentration on ROM Sample

At 80% =–75m, the Ondundu ROM samples showed best amenability to gravity concentration. The gravity test produced a gravity concentrate containing 84.1% of Au in 1.0% of the feed mass. The concentrate grade from intensive cyanidation was estimated to be 128g/t Au.

9.3.3 Intensive Cyanidation on Gravity Concentrates

The finer grind demonstrated the best amenability to gravity concentration, achieving a gold recovery of 87.4%. Intensive cyanidation of the gravity concentrate yielded favorable leach kinetics, with 98.7% gold dissolution by the end of the leach. Additionally, 83.1% gold dissolution was achieved on the gravity tailings. Overall gold recovery, accounting for gravity concentration, dissolution of gravity concentrates, and dissolution of gravity tails, was estimated at 96.2%.

9.3.4 Comments

BAW believes that the reported recoveries align with benchmarks for orogenic gold deposits, supported by diagnostic leaching confirming low refractoriness. However, recovery rates of 88–90% for the Fresh ore (compared to 94% for oxide) highlight the inherent challenges associated with sulfide-hosted gold, particularly in arsenopyrite-rich samples. While the testwork is generally representative, ongoing variability studies should refine recovery models, especially for arsenopyrite-dominant zones. The proposed flowsheet (gravity + CIL) for the Ondundu ore is technically sound, but operational monitoring will be critical to maintaining projected recoveries.

9.4 Processing and Metallurgical Facilities

9.4.1 Processing Design

According to the Twin Hills DFS in 2023, the mineral processing circuit features a nominal throughput of 5.0 mtpa of ore feed. The process begins with a primary gyratory crusher and coarse ore stockpile, followed by secondary and tertiary cone crushing. Downstream, a fine ore stockpile feeds a ball mill grinding and classification circuit, along with an integrated processing plant (utilizing 8,000 hours per year). This plant encompasses gravity concentration, CIL leaching, cyanide destruction (with future arsenic precipitation capability), thickening, pressure filtration, and gold recovery, as detailed in the overall process flow (Figure 9–1).

The proposed production route for the Ondundu ore involves selectively mining quartz veins, crushing and grinding the ore to 80% passing 75 m, concentrating gold via gravity separation (targeting < 5% mass pull), trucking the concentrate to the Twin Hills plant, and finally leaching gold from the concentrate at Twin Hills.

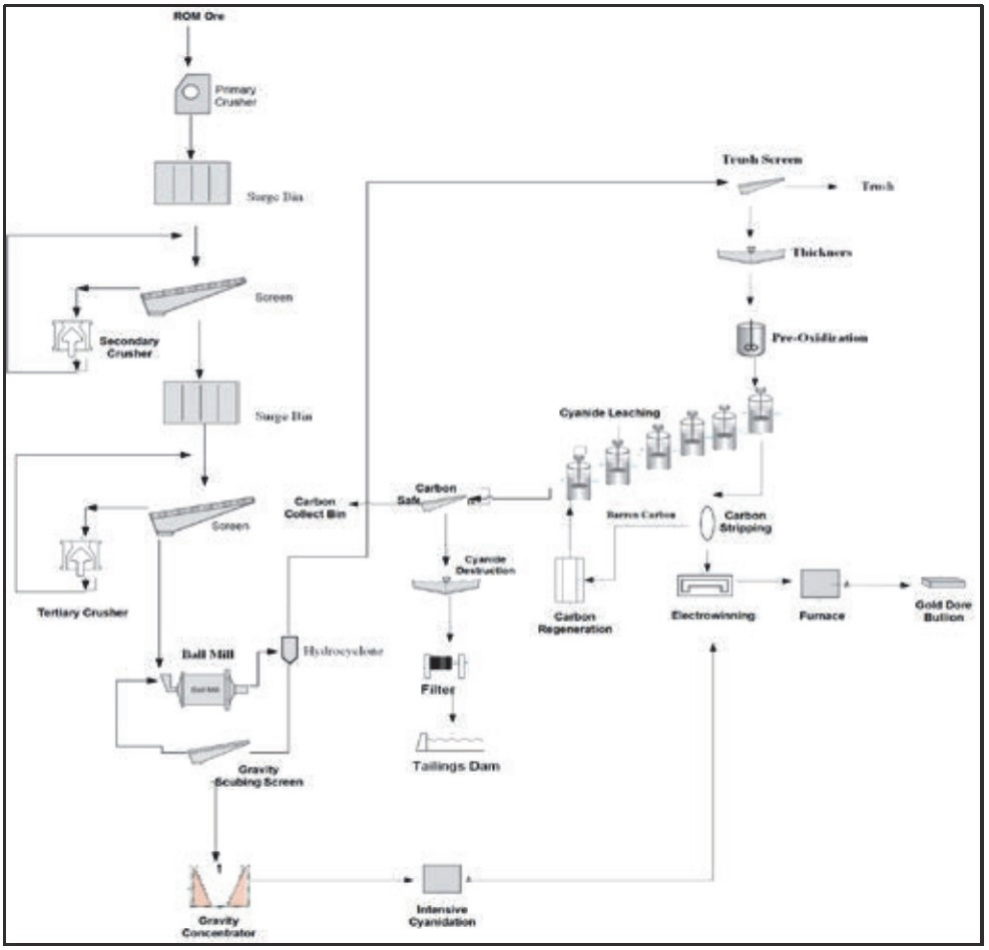


Figure 9–1 Overall Process Flow Diagram

9.4.2 Processing Plant Overview

The Twin Hills DFS proposed processing flowsheet includes the following steps, circuits, and major equipment.

Primary Crushing

ROM material will be trucked from five pits: Bulge, Central, Clouds, Clouds West, and Twin Hills West. Low-grade ore will be directed to stockpiles for weathered (transitional) and fresh ore. Higher-grade transitional and fresh ore (limited to 25% transitional by mass) will be dispatched to the primary gyratory crusher for direct tipping into the dump pocket using Cat 777 trucks. Crushed rock is transported via a heavy-duty primary crusher discharge conveyor to a coarse ore stockpile with a 12-hour live storage capacity.

Secondary and Tertiary Crushing

Primary crushed ore is reclaimed using two variable-speed apron feeders into the secondary crusher screen feed conveyor. Oversized material from the secondary screen (100 mm and 35 mm) is sent to the secondary cone crusher. The discharge from the secondary crusher, along with the undersize, is conveyed to the tertiary crusher screen, where further sizing occurs. The combined products are then fed to a double-deck tertiary crusher screen, with oversize material sent to a tertiary crusher feed conveyor.

Grinding and Classification Circuit

The primary grinding circuit consists of a ball mill operating in closed circuit with a cyclone cluster. Targeting a grind size of P80 63 m minimizes pebble scats. Oversized material from the ball mill trommel goes to a pebble bunker, while undersized material is pumped to the classifying cyclones. Cyclone overflow is directed to trash screens before the pre-leach thickener, while underflow returns to the ball mill for further grinding.

Gravity Recovery Circuit

The gravity circuit includes two centrifugal processing plants with gravity scalping screens. Feed is taken from the classification cyclone underflow splitter box. The undersize from the scalping screens feeds dedicated gravity processing plants, with tails returning to the mill discharge hopper. The operation is semi-batch, and gravity concentrate is collected in the Intensive Cyanidation Reactor (ICR) feed storage hopper for subsequent leaching.

Intensive Cyanidation Reactor

Concentrate from the gravity processing plant is leached in the ICR to recover gold. After leaching, the solution is transferred to a storage hopper to settle solids. Sodium hydroxide is added, and the clarified solution is drained for electrowinning to recover gold sludge, which is then smelted.

Pre-Leach Thickening

Cyclone overflow is distributed over trash screens to remove foreign material before entering the pre-leach thickener, where solids concentration is increased to 50%. Flocculant is added to enhance thickening, and overflow combines with tailings thickener overflow for recirculation.

Pre-Oxidation and CIL Circuit

This leach circuit consists of a pre-oxidation tank and seven CIL tanks. Oxygen is introduced via shear reactors and agitator shafts to maintain adequate dissolved oxygen levels. Cyanide is typically added only to the first two CIL tanks, with fresh or regenerated carbon introduced to extract gold.

Carbon Acid Wash

Before carbon stripping, loaded carbon undergoes treatment with a 3% hydrochloric acid solution to remove calcium and other deposits. The carbon is soaked in acid for 30 minutes, then rinsed and discarded to the tailings hopper.

Carbon Stripping (Elution)

The elution sequence begins with the injection of a strip solution into the elution column. After preheating to 95°C, the solution is recirculated to reach 130°C before entering the column. Eluate is directed to recovery heat exchangers and then to pregnant solution tanks.

Electrowinning and Goldroom

Gold is recovered from pregnant eluate through electrowinning, where it is deposited on stainless steel cathodes. The solution returns to the pregnant solution tank for recirculation. The sludge from electrowinning is filtered, dried, and smelted into doré bars in a secure goldroom.

Carbon Reactivation

Barren carbon from the stripping circuit is reactivated in a rotary kiln at 650–750°C in a superheated steam atmosphere. Reactivated carbon is screened to remove undersized fragments before being reintroduced into the circuit.

Ondundu Ore Intensive Cyanidation Reactor (Future)

Provisions are made for gravity concentrate from the Ondundu site to be transported to the plant for processing in a dedicated ICR, utilizing low-pressure process water for fluidization and washing.

Cyanide Destruction

Cyanide destruction employs the SO_2/Air method, with reagents such as blower air, milk of lime, copper sulfate, and sodium metabisulfite (SMBS). After destruction, the slurry gravitates to the tailings hopper and is pumped to the tailings thickener.

Tailings Thickening and Filtration

Testwork of the Twin Hills DFS indicated the requirement of filter cake moisture $< 16.1\%$. High-pressure filtration (HPF) is preferred for tailings disposal, as it avoids the extra costs associated with vacuum belt filtration and air drying.

9.4.3 Proposed Processing Equipment

The proposed processing flowsheet demonstrates a robust and scalable equipment design with modern high-pressure filtration, redundant critical systems (filters/compressors), and strategic provisions for future satellite ore processing and environmental compliance as shown in Table 9–2.

Table 9–2 Proposed Equipment

Processing Stage	Equipment	Specifications	Quantity	Remark
Primary Crushing . . .	Gyratory Crusher	—	1	Processes ROM ore
Secondary Crushing . .	Apron Feeders	Variable speed	2	Located in coarse ore reclaim tunnel
	Secondary Crusher Screen	Double-deck (100mm top/35mm bottom)	1	
	Secondary Cone Crusher	—	1	Processes screen oversize
Tertiary Crushing . . .	Tertiary Crusher Screen	Double-deck (25mm top/14mm bottom)	1	
	Belt Feeders	Variable speed	2	Feeds tertiary crushers
	Tertiary Crushers	Twin units with conical-bottom bins	2	Choke-fed
Grinding & Classification.	Ball Mill	Target grind: P80 = 63m	1	Closed circuit with cyclones
	Classifying Cyclone Cluster	Ø660mm	1 set	
Gravity Recovery . . .	Gravity Scalping Screens	2mm aperture	2	Pre-concentration screening
	Centrifugal Concentrators	—	2	Processes screen undersize
Leaching & Adsorption	Pre-Oxidation Tank	—	1	
	CIL Tanks	—	7	Counter-current carbon adsorption
Elution & Electrowinning. . . .	Elution Column	Ø1.83m × 11.8m	1	Strips gold from loaded carbon
	Electrowinning Cells	Stainless steel mesh cathodes	3	2 for main + 1 for ICR circuit
Tailings Handling . . .	Tailings Thickener	—	1	
	High-Pressure Filters (HPF)	Target moisture: < 16.1%	4	3 duty + 1 standby
Carbon Regeneration .	Carbon Regeneration Kiln	Diesel-fired, 650–750° C with steam	1	
	Carbon Sizing Screen	—	1	Removes undersized carbon
Auxiliary Systems . . .	Tailings Feed Pumps	—	3	Supplies filter feed tanks
	Air Compressors	—	5	4 duty + 1 standby (for filter cake drying)
Future Provisions . . .	ICR for Ondundu Concentrate	Dedicated circuit	1	Trucked feed from Ondundu mine
	Arsenic Precipitation Tanks	3-stage precipitation	3	For future detox circuit

9.4.4 Processing Plant Infrastructure

According to the Twin Hills DFS prepared in 2023, the processing plant infrastructures shown in Figure 9–2 will include for site security and access control, change house facilities, training and induction facilities, canteen facilities, administrative offices, medical and emergency response facilities, warehousing facilities including open air laydown areas, workshop facilities, ablution facilities, emergency backup generation facilities, waste management and recycling facilities, reagents stores and laboratories.

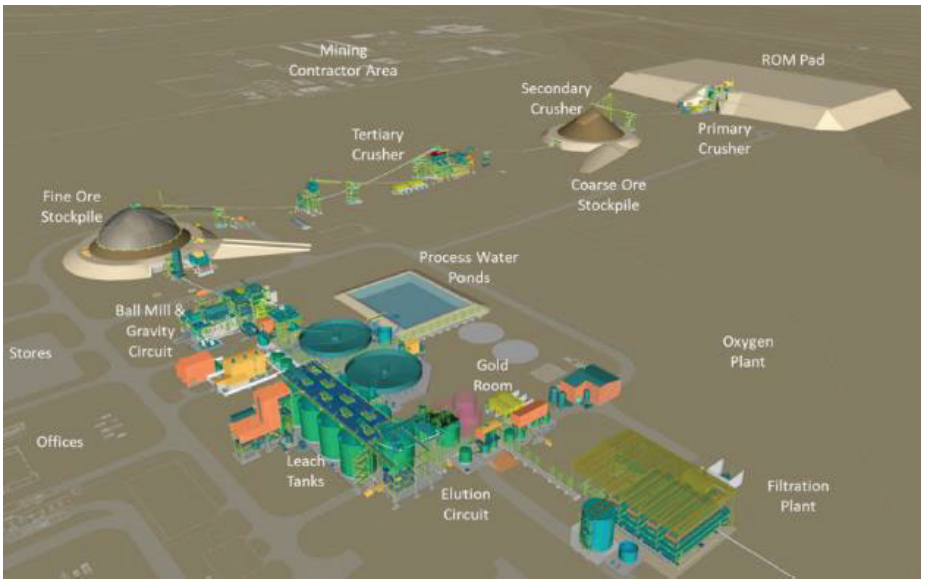


Figure 9–2 Layout of the Designed Processing Plant

The processing plant water demand for a process throughput at 5.0 mtpa is estimated at 1.1 Mm^3/yr. The process design aims to maximize the re-use of water by recycling process solutions wherever possible through filtration systems in the plant. The plant water balance shows that most of the water contained in leach residue slurry leaving CIL is recycled at the plant and the remaining water is lost in filtered tailings cake containing 15% water which is sent to the TSF.

A 22 km water pipeline network complete with water storage facilities and pumps from the borehole pumping scheme are required to ensure adequate water supply at a sustainable yield for the project requirements. Boreholes are situated to the north and the south of the processing facilities of the mine-site.

The boreholes can supply approximately 1.2 million m^3/year of water at a sustainable yield if required in the first few years while the pit dewatering is being established that will complement the water extraction from the boreholes supply.

Bulk electrical supply will be sourced from the NamPower electrical transmission network, via a new 20 km 66 kV overhead line and 66/11 kV mine substation.

9.4.5 Proposed Reagent Consumption

According to the Twin Hills DFS prepared in 2023, the average reagent consumptions for the variability testwork compares well with the historic testwork and is used for the operating cost estimates. Cyanide usage includes an allowance for free cyanide residual (100 mg/L NaCN) in the CIL tails taking no credit for cyanide recovery as the CIL tails is treated in an SO_2/Air Cyanide destruction circuit.

Cyanide leaching reagent consumption including the residual at 50 w/w% solids used in the engineering design and operating cost estimate is 0.46 kg/t. Lime demand to maintain a pH of 10.5 utilizes the average consumption determined in the variability dataset as it was similar between all ore deposits. The testwork utilized hydrated lime at 75%CaO and the maximum average consumption of 1.16kg/t is used in the engineering design and operating cost estimate.

The cyanide destruction reagent consumptions used in the engineering design and operating costs estimate is 415 g/t sodium metabisulphite and 111 g/t copper sulphate.

9.4.6 Comments

BAW considers that the proposed processing design and equipment selection for the Twin Hills Gold Project are technically sound. The design incorporates industry-standard crushing, grinding, gravity-CIL circuits, and tailings filtration, with robust provisions for pre-oxidation, cyanide destruction, and future scalability such as Ondundu concentrate processing. However, operational vigilance will be necessary to maintain target recoveries of 92.6% over the LOM, particularly due to variability in ore hardness (BWi 13.3 kWh/t) and sulfide-related refractory gold.

9.5 Recovery Rates and Product Quality

9.5.1 Metallurgical Recoveries

The assessment of overall gold recovery for each composite representing the Bulge, Twin Hills Central, and Clouds pits is based on the testwork program from the PFS and the Twin Hills DFS. This assessment utilizes feed gold grades from the August 2022 Osino Twin Hills Enhanced Mining Schedule provided by Osino Resources. Key process design criteria are detailed in Table 9–3 below.

Table 9–3 Proposed Processing Design Parameters

Parameters	Unit	Value
Plant Throughput	mtpa	5.0
Gold Head Grade (LOM)	g/t	1.04
Crushing Plant Product Size, P80	mm	9
Cyclone Overflow Size, P80	m	63
Gravity Gold Recovery — Design	%	30
Leaching Tails Solid Grade (Gravity Tails Leaching)	g/t	0.08
Leach Time	h	24
Leach Tails Solution Grade	g(Au)/m^3	0.015
Ondundu Concentrate Processing (Future)	kg/day	15,000

The recovery discounts are applied as a 0.54% reduction to the overall gold recoveries for each ore source, in the Twin Hills project, as illustrated in below Table 9–4 below.

Table 9–4 Overall Circuit Discounted Gold Recoveries

Material	Pit unit	LOM %	First 5 Years %
Transitional Ore	Bulge	92.9	93.6
	TH Central	92.9	93.6
	Clouds	92.9	93.6
	TH West	89.1	
Fresh Ore	Bulge	89.9	89.8
	TH Central	93.3	93.4
	Clouds	88.5	88.5
	TH West	88.2	

The weighted overall gold recovery from the tonnage of each ore source and feed gold grade is 91.6% for the first 5 years and a LOM gold recovery of 91.7%.

The Twin Hills DFS process design utilizes results from the PFS testwork undertaken in 2021 and 2022 on composite samples of Fresh material and Transition material from drill cores supplied from the Twin Hills mineral resource, as well as variability test results carried out in 2022 on core samples and tailings filtration and conveyability tests of composite samples that were completed in March 2023.

Based on Twin Hills DFS prepared in 2023, the expected average gold recovery over the whole LOM was 92%. This is less than the results achieved in the metallurgical tests, because gold will be lost in barren CIL circuit solution contained in filtered tailings. However, due to the mining and processing strategy explained earlier, with higher grade ore being processed in early years of the life of mine, average gold recovery for the first five years of operation was forecast to be 92.6%.

9.5.2 Production Forecast

The production schedule (see Table 9–5) outlined in the unit LOM (Life of Mine) plan shows that the highest ore processing volume occurs in 2027, with 65.72 Mt treated at a head grade of 1.02 g/t. Although the grade is relatively lower compared to subsequent years, a consistent overall recovery rate of 92% results in gold production of 61,840 kg that year. From 2028 to 2031, ore processing stabilises at an annual volume of approximately 5.02 Mt. Head grades improve to 1.10 g/t in most years, except in 2031 when it dips slightly to 0.99 g/t. Throughout this period, the recovery rate remains steady at 92%, contributing to stable annual gold production ranging between 4,559 kg and 5,093 kg.

Table 9–5 Proposed 5 Years Production Schedule for the Osino Property

	Unit	LOM	2027	2028	2029	2030	2031
Ore Processed.	Mt	65.72	3.65	5.03	5.02	5.02	5.02
Head Grade	g/t	1.02	1.10	1.10	1.10	0.99	1.10
Overall Recovery . .	%	92%	92%	92%	92%	92%	92%
Gold Produced	kg	61,840	3,693	5,093	5,079	4,559	5,079

BAW considers that the metallurgical recovery projections (92% over the life of mine, 92.6% for the first five years) are technically robust, based on comprehensive test work from the PFS and DFS. The 1–2% variance between test results (92.0%) and operational forecasts reflects prudent adjustments for carbon/solution losses (0.54% discount) and sulfide-related refractory gold in fresh ore.

9.6 Tailings Storage Facility ("TSF")

The Twin Hills DSF assessed the disposal of tailings through various alternative processing and disposal method.

Conceptual Design

A conceptual design was created for each alternative tailings, and results from tailings material testing. Key findings from geochemical testing on the tailings revealed:

- High Abundance of Arsenic: This necessitates careful management of the tailings.

- Acid Generation Potential: Facilities must be lined to mitigate environmental risks.

Filtered TSF

The filtered TSF is designed as an upstream-type facility, developed in three phases or lined cells. Tailings will be deposited using a conveyor-stacker arrangement.

Design Profile

The design profile for the filtered TSF (as shown in Table 9–6) are based on the outcomes of the tailings characterization testing.

Table 9–6 Filtered TSF Design Profile

	Specification	Source
Tailings Type	Gold tailings	Osino
Lom	14 years	Osino
Production Rate Per Annum	4.5 Mtpa	Osino
Total Tailings Production	61 Mt	Osino
Tailings Dry Density	1.35 t/m^3	Prime Resources
Total Tailings Volume	45.2 Mm^3	Prime Resources
Method Of Deposition	Conveyor/stacker system	Lycopodium
Min Overland Conveyor Ramp Crest Width	20 m	Lycopodium
Min Embankment Crest Width	25 m	Qubeka
Max Height	30 m	Prime Resources
Final Overall Side Slope	1V: 4H	Prime Resources
Construction Method	Upstream	Prime Resources

9.7 Comments on Processing

The processing flowsheet is strongly supported by extensive testing, achieving projected recoveries of 92% over the life of mine (LOM), with 92.6% in the first five years. The integration of gravity recovery (up to 31.5%) and optimized pre-oxidation enhances overall efficiency. However, recoveries from fresh ore (ranging from 88% to 93%) are sensitive to grind size and sulfide content, particularly in arsenopyrite-rich zones.

The design of the filtered TSF is both economically and technically superior to thickened tailings. Its phased upstream construction, composite lining, and dry stacking (76% solids) effectively mitigate geochemical risks associated with acid and arsenic. Nonetheless, moisture control and phased embankment transitions require strict operational oversight to ensure stability throughout its 14-year lifespan.

Overall, the project demonstrates a prudent balance between cost efficiency and risk mitigation. Higher recoveries in the early years leverage transitional ore and reduce water demand. However, challenges such as sulfide variability, grind consistency, and moisture management in the TSF may impact long-term performance.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Mining License

Details of the mining licenses for the Osino Property issued by the Ministry of Natural Resources are presented in Table 10–1 below.

Table 10–1 Details of the Mining License for the Osino Property

License Holder	Osino Gold Exploration and Mining (Pty) Ltd
Name of Property	Twin Hills Gold Project
License Type	Mining
License ID	ML238
Area (hectares)	6,209.2694
Type of Commodities	Precious Metal
Valid Period	November 2022 to November 2042

10.1.2 Exploration License

Details of the exploration licenses for the Osino Property issued by Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Exploration Licenses for the Osino Property

Property Holder	Licence	Expiry Date	Area (km^2)	Status
Osino Gold Exploration & Mining (Pty) Ltd	ML238	2042/11/02	62.09	Active

No.	Project/Area	Licence	Area (km^2)	Valid Period	Status
1 . .	Twin Hills (Karibib)	EPL3739	174.5	2007/09/11–2026/02/11	Pending Renewal
2 . .	Twin Hills (Karibib)	EPL5658	163.79	2025/06/14–2027/06/13	Active
3 . .	Twin Hills (Karibib)	EPL6167	9.76	2017/02/23–2024/11/21	Pending Renewal
4 . .	Twin Hills (Karibib)	EPL5196	1.4	2025/04/09–2027/04/08	Active
5 . .	Twin Hills (Karibib)	EPL5880	323.51	2016/10/04–2026/07/17	Active
6 . .	Twin Hills (Karibib)	EPL7301	127.81	2019/08/13–2027/06/08	Active
7 . .	Ondundu	EPL7370	59.98	2019/08/13–2027/08/12	Active
8 . .	Eureka (Otjiwarongo)	EPL7403	344.71	2019/10/28–2027/06/14	Active
9 . .	Outjo	EPL5282	428.06	2013/07/12–2026/02/12	Pending Renewal
10 .	Grootfontein	EPL8997	474.3	2024/06/03–2027/06/02	Active
11 .	Sandveld	EPL8155	373.96	2023/07/13–2026/07/12	Active
12 .	Sandveld	EPL8156	541.19	2025/09/27–2027/09/27	Active
13 .	Sandveld	EPL8157	992.86	2025/08/29–2027/08/29	Active
14 .	Sandveld	EPL8158	574.37	2022/10/11–2025/10/10	Pending Renewal
15 .	Ondundu	EPL3195	103.87	2004/05/31–2027/02/03	Active
16 .	Grootfontein	EPL8747	393.41	2022/06/14–2026/06/13	Active

10.1.3 Safety Production Permit

Given that Osino Property is still under construction, no safety production permit is issued. Once the construction is completed and inspection is satisfied, the mine management will apply for the safety production permit.

10.1.4 Waste Discharge Permits

Given that Osino Property is still under construction, no waste discharge permit is issued. Once the construction is completed and inspection is satisfied, the mine management will apply for the waste discharge permit.

10.2 Environmental Management

10.2.1 Ecological Impact

Given that the Osino Property is still under construction, the predicted ecological impact and mitigation measures are summarized as below:

Biophysical Impacts: Potential effects on terrestrial ecology, hydrology, groundwater, air quality, noise, soils, and land use. The project may impact riparian vegetation along affected river courses, with surface water and local aquifer water potentially affected by river diversion. There are concerns about cumulative dust impacts from earthworks, blasting, crushing, haul roads, TSF and neighbouring quarries. Groundwater could be impacted by drawdown from open pits and possible seepage from the TSF and waste rock dumps (WRDs), with aluminium, iron, and arsenic flagged as potential contaminants of concern.

Biodiversity Impacts: The site is in a relatively sensitive biodiversity area, with potential risks to endemic species. Detailed studies have been conducted to assess the extent of impacts on flora and fauna, including potential disruptions to their habitats.

Socio-Economic Impacts: Impacts on nearby towns during construction, operations, and closure phases, including effects on road users and farms due to road diversion. There are also visual impacts on the sense of place, particularly from the B2 road and Erongo Mountain.

Mitigation Measures: To address these impacts, measures such as diverting the Okawayo Stream around the Twin Hills Central pit, restricting the mine footprint, implementing strict access control and monitoring, relocating identified grave sites, encapsulating potentially acid-generating (PAG) waste rock with non-acid-generating material, lining the TSF, and investigating subsurface drainage materials for neutralization are proposed. Additionally, ongoing stakeholder engagement with local communities, landowners, and relevant authorities is part of the strategy to manage social impacts

10.2.2 Solid Waste

Given the Osino Property is still under construction, the mine management has formulated a waste rock dump strategy to be carried out once in production. Waste rock to be hauled by diesel-powered trucks to waste rock dumps. The remainder of the mining production fleet includes support equipment for waste rock handling. The designs consider factors like volume requirements, geotechnical parameters, ramp parameters, and internal drainage. The waste rock dumps, along with the TSF, could potentially impact groundwater quality once mining operations commence and post-closure. Mitigation measures are under investigation to address these risks.

10.2.3 Water Conservation

According to the 2023 feasibility study, the primary water sources will be groundwater from boreholes and pit dewatering, supplemented by a 22-km pipeline network featuring storage facilities and pumps. Boreholes located north and south of the process plant are expected to initially supply approximately 1.2 million m^3 of water per year, with pit dewatering set to enhance this supply starting in year four of operations.

Furthermore, the diversion of the ephemeral Okawayo stream into the Clouds West pit will provide additional water storage and opportunities for groundwater recharge. Ongoing investigations into alternative sources, such as the Khan River sand storage dam and the Kranzberg aquifer, aim to mitigate potential water shortages.

Water reuse is a critical focus, with the process design prioritizing the recycling of process solutions through filtration systems. Most water in the leach residue slurry from the carbon-in-leach (CIL) circuit will be recycled, with only residual water (15% moisture) lost in the filtered tailings sent to the tailings storage facility (TSF). However, the site water balance indicates a potential deficit under varying climatic conditions, underscoring the need for reliance on groundwater and supplementary sources.

The project encompasses infrastructure for sewage management, specifically designed for the transfer and treatment of wastewater. To safeguard water quality, comprehensive monitoring protocols have been established to identify potential contaminants, including arsenic, aluminum, and iron, which may originate from waste rock and tailings. These contaminants pose risks to both groundwater and surface water. The implementation of these measures, along with strategic development and reuse of water sources, aims to ensure a sustainable water cycle throughout the project's lifecycle.

10.2.4 Soil Conservation

Soil hazards primarily stem from mining activities such as earthworks, blasting, and waste disposal. Potential issues include soil erosion due to land disturbance, contamination from spills of fuels, lubricants, or chemicals used in mining and processing, and changes in soil composition from WRDs and TSF. Additionally, cumulative dust impacts from various operations may affect soil quality, potentially altering its fertility and structure.

To mitigate these hazards, several protective measures are proposed. Strict controls on the mine footprint minimize land disturbance. Waste rock management includes encapsulating potentially acid-generating (PAG) rock with non-acid-forming materials to prevent soil acidification. TSF features a liner system to limit seepage and avoid soil contamination. Dust suppression measures, such as applying water on haul roads, reduce particulate matter deposition. Rehabilitation plans for disturbed areas, focusing on soil stabilization and revegetation, aim to restore soil health post-operations. Regular monitoring of soil quality ensures timely detection and resolution of emerging issues.

10.2.5 Tailing Storage Facility

TSF is a critical component designed to manage filtered tailings from the processing plant. It follows a phased development approach, beginning with a Phase 1 starter embankment and expanding to a total height of 33 meters. Each phase includes a composite liner system, featuring an HDPE geomembrane and underdrainage, to restrict seepage — essential due to the tailings' high-risk profile, including acid-generating potential and arsenic content.

Filtered tailings, with a moisture content of 15–16% achieved through pressure filtration, are transported to the TSF via overland belt conveyors and deposited in layers using primary and emergency stacking conveyors to ensure operational continuity. Waste rock from the open pits is used to construct outer containment berms and cap the facility, enhancing stability and environmental protection.

Drainage systems, comprising perforated HDPE pipes in granular material wrapped in filter geotextile, collect seepage and runoff, directing it to sumps for potential reuse. Integrated stormwater management, stability assessments, and monitoring protocols mitigate risks, while closure and progressive rehabilitation plans promote long-term environmental stewardship. This design effectively balances functionality with environmental safeguards, addressing concerns related to groundwater protection and tailings containment.

10.2.6 Rehabilitation

The 2023 feasibility study outlines rehabilitation and mine closure plans aimed at addressing environmental and ecological impacts post-operations. TSF will undergo progressive rehabilitation, with deposited tailings covered by capping material to prevent erosion and washout. Waste rock dumps (WRDs) will be managed by encapsulating potentially acid-generating (PAG) material with non-acid-forming waste to mitigate acid rock drainage risks.

Disturbed areas, including mine pits and infrastructure sites, will be subject to soil stabilization and revegetation efforts to restore ecological functionality. The project includes a detailed conceptual mine rehabilitation and closure plan that aligns with Namibia's Mine Closure Framework, which is pending legal formalization. This plan incorporates measures for groundwater protection, including monitoring seepage and contaminants to ensure long-term environmental safety.

Estimated closure costs are approximately US$23 million, covering activities such as capping tailings, stabilizing waste rock dumps, soil restoration, and revegetation to mitigate long-term environmental impacts. These measures aim to restore disturbed areas, protect groundwater quality, and minimize ongoing ecological risks.

10.3 Occupational Health and Safety

The management of the Osino Property places the highest priority on the health and safety of all personnel. Although the site is currently in the construction phase, safety considerations are being integrated into all aspects of ongoing and planned activities.

During construction, operations are conducted in accordance with established safety protocols, including dust suppression, noise and vibration control, and landform management, to protect workers and the surrounding community. The shift system is designed to optimize productive work time while prioritizing worker well-being. Preventive equipment maintenance is emphasized, with dedicated facilities such as workshops and fueling stations planned to minimize the risk of accidents related to machinery failure.

For the future processing plant, comprehensive safety measures are proposed for the handling and storage of reagents (e.g., sodium cyanide, hydrochloric acid). Secure, designated storage areas and strict handling protocols will be implemented to prevent exposure and ensure safe operations. The design of the TSF includes stability assessments and engineered liner systems to reduce the risk of failure, along with continuous monitoring plans to promptly detect and address potential issues once operational.

Health and safety requirements will also extend to future blasting operations, with strict design criteria for production blasts aimed at controlling fragmentation and minimizing risk. Comprehensive emergency response plans and first aid facilities are being developed for implementation as the project advances. The mine management maintains detailed records of all on-site injuries and incidents, as summarized below.

Table 10–3 Details of Injuries and Fatalities for the Osino Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	0	0	0
Lost Days due to Injury at Work	0	0	0

10.4 Social and Community Contributions

Given that the Osino Property is still in the construction phase, social contributions are currently minimal. A Trust has been created to support its socio-economic developments. Approximately N$28.2 million has been invested mainly through the Twin Hills Trust, with Shanjin International committing N$13 million upon its acquisition in 2024. By the end of 2024, the Trust had disbursed about N$5.4 million.

In terms of community environmental projects, the funds sponsored 100 trees for the rural women of Ondundu for their agricultural project in 2024, donated grass bales to the Ondundu community as part of a drought relief initiative, and held a World Environment Day workshop event in 2025. Additionally, in collaboration with Elephant-Human Relations Aid (EHRA), human-wildlife conflict workshops were organized for local communities in Ondundu in 2025.

Moreover, the funds were used to conduct community studies in 2024–2025 covering the communities of Karibib, Omaruru, and Usakos. These studies included a baseline study, an impact and needs assessment, and a human rights assessment, which helped identify risks, establish a baseline to monitor impacts on host communities, and guide the development of the Corporate Social Investment Strategy and Stakeholder Engagement Plans.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Osino Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of gold. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do no incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable raw gold for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable gold products sold before transportation charges.

Our economic analysis adopted the recent metal prices from financial institutions. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Metal Prices

USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	3,250	3,000			2,500
Berenberg	3,300	3,200	3,000	2,200	
BMO Capital	3,500	2,988	2,700	2,575	2,200
BoA — Merrill Lynch	3,659	3,141	2,761	2,380	2,000
BNP Exane	2,750	2,500			1,750
Canaccord	3,196	3,279			3,478
CIBC	3,600	3,300			
Citi	2,750	2,200			
Cormark	3,000				
Deutsche Bank	3,069				3,000
Goldman Sachs	3,492	3,562			2,850
Hannam	2,700	2,400			2,100
Haywood	3,000	2,800	2,800	2,800	
HSBC	3,125	2,925	2,878	2,802	2,350
Intesa	2,800	2,900			
JP Morgan	2,900	3,020			
Jefferies	3,400	3,200	3,000	2,700	2,500
Liberum	2,463	2,175	2,023	1,975	1,740
Macquarie	2,850	2,550	2,650	2,775	
Morgan Stanley	3,313	2,625	2,500	2,200	2,129
National bank of Canada	3,500	3,200	3,000	2,800	2,600
Raymond James	3,000				2,500
RBC	3,489	3,300	3,000	3,000	2,600
TD Securities	3,400				3,000
Scotiabank	3,200	2,800	2,300		2,300
Societe Generale	4,130				
UBS	3,500	3,250	3,000	3,100	2,800
Average	**3,198**	**2,958**	**2,739**	**2,609**	**2,452**

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX for further mine development, Sustaining CAPEX for mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program

and environmental work. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, sampling, sample prep and geochemical analysis. BAW considers that the overall CAPEX budgeting practice is reasonable and conformable with the industry practice.

According to the Twin Hills DFS, the estimated future closure cost as part of the rehabilitation program is projected at approximately USD23 million. BAW recommends that the mine management should formulate a spending schedule for such closure costs as soon as possible.

The CAPEX projected for the Osino Property is summarized Table 11–2 for the period from 2026 till the end of LOM.

Table 11–2 Projected CAPEX for the Osino Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	4.0	18.0	1.3	3.4	38.0
Development and Expansion CAPEX	329.1	17.8	0.0	0.0	0.0
Rehabilitation CAPEX	0.0	0.0	0.0	1.9	21.4
Exploration CAPEX	7.9	7.9	2.9	2.9	31.4
Total.	340.9	43.6	4.2	8.3	90.8

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in USD.

Based on the information provided by the management, the forecasted operating cash costs and production costs for the Osino Property for the period from 2027 till the end of the LOM are summarised in Table 11–3 below.

Table 11–3 Operating Unit Cash Costs for the Osino Property

Operating Cash Costs	Unit	2027	2028	2029 till the end of LOM
Total Mining Costs	USD/t ore	19.1	18.3	15.4
Total Processing Costs	USD/t ore	11.3	11.3	11.3
Total Selling, General & Admin (G&A) Costs	USD/t ore	1.9	2.4	2.1
Total Operating Cash Costs	USD/t ore	32.3	32.0	28.8

Remark: The Osino Property is currently in the construction stage and is not expected to commence ore processing 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.

Table 11–4 Total Operating Cash Costs for the Osino Property (RMB in Million)

Operating Cash Costs	Unit	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Total Mining Costs	USD/t ore	0.0	19.1	18.3	15.4	15.4
Total Processing Costs	USD/t ore	0.0	11.3	11.3	11.3	11.3
Total Selling, General & Admin (G&A) Costs	USD/t ore	0.0	1.9	2.4	2.1	2.1
Total Operating Cash Costs	USD/t ore	0.0	32.3	32.0	28.8	28.8

All-In Sustaining Cost (AISC) is a key performance metric used in the mining industry, especially in precious metals mining, to provide a comprehensive view of the true cost of producing a unit of metal (commonly expressed as cost per ounce or per pound), introduced in 2013 by the World Gold Council. BAW has estimated the AISC for the Osino Property, which includes, in addition to the direct operating cash costs, sustaining capital and rehabilitation capital of ongoing operations as shown below.

Table 11–5 All-In Sustaining Cost ("AISC") for the Osino Property

	Unit	2026	2027	2028	2029	2030 till the end of LOM
AISC.	USD in Million	4.0	173.1	182.5	182.4	1,693.2
LOM Average AISC	RMB/kg	252,513.9				
LOM Average AISC	USD/oz	1,122.6				

11.5 Taxation

The corporate income tax rate of 37.5% is used throughout the rest of the LOM in our economic analysis.

11.6 Discounted Cashflow Projection

In order to assess the overall economic feasibility of the Osino Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as Net Operating Profit After Tax + Depreciation — Change in Net Working Capital — Capital Expenditure. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated. The discount rate is determined to be 10% adopted for the DCF projection.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in previous sections together with the abovementioned discount rate, the NPV for the Osino Property is estimated to be USD740,000,000 at a discount rate of 10% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified with economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal price, OPEX and CAPEX at a discount rate of 10%. The resulting changes of after-tax NPV are summarized in Table 11–5 and plotted in Figure 11–2 below.

Table 11–6 Sensitivity Analysis of After-Tax NPV (USD in million)

Parameters	–15%	–10%	–5%	Base Case	5%	10%	15%
Gold Price . . .	484	569	655	740	826	911	996
OPEX	843	809	774	740	706	672	638
CAPEX	784	770	755	740	725	711	696

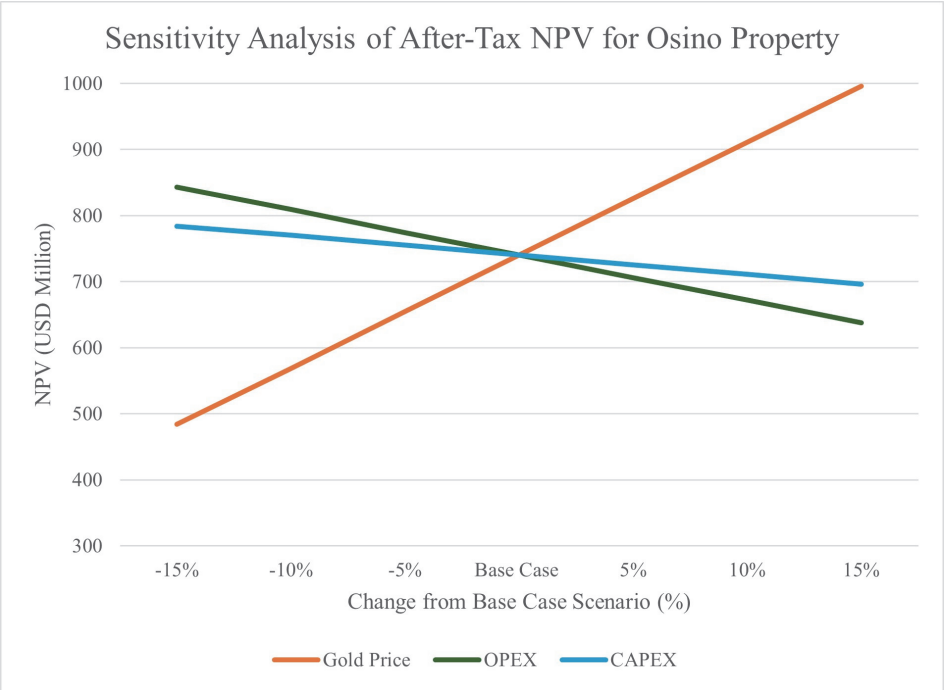


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Osino Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Osino Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

Key metrics of the Osino Property are tabulated as below.

Table 11–7 Key Metrics of the Osino Property

Metrics	Unit	Value	
Total Gold Resources	t	131.2	
Total Gold Reserves	t	67.2	
LOM.	years	15	from 2026 to 2040
Mining Production Capacity	mtpa	6	
Processing Recovery	%	92	
LOM Average AISC	US $/oz	1,122.6	
NPV	US $ million	740	

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

1. High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (> 15%) on the project cash flow and performance and could potentially lead to project failure.

2. Moderate Risk: the factor, if uncorrected, could have a significant impact (> 10%) on the project cash flow and performance unless mitigated by some corrective action.

3. Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risks Factors in association with the Osino Property

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.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Resources	Low	The earliest exploration programs were commenced before the 2000s whereas systematic drilling and sampling program were carried out in the 2010. 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 . . .	Low to Moderate	A definite feasibility study has been completed in 2023. BAW is of the opinion that the proposed technically simple, conventional open-pit operation utilizing contract mining is reasonable and appropriate for this type of deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly.	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.
Geotechnical and Hydrological Study.	Low	The mine completed relatively detailed geotechnical and hydrogeological studies, which established a good foundation for mining processes and procedures, and guided mining production.	In actual production activities, detect and verify slope stability and geotechnical engineering research results to ensure that no significant fluctuations or discrepancies occur.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Production Targets . .	Low to 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. Variation of the mining dilution factor from time to time may cause variation in mining recovery and processing recovery factors, resulting in variation in quantity of the finished products. BAW considers that the metallurgical recovery projections (92% over the life of mine, 92.6% for the first five years) are technically robust, based on comprehensive test work from the PFS and DFS.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. A more coordinated production scheduling may be necessary in order to achieve maintain the production target when mining activities proceed to those relatively lower grade zone.
Metallurgy and Processing	Moderate	Fresh ore recoveries range from 88–93%, with lower recovery in arsenopyrite-rich zones (e.g., Twin Hills West), impacting overall gold output. Filter cake moisture target of 15% is critical for conveyor stability and dust control; deviation may lead to handling issues or environmental risks.	Implement robust pre-oxidation and oxygen sparging; monitor grind size (P80 = 63m); use advanced process control to optimize leach parameters. Install real-time moisture sensors; optimize filter press operation; develop contingency plans for wet cake handling or additional drying.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Infrastructure	Low	Part of the access roads may be rugged near the Property. Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Continuous and regular effort on maintenance and upgrade of the roads will allow better access for the mining trucks and other equipment. Construction of small-scale reservoir will reduce the risk of water shortage.
CAPEX	Low to Moderate	Projected CAPEX includes sustaining CAPEX and Development and Expansion CAPEX have been reasonably budgeted in the definite feasibility study.	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 local government agencies may have negative impact on the mining activities. The mine-site is not located in an environmentally sensitive area and is expected to have a minimal adverse impact on the environment.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.
Occupational Health and Safety	Low to Moderate	Realizing the importance to improve its production safety record and therefore, the mine management has been placing emphasize and allocating resources to ensure its planned operation is conducted in accordance with the national safety regulations. No safety issues were identified during BAW's site visit to the mine-site.	BAW recommends that the mine management foster a strong relationship with the community moving forward. Potential initiatives could include educational donations, disaster relief and epidemic assistance, poverty alleviation to aid rural revitalization and other community assistance. Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects. BAW recommends that the mine management should formulate a spending schedule for the estimated closure cost as soon as possible.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Community	Moderate	Public Perception: while no significant opposition is expected from identified stakeholders, inadequate engagement or failure to address community concerns (e.g., employment opportunities, environmental protection) may lead to social resistance. Cultural Concerns: Four grave sites identified around the Twin Hills pit that were not known during baseline studies. Failing to properly relocate these graves in consultation with family descendants may trigger cultural conflicts and social opposition.	Local consultation should be undertaken to ensure that the community is well informed about the upcoming mining plans and layout. This process is essential to mitigate any adverse effects on their traditions and cultural practices. Engaging with community members will foster transparency, build trust, and allow for the incorporation of local concerns into the planning process.

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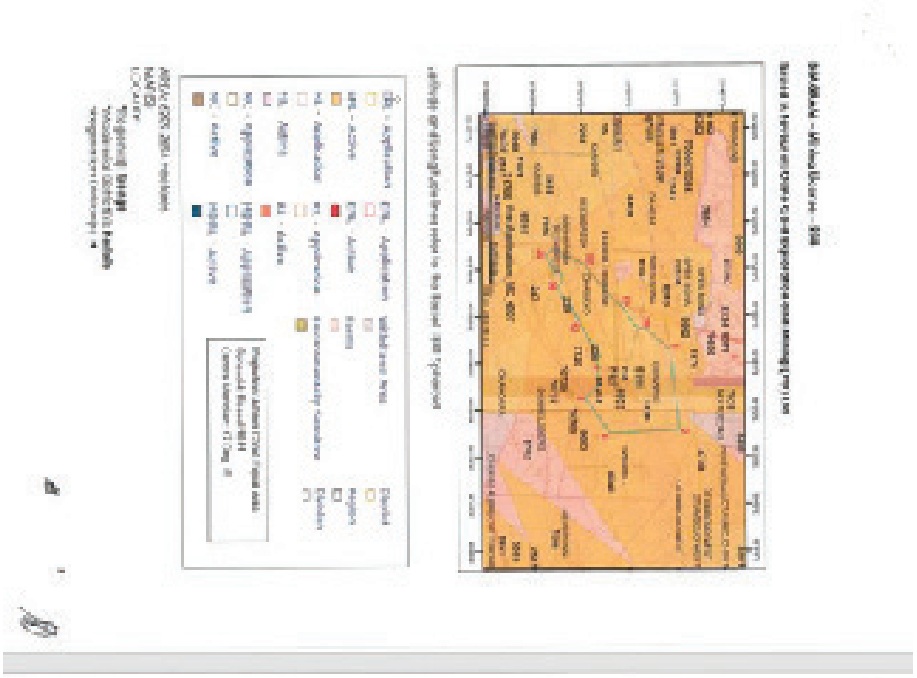
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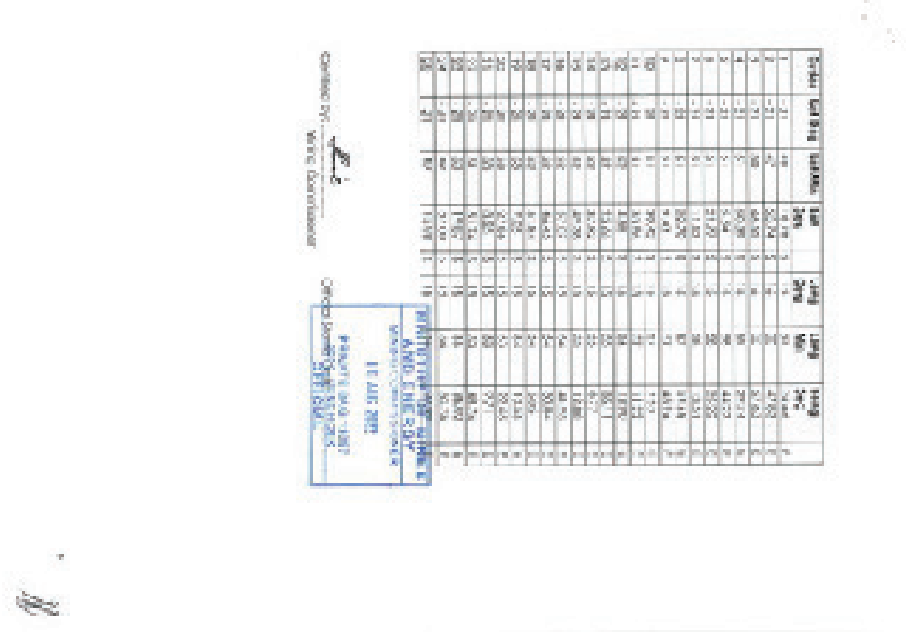
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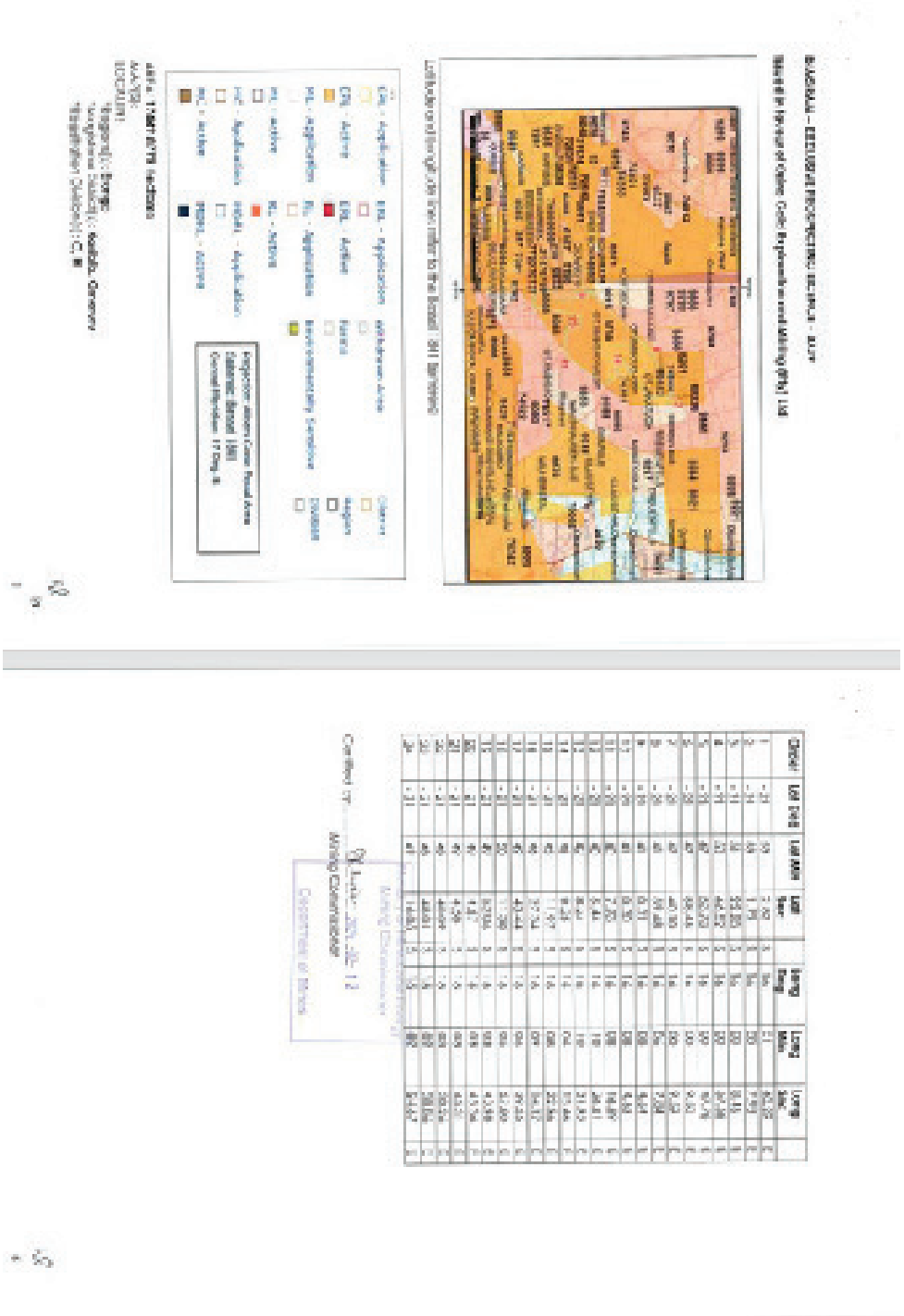
14 APPENDIX A — EXPLORATION AND MINING LICENSES

Twin Hills ML238

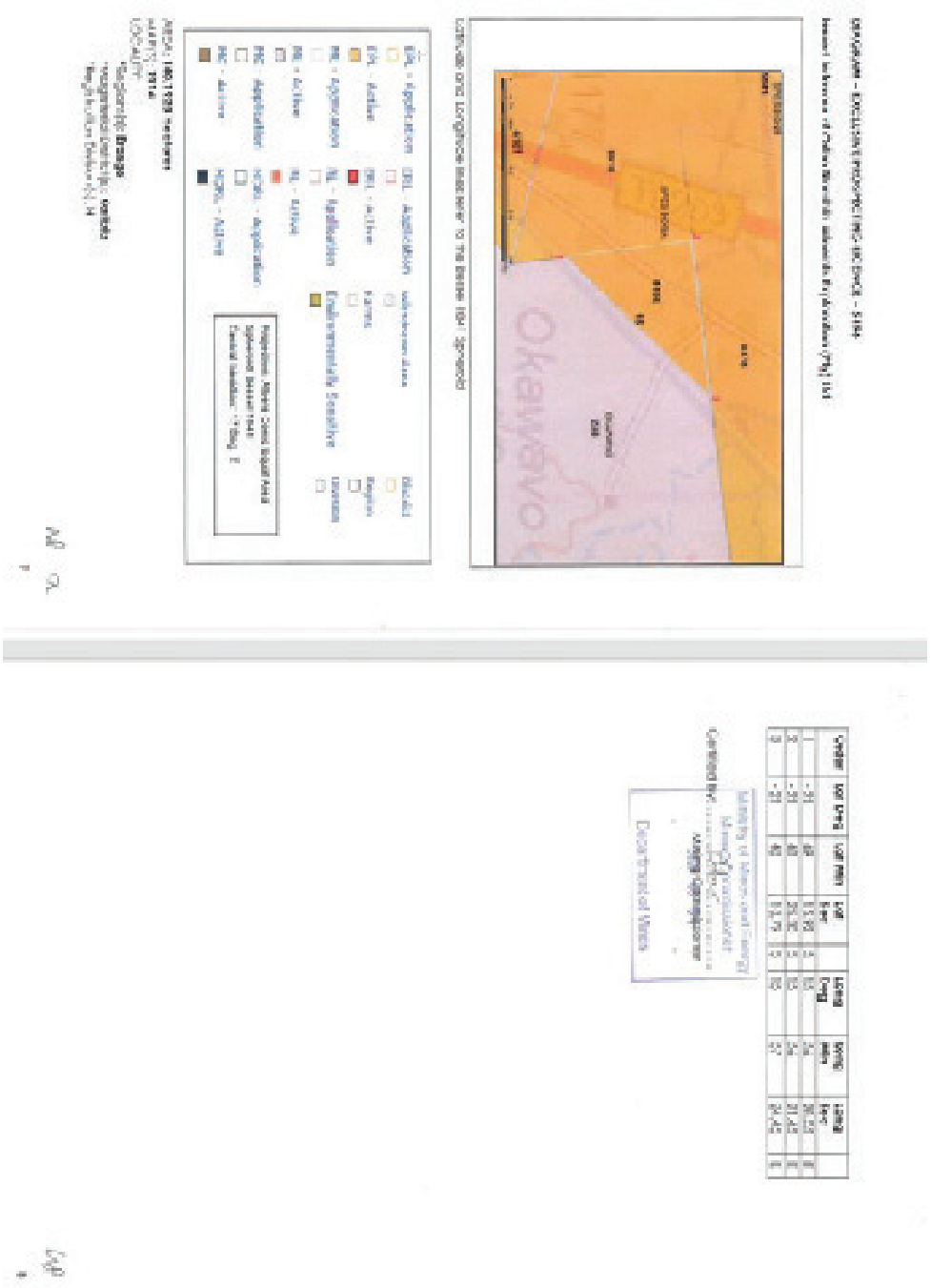




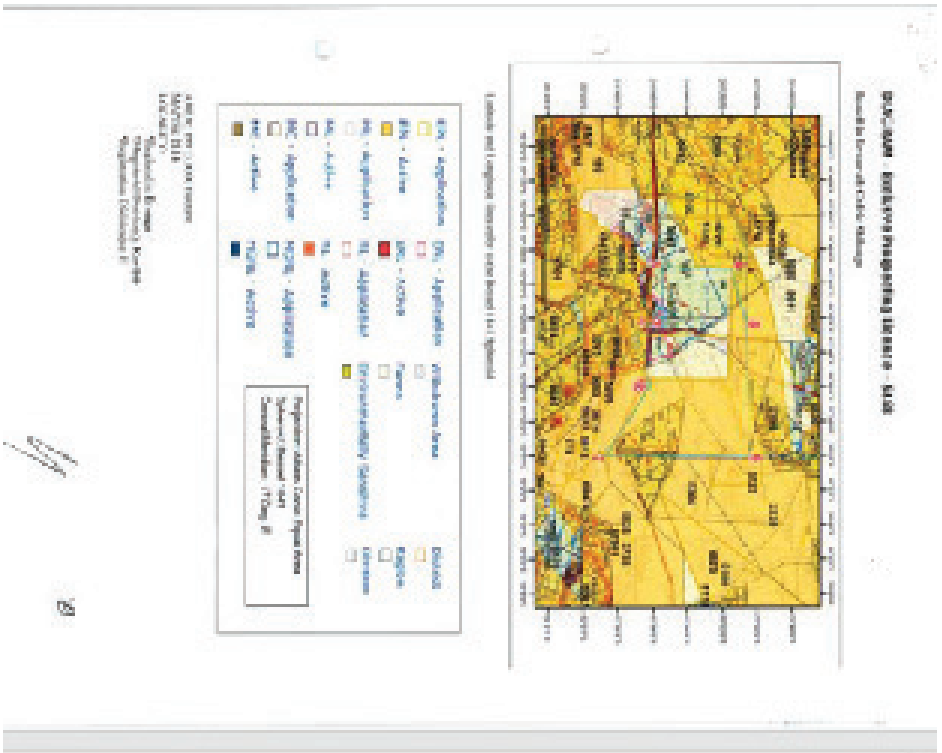
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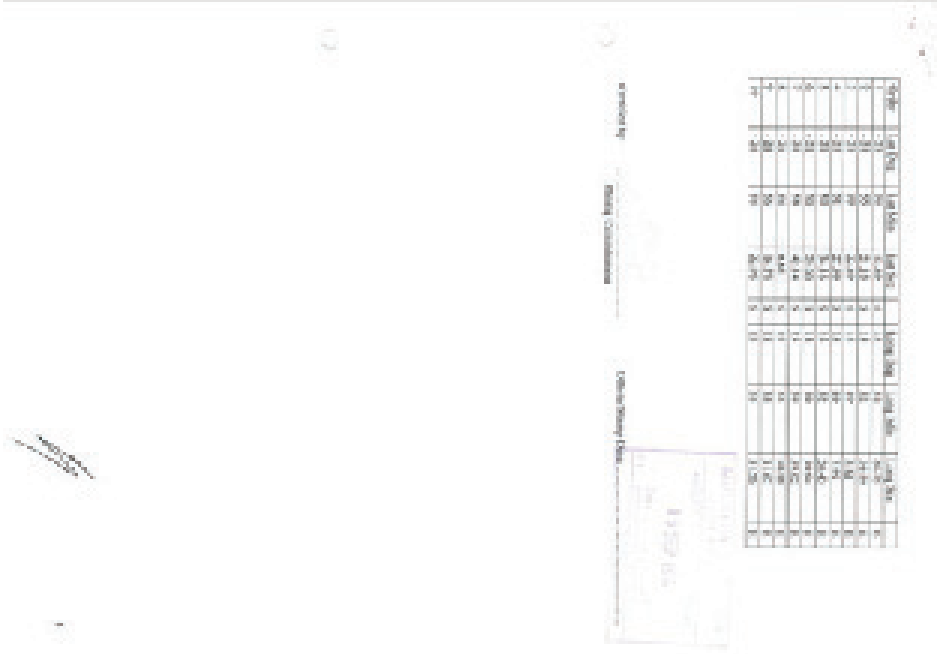


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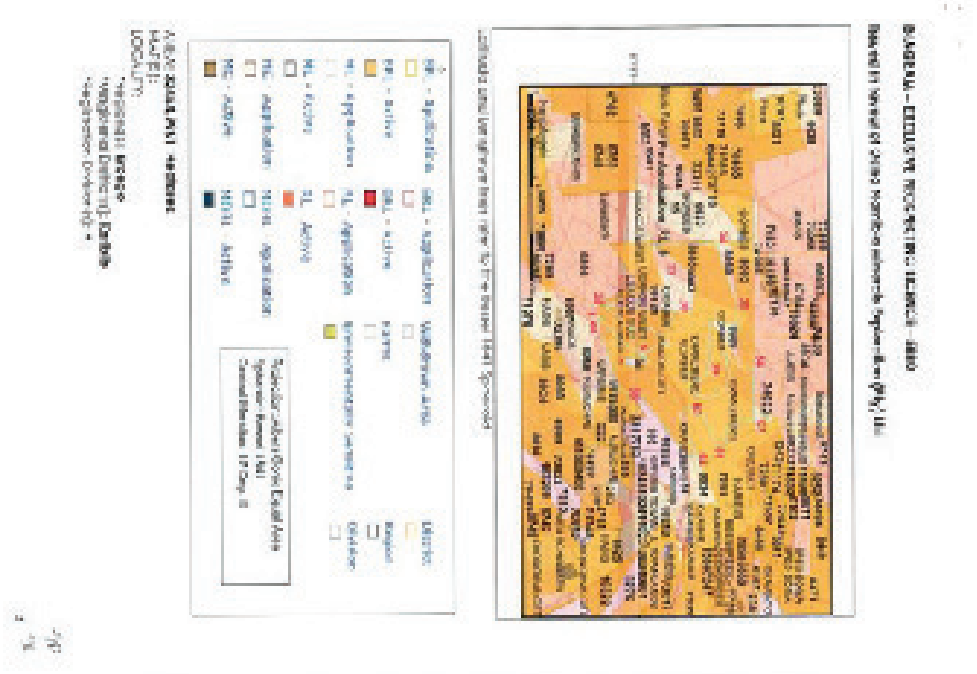


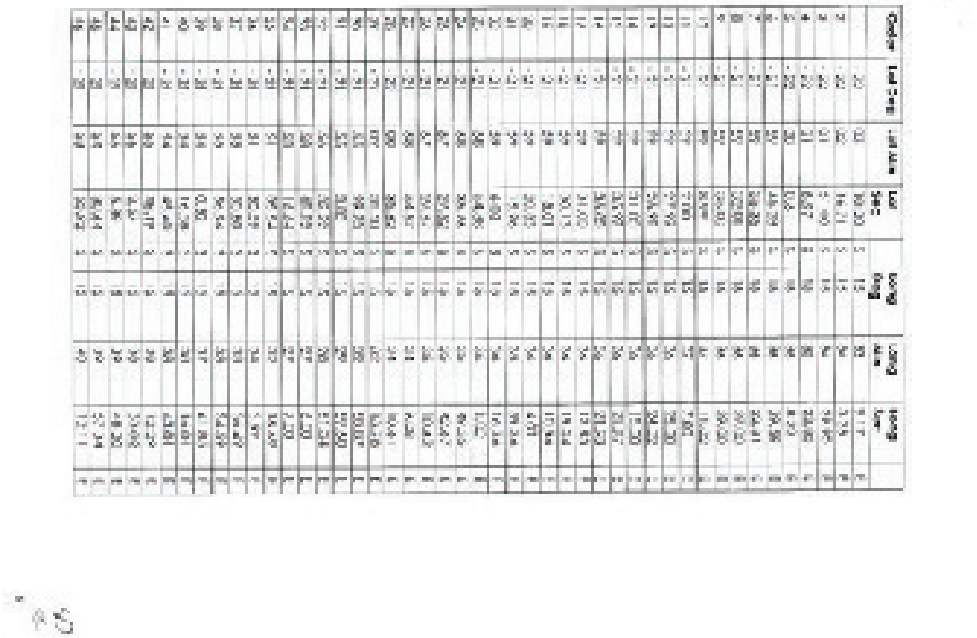
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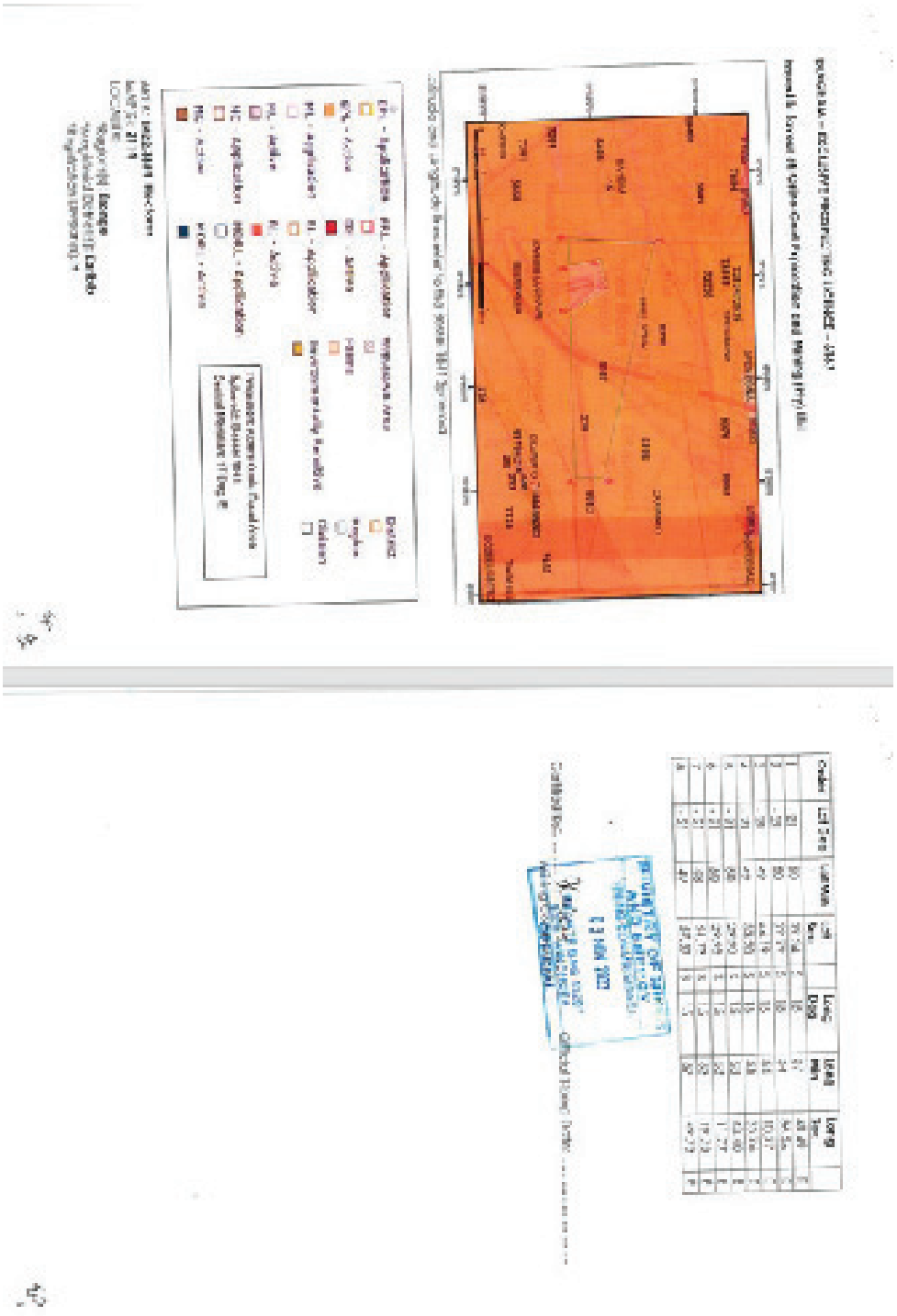


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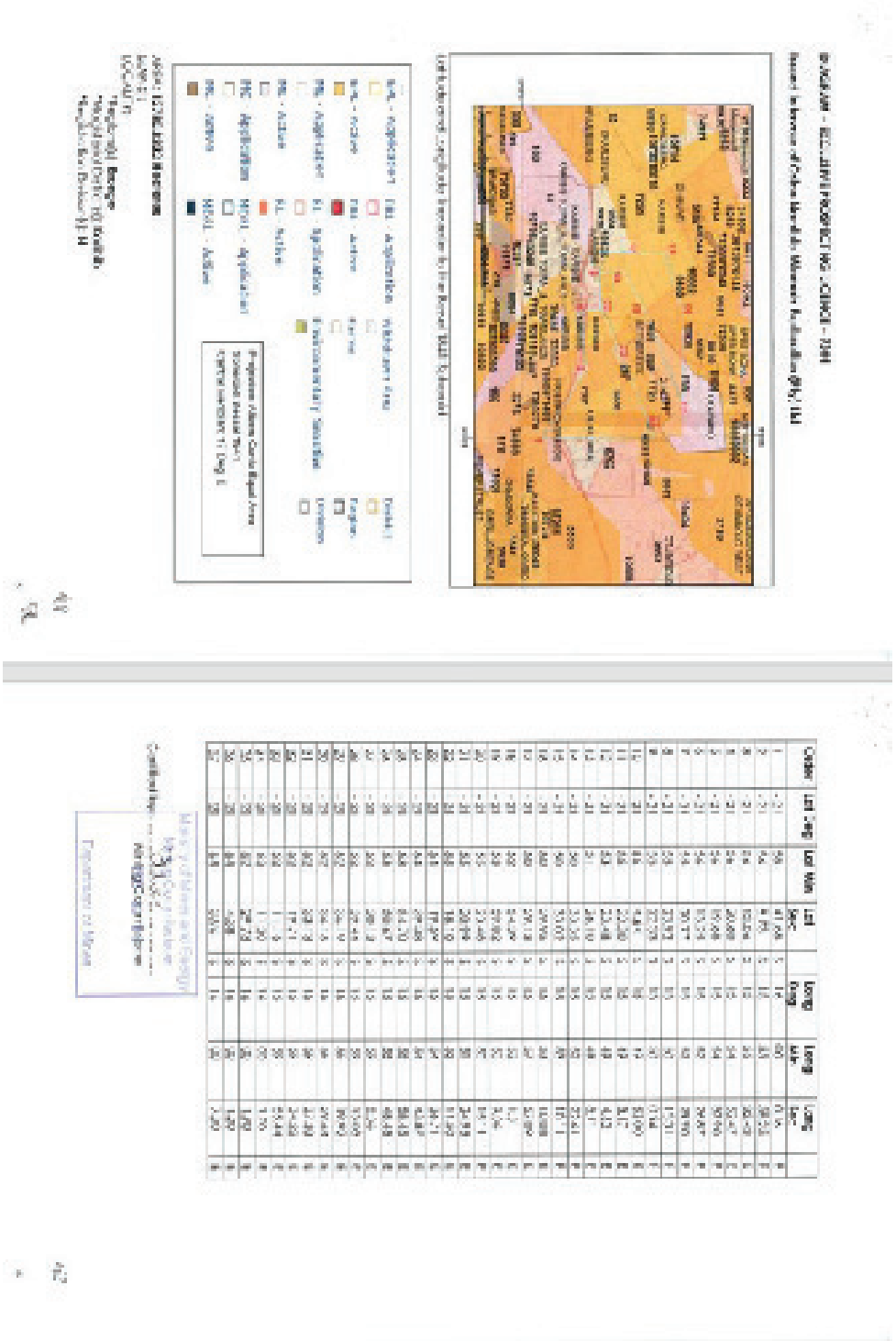




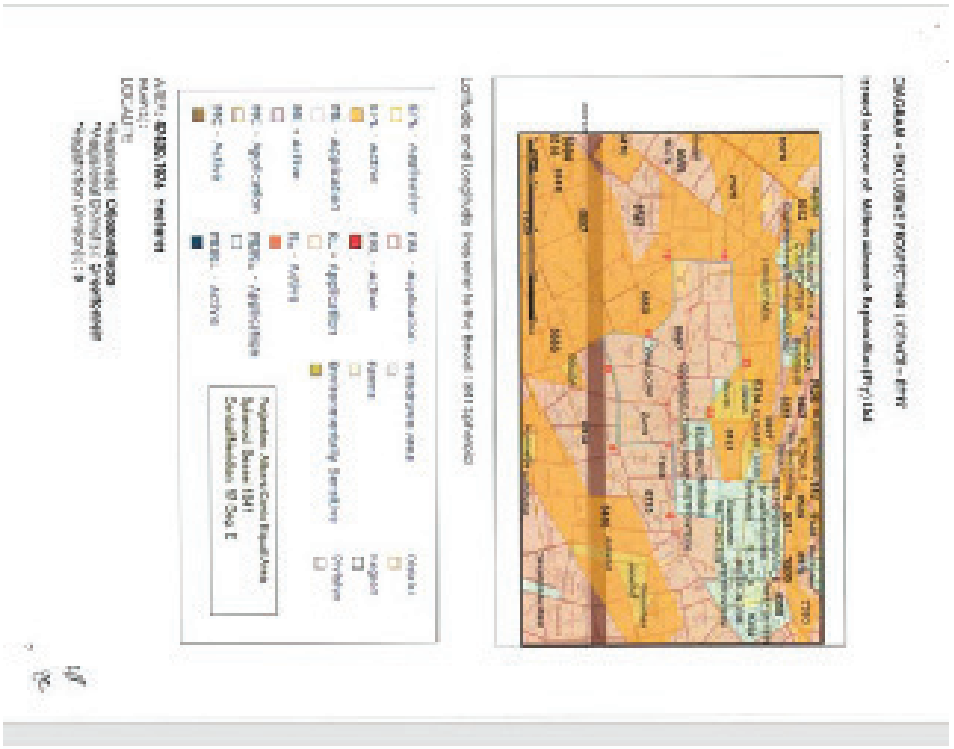
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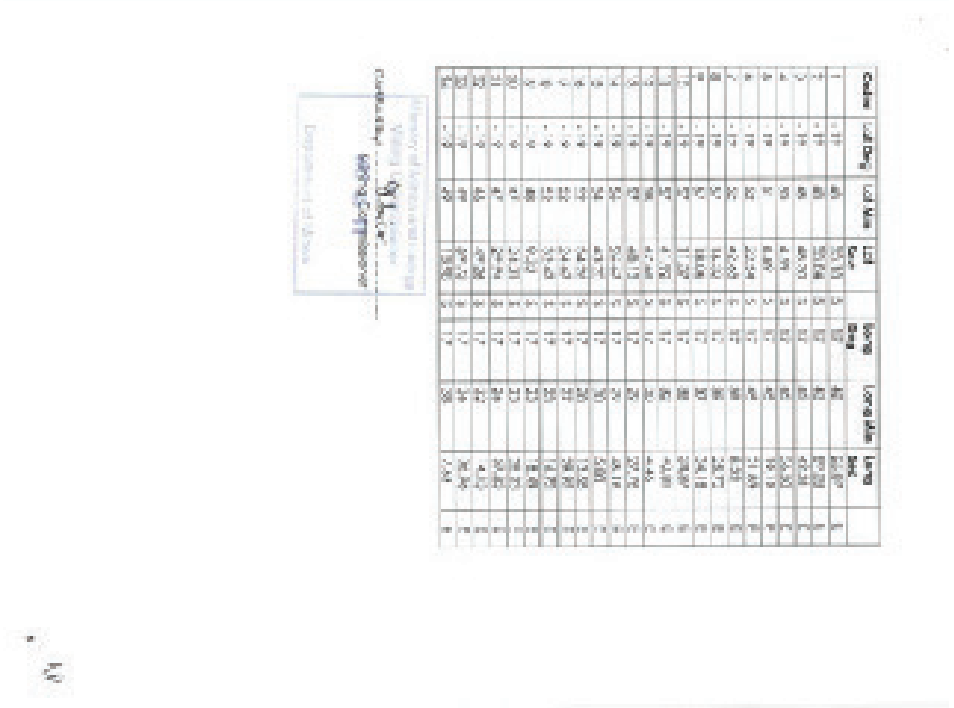


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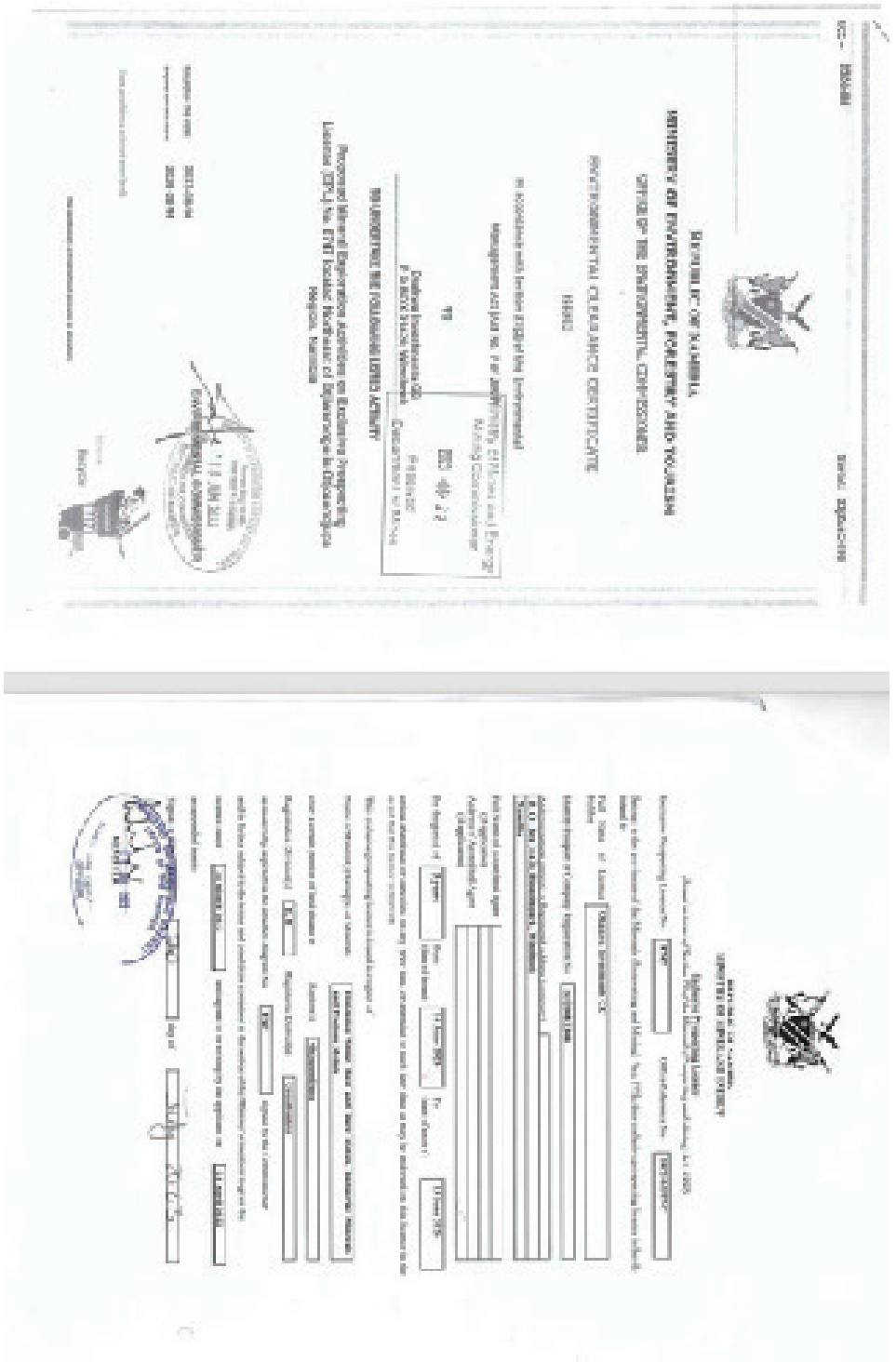


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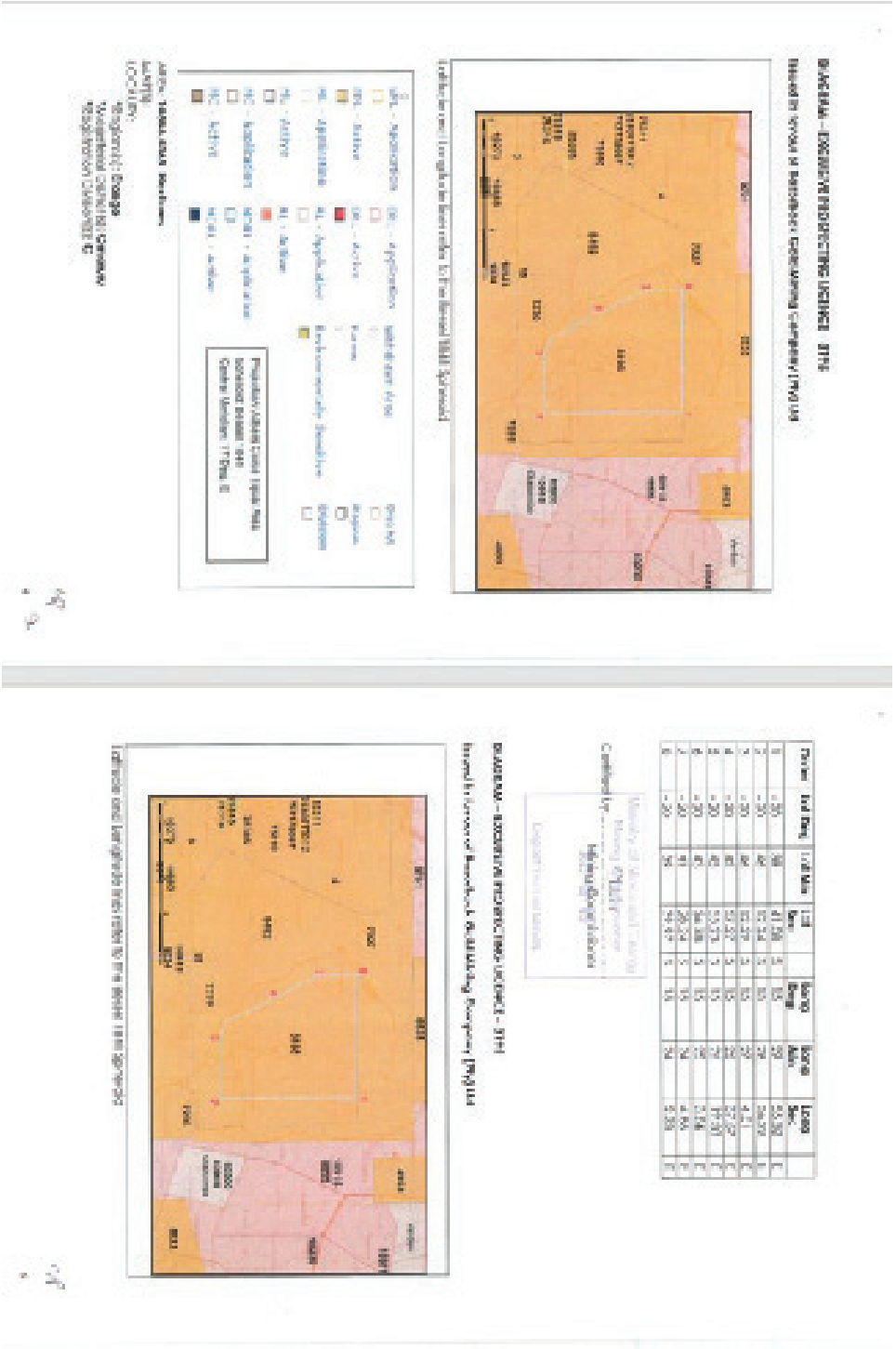




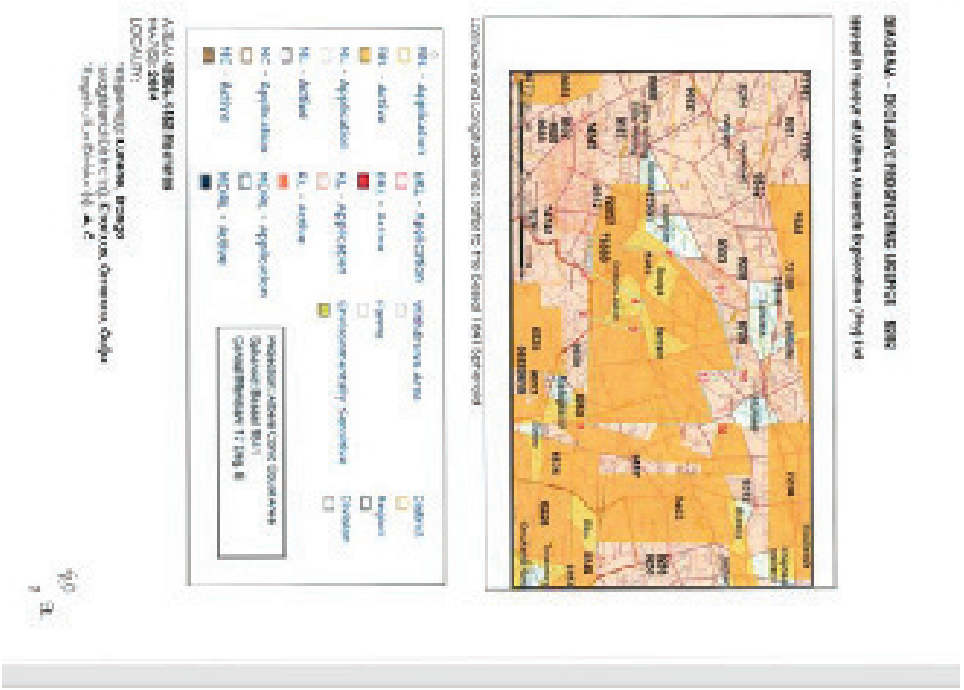
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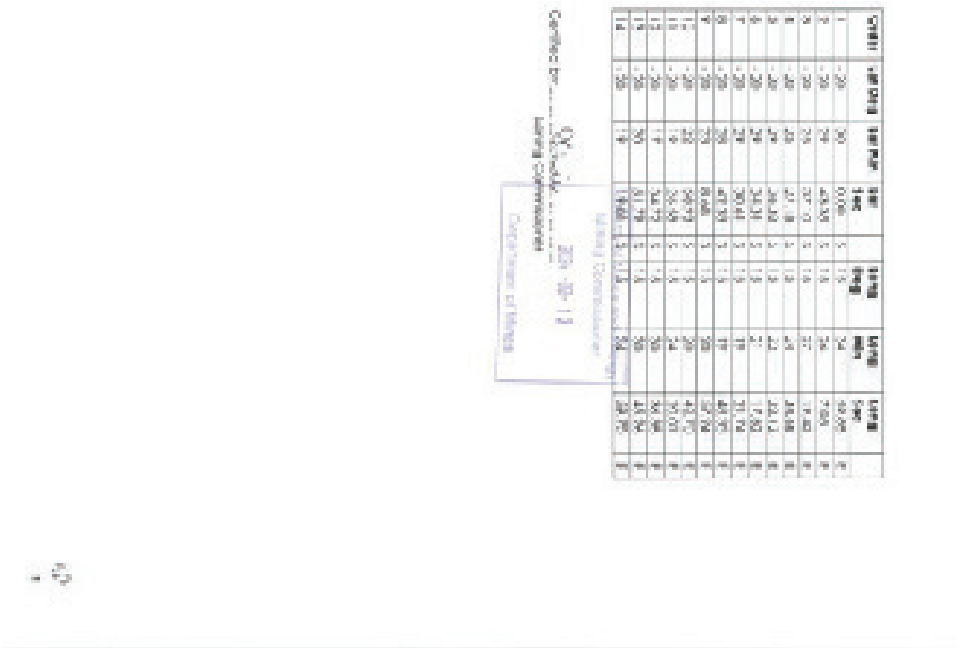


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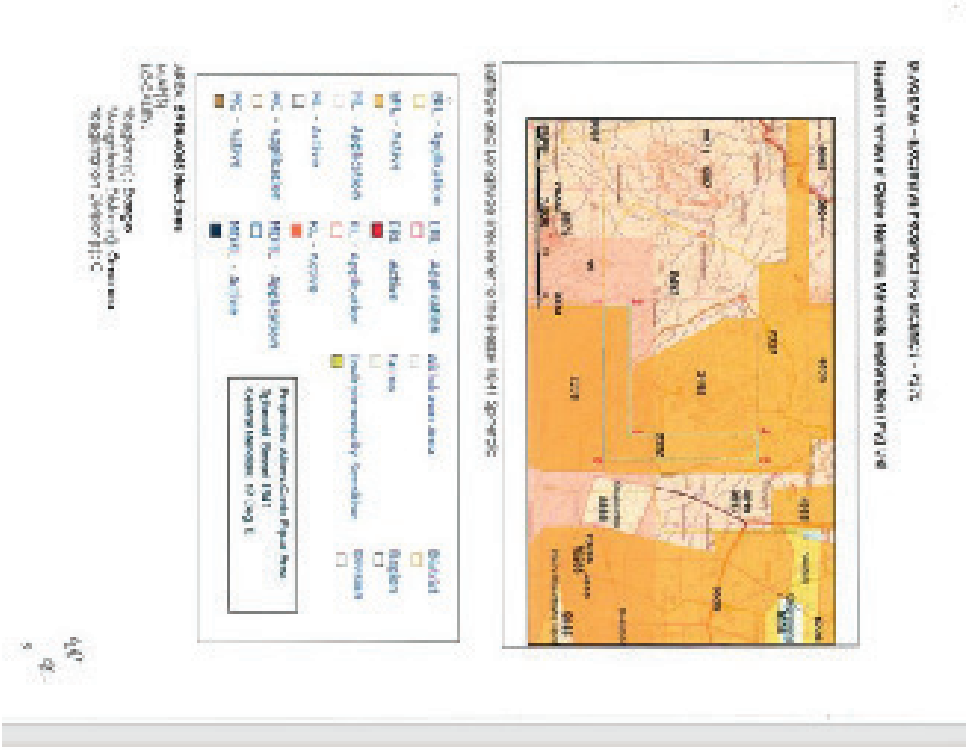


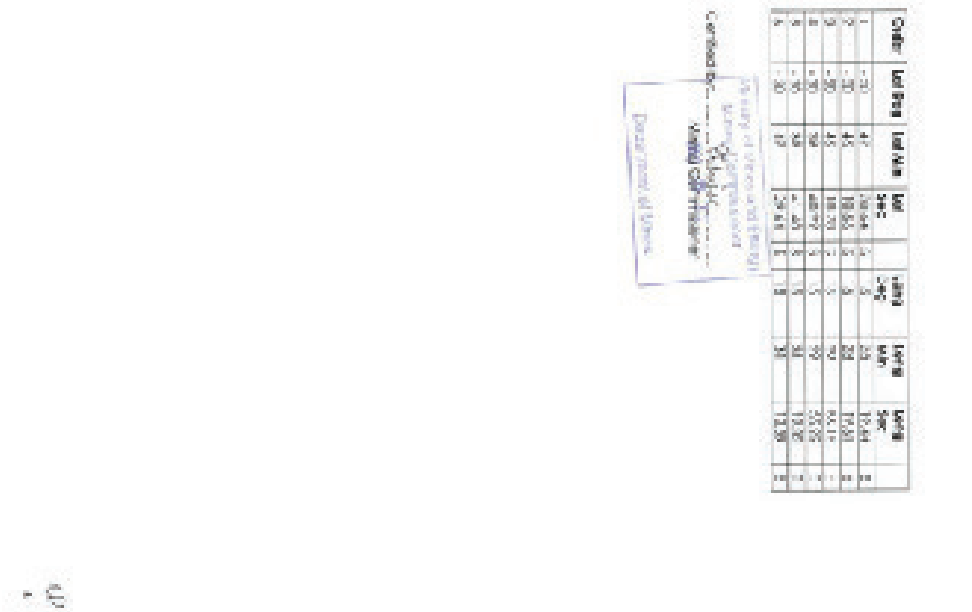
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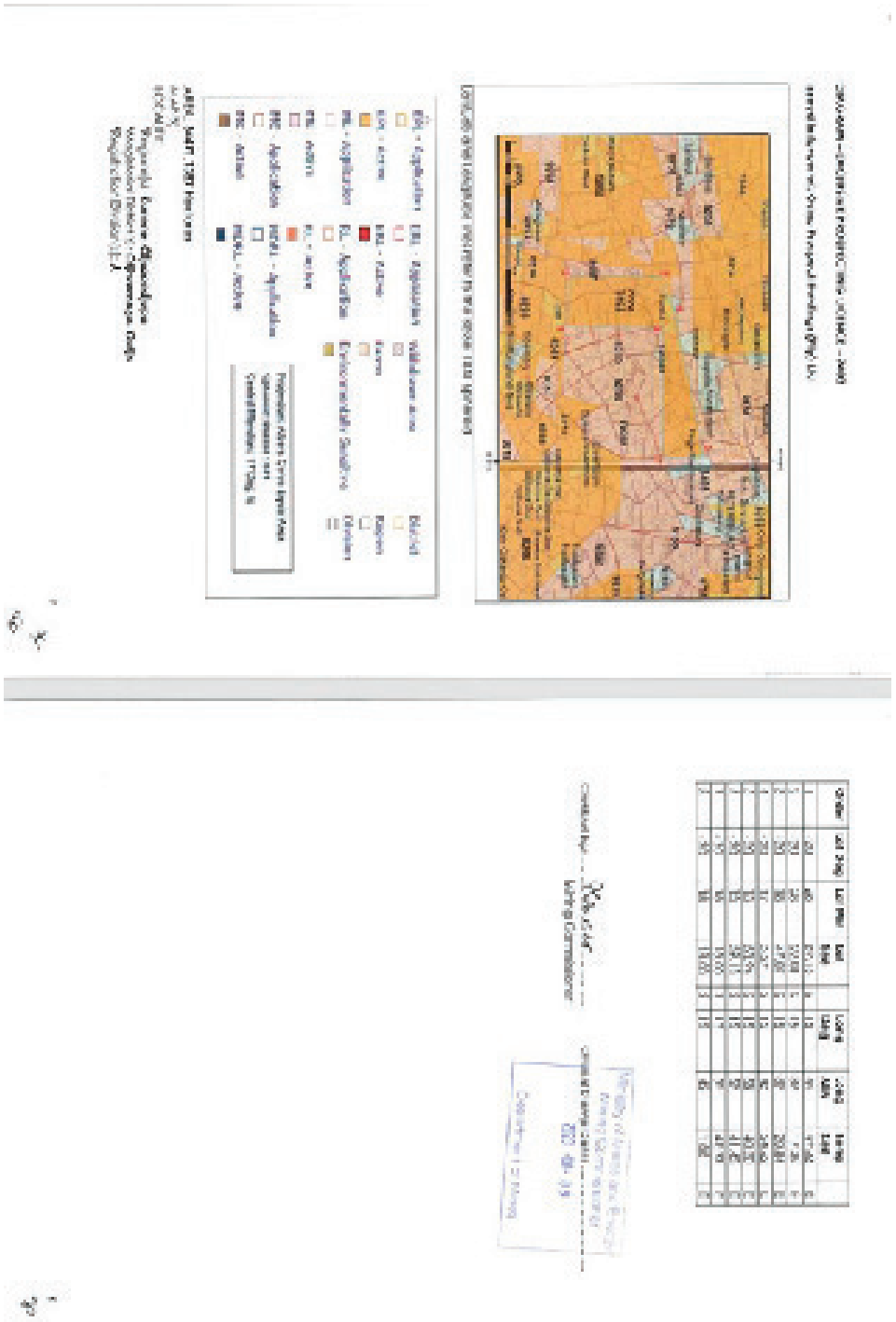


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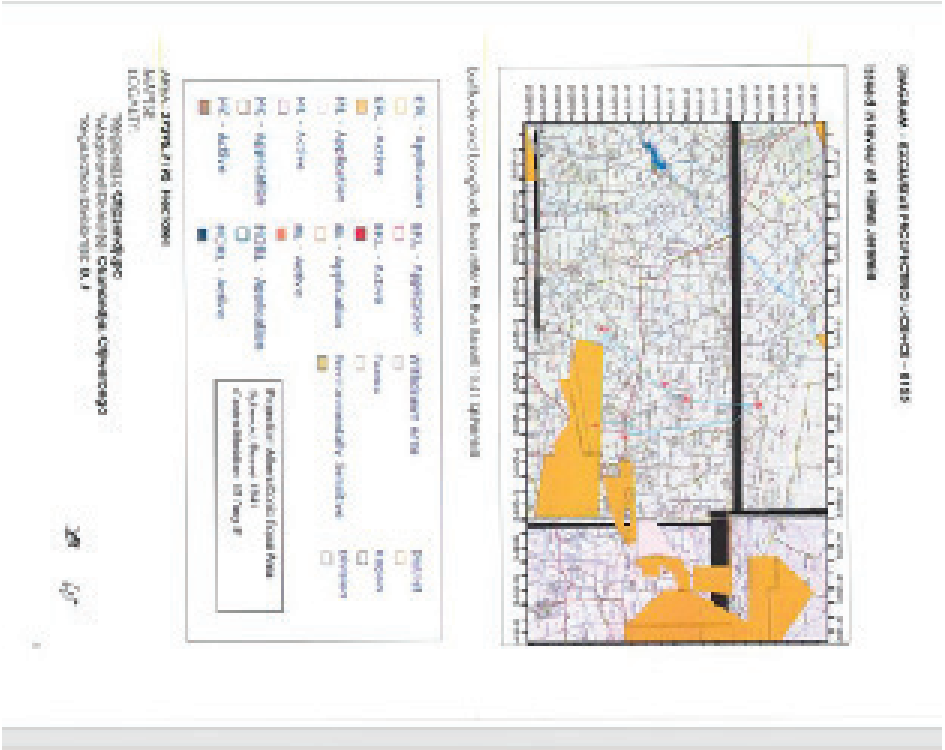


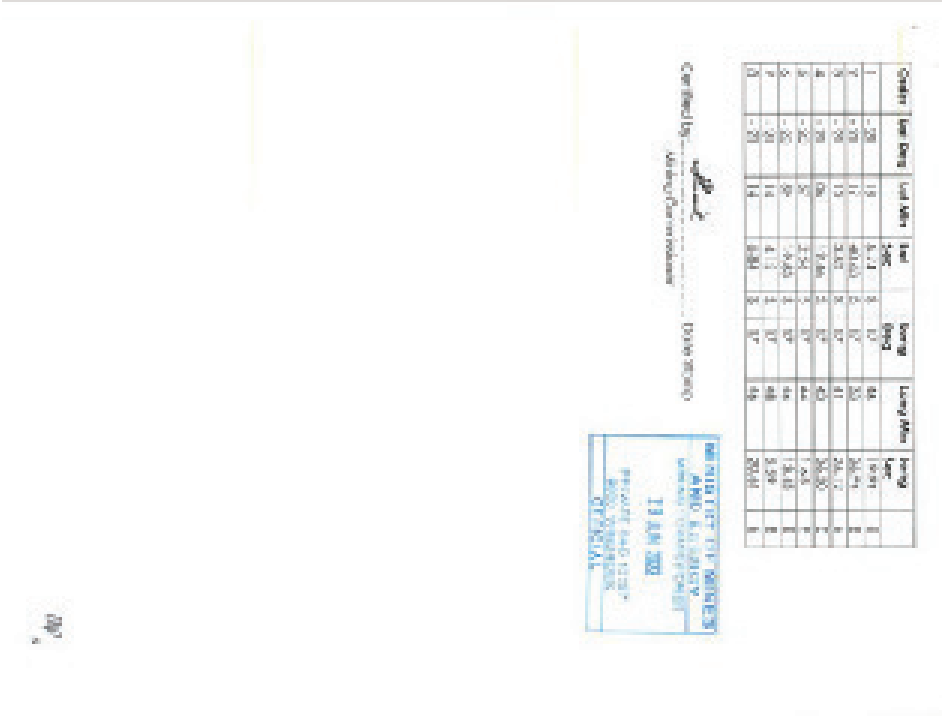


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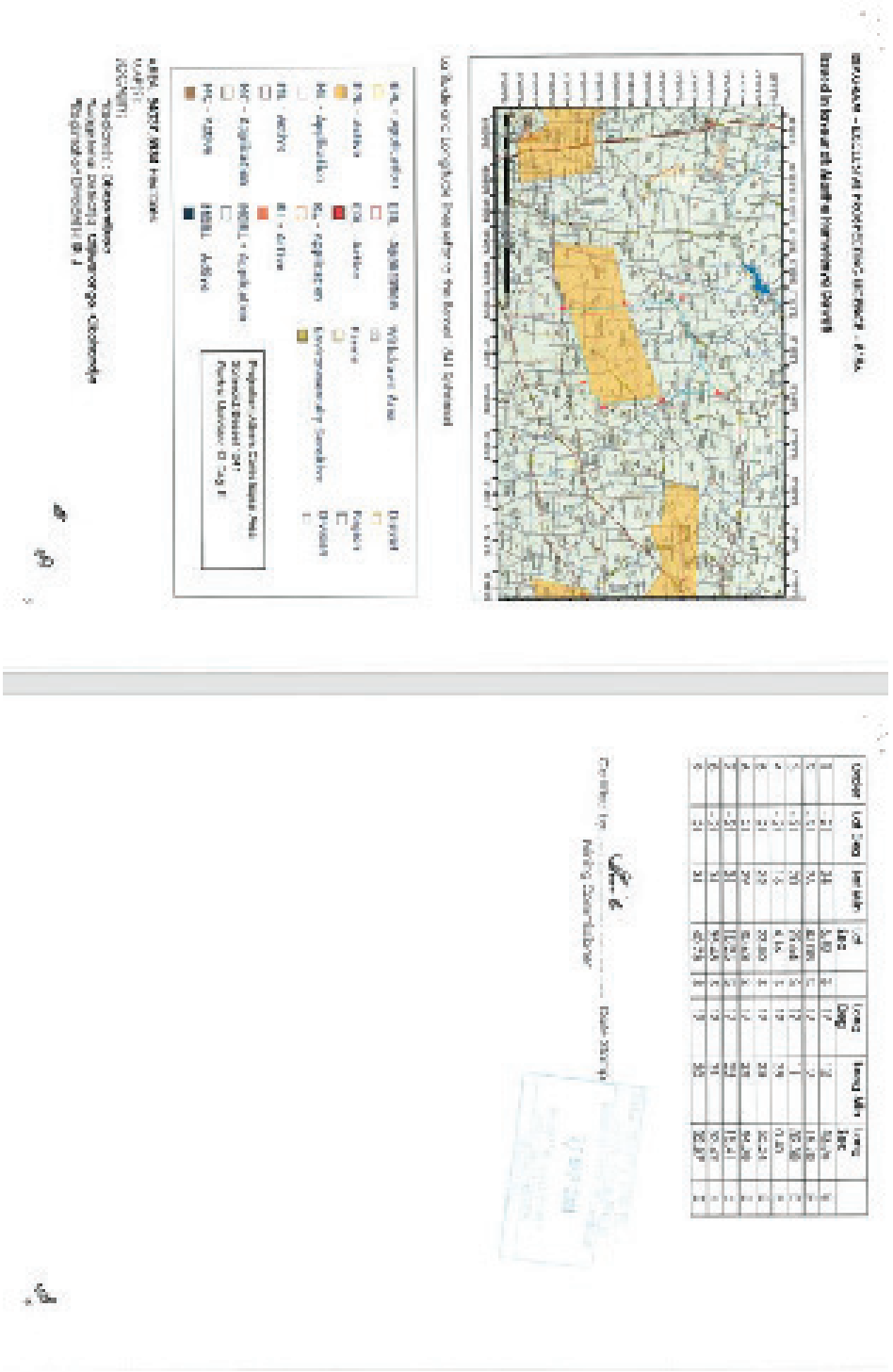


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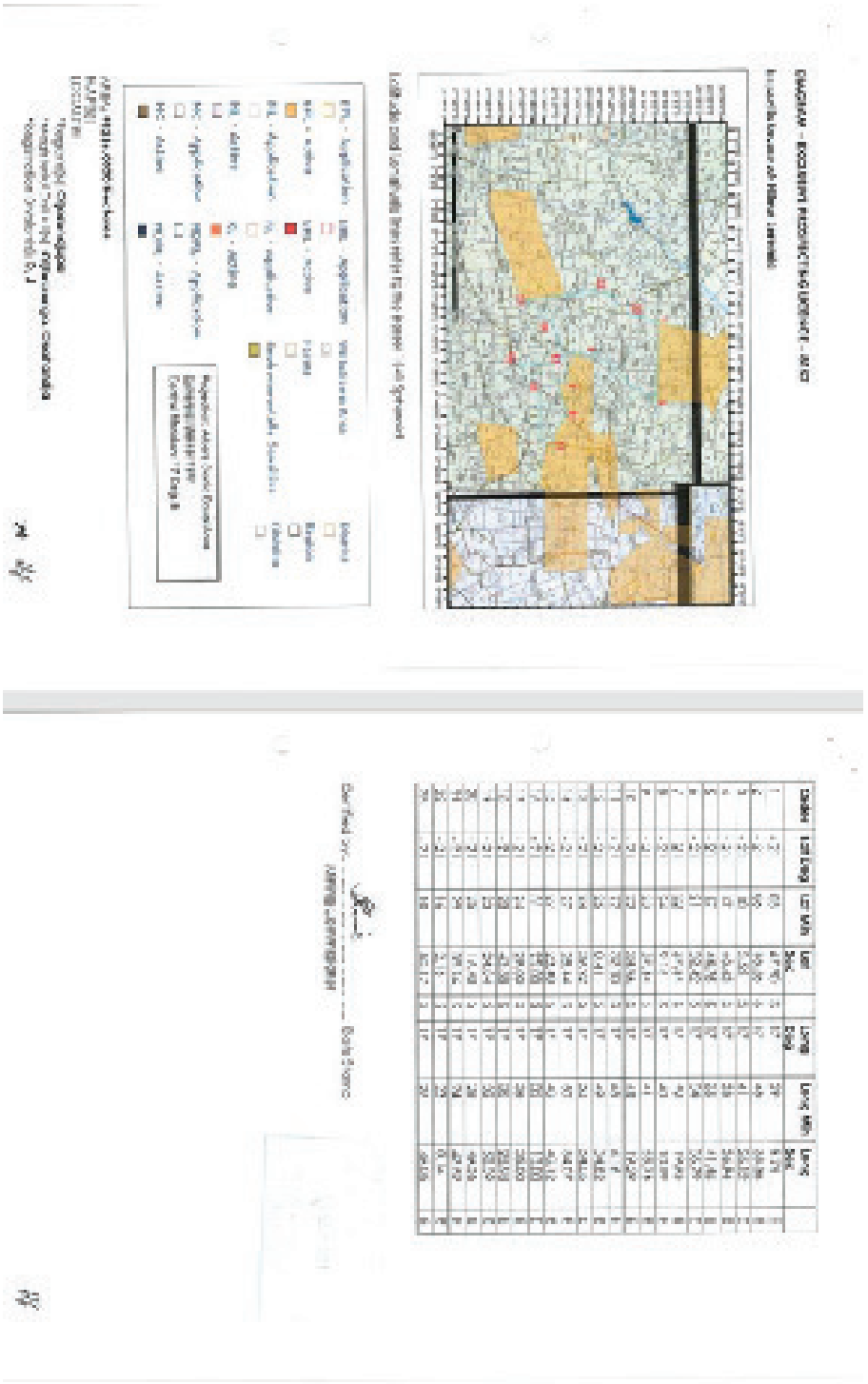




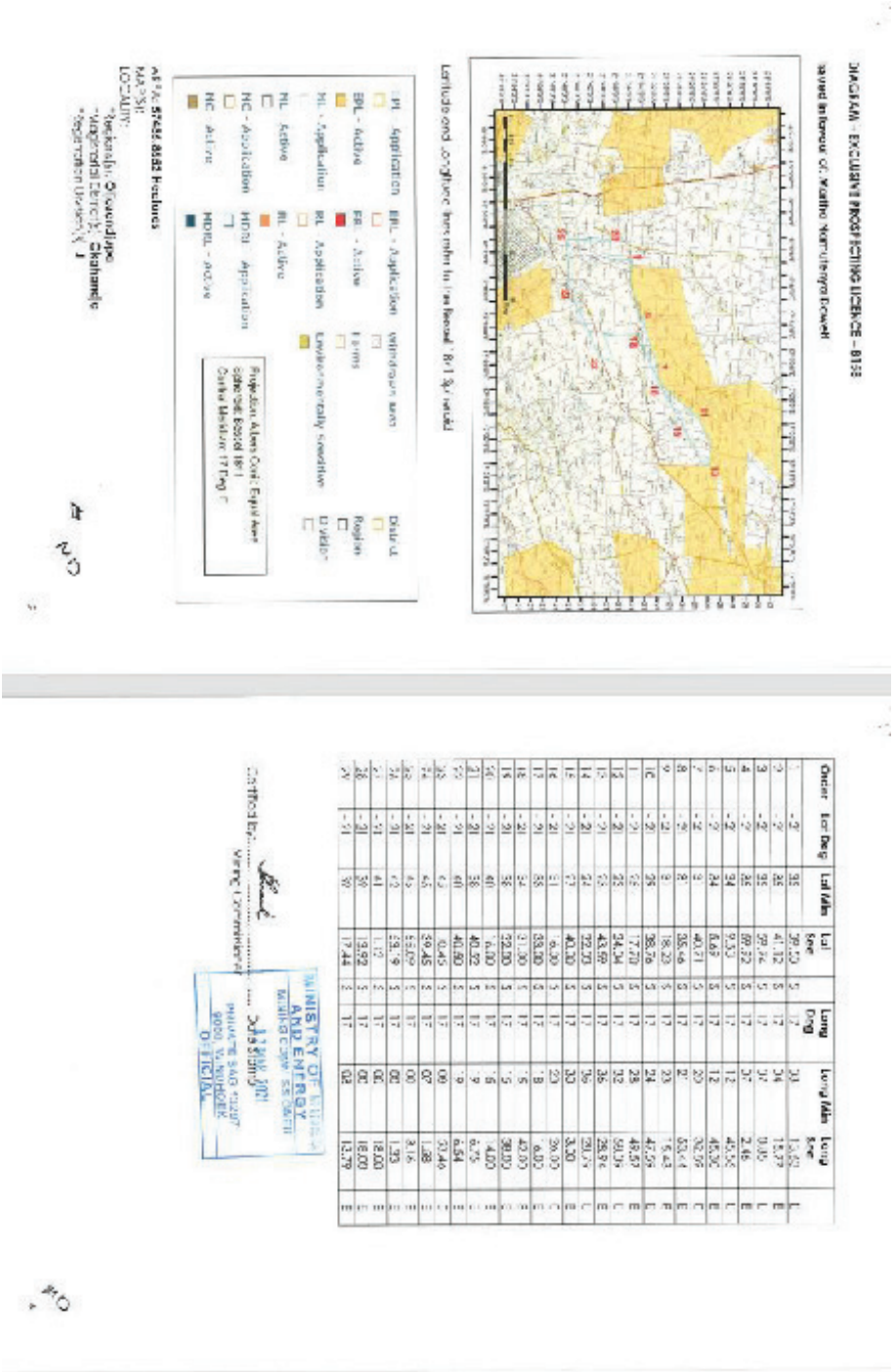
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15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques.	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Sampling at the Osino Property relied primarily on reverse circulation (RC) and diamond drilling (DD), with historical rotary air blast (RAB) drilling used for geological context only. Samples were generally taken at 1 m intervals. Diamond drilling (HQ/NQ diameter) achieved average core recovery above 95%, while RC recoveries were typically greater than 90%, ensuring overall high sample quality.* • *Diamond core was checked at the rig, transported to a secure core shed, logged in detail, sawn longitudinally, and half-core submitted for assay to ensure continuity and representivity. RC samples were split using three-tier riffle splitters to obtain 2–3.5 kg representative samples. Collar positions were surveyed with Trimble R2 DGPS, and downhole deviation was measured with multi-shot tools (REFLEX EZ-TRAC or equivalent), ensuring positional accuracy and reliable data for resource estimation.* • *Mineralisation was identified and confirmed through systematic drilling, with gold occurring as fine disseminations and quartz-sulphide veinlets. Mineralisation is structurally controlled by axial-plane shear zones and bedding-parallel slip, resulting in laterally continuous lenses. Key mineralised zones have been validated by systematic drilling and supported by geochemical anomalies.* • *Sampling follows standard industry practice: 1 m drill sample → split to ~3 kg → pulverised → 30 g charge for fire assay. Fire assay with AAS finish was routinely used, with gravimetric finish applied to high-grade samples. In addition, screen fire assay and PhotonAssay were employed where coarse gold or nugget effect was suspected. No unusual commodities or non-standard mineralisation types were encountered.*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Drilling at the Osino Property has been conducted primarily by diamond drilling (HQ/NQ core) and reverse circulation (RC), with limited historical rotary air blast (RAB) for shallow anomaly testing. Drillholes were generally inclined to intersect mineralised zones perpendicularly, with occasional scissor and vertical holes to confirm geometry and thickness. Collar positions were surveyed using Trimble R2 DGPS, while downhole deviation was measured with REFLEX EZ-TRAC multi-shot instruments at 20–30 m intervals, ensuring high spatial accuracy. The drilling methods are consistent with industry standards, yielding reliable data to support Mineral Resource estimation and mine design.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Diamond drilling (DD) at the Osino Property achieved average core recoveries typically above 95%, while reverse circulation (RC) drilling returned recoveries greater than 90% in competent fresh rock, demonstrating generally excellent recovery. Core was routinely checked at the rig, and RC recovery was monitored by comparing actual sample mass with theoretical values. No systematic relationship was observed between recovery and grade, with minor discrepancies attributed to localised lithological breakage or nugget effects. Overall, recovery measures were effective and ensured representative and reliable sampling.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All drill core and chips from the Osino Property were systematically logged for lithology, structure, alteration, mineralisation, and weathering, providing sufficient detail for Mineral Resource estimation, mining studies, and metallurgical assessments. All diamond drill core was photographed before storage, and logging was conducted in a largely quantitative manner, allowing robust geological modelling and statistical analysis. Core storage facilities are well organised, and both historical and recent drillholes have been systematically archived and verified, ensuring completeness and consistency of the logging records.*

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *At the Osino Property, diamond drill core was sawn longitudinally with half-core submitted for assay and the remaining half retained for reference. RC samples were reduced on site using a three-tier riffle splitter to obtain 2–3.5 kg representative samples, all prepared under dry conditions. Preparation at Actlabs (Windhoek) involved drying at 60 °C, crushing to 80% passing 2 mm, splitting to 250 g, and pulverising to 95% passing 105 μm. The resulting pulp was dispatched for assay, while coarse rejects and pulps were securely stored. Blanks, certified reference materials (CRMs), and duplicates were inserted throughout the sub-sampling process to ensure representivity and quality assurance.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *All samples from the Osino Property were assayed at ISO-accredited Actlabs facilities. The primary method was 30 g fire assay (FA) with AAS finish, with gravimetric finish for high-grade samples. To address coarse gold and nugget effect, supplemental analyses including screen fire assay (SFA), LeachWell, and PhotonAssay were also employed, particularly at Twin Hills and Ondundu. QA/QC measures included the insertion of* ~15–17% control samples comprising certified reference materials (CRMs), blanks, and duplicates (field, coarse-reject, and pulp). Independent reviews confirmed that blanks, CRMs, and duplicates performed within acceptable limits, with no evidence of systematic bias. Overall, assay methods and laboratory performance are considered appropriate and reliable for gold resource estimation.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *During its 2025 site visit, BAW verified drillhole locations, sample handling, and database integrity. Random collar checks against GPS measurements confirmed positional accuracy. Core inspections at the storage facility showed consistency between core observations and original geological logs. BAW collected 21 independent quarter-core samples and submitted them to Actlabs for check assays, which showed good agreement with original results, with minor discrepancies attributed to nugget effect. At Ondundu and Eureka, re-assays highlighted a tendency for conventional fire assay to under-report, while PhotonAssay and screen fire assay delivered more consistent results. Overall, verification confirmed secure sample custody, reliable assay performance, and data quality sufficient for JORC (2012)-compliant Mineral Resource estimation.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Drillhole collar positions at the Osino Property were surveyed using Trimble R2 DGPS (WGS84/UTM Zone 33S), providing high positional accuracy suitable for resource modelling. Historical collars were also surveyed with differential GPS, ensuring reliable location data. Downhole deviation was measured at 20–30 m intervals with REFLEX EZ-TRAC multi-shot instruments, ensuring accurate depth and orientation control. A UAV-derived digital terrain model (DTM) was used for Twin Hills, while Ondundu utilised LiDAR-based topography. Collar elevations were checked against the DTMs and showed no systematic offsets. The spatial control is considered robust and fully compliant with JORC (2012) standards.*

Criteria	JORC Code explanation	Commentary
Data spacing and distribution .	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *At the Osino Property, drillholes were generally spaced on a 50 m × 50 m grid, with local infill drilling tightened to 25 m × 25 m in resource-definition areas to support Indicated and Measured classifications. The spacing is sufficient to demonstrate geological and grade continuity, supporting Mineral Resource estimation and classification. Sampling was conducted at 1 m intervals and composited to 2 m lengths for modelling, strictly within hard-bounded mineralised domains. Extrapolation beyond drilling was limited to ≤50 m. Overall, the spacing and distribution are appropriate and compliant with JORC (2012) reporting standards.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Drillholes were generally oriented perpendicular to the principal mineralised structures (fold hinges and shear zones) to intersect mineralisation at high angles, ensuring representative thickness and grade. In selected areas, scissor and vertical holes were drilled to validate dip, strike extension, and geological continuity. Overall, drilling orientation is considered appropriate, and no material sampling bias related to hole orientation has been identified.*
Sample security.	• *The measures taken to ensure sample security.*	• *Strict sample security protocols were applied at the Osino Property. All drill samples were sealed in labelled bags at the drill site, supervised by project personnel, and transported directly to Actlabs in Windhoek for preparation. Coarse rejects and pulps were securely stored at the laboratory facilities with full chain-of-custody documentation maintained throughout. No issues compromising sample integrity or data reliability were identified during BAW's review.*

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Sampling, assay, and database procedures at the Osino Property have undergone multiple independent reviews. CSA Global audited historical drilling and QA/QC data in 2022, confirming compliance with industry standards. Resource and reserve updates for Twin Hills were independently validated through the PFS and DFS conducted by Lycopodium. In 2025, BAW conducted site verification of drill collars, core logging, and laboratory procedures, supported by independent check assays, which showed good agreement with original data. Overall, the audits confirmed that data quality is reliable and suitable for public reporting under JORC (2012).*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The Osino Property comprises one mining license (ML238, valid until 2042) and 18 exploration licenses (EPLs) covering ~4,000 km^2, held 100% by Osino Resources Corp. through its subsidiaries, with some EPLs under joint venture or earn-in arrangements. All licenses are valid under the Namibian Minerals Act (1992) and in good standing.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Historically, Twin Hills was explored by Anglo American and Bafex with geophysical, geochemical, and limited drilling work; Ondundu was investigated by TCL, Gold Fields, and later B2Gold, which completed extensive drilling and metallurgical studies.*

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Twin Hills and Ondundu are classified as orogenic gold deposits of the Damara Belt, controlled by regional-scale faults, folds, and bedding-parallel slip. Mineralisation is hosted mainly within Kuiseb Formation metasediments and Karibib Formation marbles.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Not applicable (the CPR is based on validated databases and does not report individual drillhole details).*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable (Mineral Resources and Reserves are reported from block model estimates, not aggregated drill intercepts).*

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Not applicable (reporting is based on 3D geological modelling, not individual drill intercepts).*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Not applicable (the CPR includes geological and mineralisation models but does not present individual drillhole diagrams).*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable (the CPR focuses on Mineral Resource and Reserve statements rather than individual exploration results).*
Other substantive exploration data.	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *The CPR incorporates geological, geochemical, geophysical, drilling, and metallurgical datasets, which have been applied in geological modelling, Mineral Resource estimation, and economic assessment.*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Recommended follow-up includes infill and step-out drilling at Twin Hills to upgrade confidence, further drilling at Ondundu to test extensions, and continued early-stage work (geophysics, bedrock drilling) at Eureka and Sandveld.*

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *Osino's geological database (collars, surveys, assays, QA/QC) was maintained digitally with strict protocols. Data entry and transfer were subject to dual review by qualified staff to minimise transcription or keying errors. Sample IDs, coordinates, and assay results were cross-checked against original field records, with full chain-of-custody tracking to ensure integrity from collection to use in Mineral Resource estimation.* • *During its 2025 review, BAW validated collar coordinates, core logs, and assay results against the exploration database and found no systematic errors. Collar elevations matched UAV or LiDAR-derived DTMs, with no material offsets. Random checks of core against logs confirmed consistency. Independent re-assays showed overall agreement with original results, with minor discrepancies attributed to nugget effect. The database was deemed complete, consistent, and reliable for JORC (2012)-compliant Mineral Resource estimation.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *Between June 26 and July 1, 2025, BAW's technical team conducted a site visit to the Twin Hills Project. The scope included verification of drillhole collar locations, inspection of the core shed, validation of geological logging, review of sample preparation and analytical procedures, and inspection of site infrastructure. Random checks confirmed collar positions matched the database, core observations were consistent with logs, and laboratory workflows complied with industry standards. Technical discussions with Osino's geology and mining staff supported the definition of mineralisation domains and modelling assumptions. BAW concluded that the database and field practices are compliant with JORC (2012) and sufficient for Mineral Resource estimation.*

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The geological interpretation of Twin Hills and Ondundu is based on extensive drilling, geophysics, and surface mapping. Mineralisation is closely associated with axial-plane shear zones and bedding-parallel slip, showing strong continuity along strike and down-dip. The interpretation is considered robust and reliable.* • *The interpretation is supported by drillhole assays, geological logging, and structural data, supplemented by geophysical and geochemical surveys. Mineralised domains were modelled using implicit grade shells guided by geological controls, with the assumption of structural and stratigraphic continuity.* • *Alternative interpretations would have limited impact on the overall mineralised geometry. Secondary splays or alteration zones may introduce local variations, but they are not expected to materially affect the continuity or scale of the Mineral Resource.* • *Geological structures and lithological contacts were used as hard boundaries in modelling. Mineralised shells strictly constrained compositing and grade interpolation, ensuring that resource estimation honours the geological interpretation.* • *Continuity is primarily controlled by regional faults and fold structures, with high-grade shoots plunging along fold hinges. Local nugget effect and weathering transitions introduce minor variability but do not disrupt overall continuity.*
Dimensions.	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The main Twin Hills orebodies (Bulge, Central, Clouds, etc.) form laterally continuous lenses extending ~3.5 km along strike, with thickness ranging from 20 to 200 m, dipping 30–40°, and extending down-dip for at least 400 m, remaining open at depth. The Ondundu deposit extends for more than 2 km along the regional anticline, with mineralised widths typically 10–60 m (locally up to 100 m), and remains open at depth and along strike. Overall, the Mineral Resources are large and continuous, with local variations in thickness and grade.*

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Resource estimation for Twin Hills and Ondundu was based on 3D block models, with mineralised domains defined by implicit modelling and grade shells (0.30–0.40 g/t Au) used as hard boundaries. Grade interpolation employed Ordinary Kriging (OK), with Localised Uniform Conditioning (LUC) applied in domains such as Bulge, Central, and Clouds to reflect selective mining units. A three-pass search strategy was used, with search ellipsoids aligned to variogram orientations. Extreme high-grade outliers were capped at the domain level following statistical analysis.* • *The estimates were cross-checked against previous CSA Global and Lycopodium PFS/DFS results, showing good agreement in tonnage and grade, thereby validating the robustness of the models. No systematic bias was identified.* • *Gold is the sole economic product; no by-products were estimated.* • *Arsenic and other potential deleterious elements were assessed for environmental and tailings design purposes, but they were not considered material for Mineral Resource estimation.* • *Block models were constructed with parent cell sizes of 20 m × 20 m × 5 m at Twin Hills and 25 m × 25 m × 5 m at Ondundu. A selective mining unit (SMU) of 5 m × 5 m × 5 m was applied to Twin Hills domains to reflect practical mining selectivity.* • *Validation included visual cross-section checks, statistical comparisons, and swath plots of model grades versus drill composites, all showing good agreement. No material discrepancies were identified, confirming the reliability of the estimates.*

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *All Mineral Resources are reported on a dry tonnage basis. Bulk density determinations were carried out using the wax-coated water immersion method, which accounts for porosity and moisture effects. Different densities were assigned by oxidation state (e.g., Twin Hills: oxide 2.57 t/m^3, fresh 2.76 t/m^3; Ondundu: oxide 2.60 t/m^3, fresh 2.75 t/m^3). No additional adjustment for natural moisture was applied.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *0.30 g/t Au for in-pit Mineral Resources.* • *Key Assumptions (for "Reasonable Prospects for Eventual Economic Extraction"):* o *Gold Price: USD2,600/oz.* o *Metallurgical Recovery: 90%.* o *Operating Costs (USD/t ore): Mining $2, Processing $8, Rehandle & Grade Control $0.15, G&A $4.* o *Government Levies: 4% royalty + export levy.* o *Selling Costs (USD/oz): Refining $0.55, Transport $2.2.*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *For the Twin Hills Gold Project, Mineral Resource estimation assumes a low-risk, open-pit mining operation using conventional shovel-and-truck methods with 5.0-meter benches for ore and selective waste. Resource models are regularized to a Selective Mining Unit (SMU) block size of 10.0m (X) by 5.0m (Y) by 2.5m (Z) to reflect practical mining selectivity. Internal mining dilution is applied during this regularization, adjusting partial ore tonnes with a 1.50 (50%) waste factor and assuming a 0 g/t dilution grade. These mining assumptions, coupled with a USD2,600/oz gold price and 90% metallurgical recovery, establish "Reasonable Prospects for Eventual Economic Extraction" (RPEEE).*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *The metallurgical recovery predictions are grounded in comprehensive test work (PFS/DFS), including gravity-CIL optimization, pre-oxidation studies, and ore variability assessments. However, while the bench-scale results (e.g., 94% CIL recovery for Transitional ore) validate the flowsheet, the assumptions for Fresh ore (88–93%) rely on limited composite samples. The 17.8–31.5% gravity recovery is well-substantiated.* • *The assumptions for Fresh ore (particularly arsenopyrite-rich material) lack extensive variability testing. The 0.54% recovery discount (carbon/solution losses) is industry-standard. The absence of pilot-scale testing for Fresh ore introduces uncertainty in scaling bench results to production.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rocks generated from the open-pit operation are primarily transported to three designated waste rock dumps (WRDs) located east and west of the Main Pit, and north of Twin Hills West. The designs of these dumps account for the LOM waste volume of approximately 150 million cubic meters, ensuring geotechnical stability and effective drainage. To mitigate groundwater contamination risks, potential acid-generating waste rock is encapsulated with non-acid-forming material.* • *Tailings generated from the processing circuit, which utilizes gravity concentration followed by CIL leaching, undergo high-pressure filtration to achieve a moisture content of approximately 15–16% for dry stacking. These are stored in a phased, upstream-type TSF with a 14-year LOM capacity of 61 million tons. The TSF features a composite HDPE geomembrane liner to prevent seepage, addressing concerns related to high arsenic content and acid-generating potential. Additionally, clarified wastewater is fully recycled back to the concentrator, with closure plans that include capping and rehabilitation measures.*

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Bulk density at the Osino Property is supported by extensive measurements: ~23,931 determinations at Twin Hills and ~5,102 at Ondundu. The wax-coated water immersion method was used, with outliers removed before statistical analysis. Results indicate consistent densities across lithologies, with Twin Hills fresh rock averaging 2.76 t/m^3 and oxide 2.57 t/m^3, and Ondundu fresh rock 2.75 t/m^3 and oxide 2.60 t/m^3. Densities were assigned by oxidation state (oxide, transition, fresh) within the block models for tonnage conversion. The dataset is considered adequate and reliable for Mineral Resource estimation under JORC (2012).*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *Classification at Twin Hills was based on drill spacing, geological continuity, and estimation confidence:* • ***Measured Resources:*** *Supported by ~12.5 m × 12.5 m drilling, strong structural control, robust estimation from pass 1, and stable reconciliation.* • ***Indicated Resources:*** *Supported by ~35 m × 35 m drilling, with clear along-strike and down-dip continuity, generally estimated from pass 1–2 searches.* • ***Inferred Resources:*** *Areas with ≤50 m drill spacing or ≤50 m extrapolation, where geological continuity is reasonable but local variability remains higher.* • *At Ondundu, due to data quality and continuity limitations, all Mineral Resources were classified as Inferred. BAW considers this classification appropriate, reflecting the underlying data confidence and fully compliant with JORC (2012) reporting requirements.*

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *The Mineral Resource estimates for the Osino Property have undergone several independent reviews. In 2022, CSA Global audited historical drilling and QA/QC data for Twin Hills and Ondundu, confirming that sampling and analytical procedures were industry standard. In 2023, Lycopodium validated and updated the Twin Hills Mineral Resource and Reserve during the DFS. In 2025, BAW verified drillhole locations, core logging, and laboratory procedures on site, and submitted independent check assays, which showed good overall agreement with original data. No systematic issues were identified, and all reviews concluded that the estimation methodology was sound and the results reliable, consistent with JORC (2012) requirements.*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Mineral Resource estimates for the Osino Property are underpinned by dense drilling, robust QA/QC datasets, and validated geological models, providing a high level of confidence overall. At Twin Hills, the Measured and Indicated categories demonstrate strong tonnage and grade continuity, with local variability effectively managed through kriging and LUC estimation, yielding stable results. At Ondundu, all resources remain Inferred due to lower data density and more complex geology, resulting in higher uncertainty. Overall, the relative accuracy is considered sufficient for global reporting and economic assessment purposes, and the classification is consistent with JORC (2012) standards.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Mineral Resource estimate for the Osino Property, effective December 31, 2025, was conducted by BAW, providing the foundation for Ore Reserve conversion. This estimate was developed through a structured procedure encompassing database compilation, geological modeling, data conditioning, block modeling and interpolation (using Ordinary Kriging and Localized Uniform Conditioning), bulk density assignment, resource classification, RPEEE assessment, and model validation. The Mineral Resources include 84,349 kilotonnes (kt) categorized as Measured and Indicated, with an average gold grade of 1.08 g/t, yielding 91.46 tonnes of contained gold. Additionally, Twin Hills has Inferred Resources of 7,032 kt at 1.10 g/t Au. All blocks at the Ondundu project were classified as Inferred Resources, amounting to 31,190 kt at 1.03 g/t Au, containing 32.05 tonnes of gold. A cut-off grade of 0.30 g/t Au was adopted for both properties for pit optimization and Mineral Resource estimation, based on a gold price of USD2,600/oz and a metallurgical recovery of 90%. This estimate confirms the "Reasonable Prospects for Eventual Economic Extraction" (RPEEE).* • *All of the Ore Reserves reported are included within the Mineral Resources.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *Between June 26 and July 1, 2025, BAW, acting as the Competent Person, conducted a site visit to the Twin Hills Project.*

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• *Main technical studies are available to review:* • *Twin Hills Gold Project Preliminary Economic Assessment ("**PEA**") — Mining Study, 2021.* • *Twin Hills Gold Project Pre-feasibility Study ("**PFS**") — Mining Study, 2022.* • *Mining Geotechnical Prefeasibility Study for Twin Hill Gold Project, 2022.* • *Definitive Feasibility Study of the Twin Hills Gold Project, Namibia/National Instrument 43–101 Technical Report ("**Twin Hills DFS**"), July 2023.*
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *For the Ore Reserves estimation, BAW Mineral Partners validated and re-estimated the cut-off grade, particularly focusing on the marginal (mill limiting) cut-off. This re-estimation, summarized in Table 7–1, employed specific parameters including a gold price of USD2,000.00/oz, a total unit cost of USD16.70/t (comprising mining at USD2.70/t, processing at USD9.32/t, and G&A at USD4.68/t), and offsite costs of USD89.35/oz (including refining at USD3.85/oz, transport at USD5.50/oz, and a 4% mineral extraction tax at USD80.00/oz). The calculation also factored in a processing recovery of 77.3%, which was adjusted for break-even conditions at lower grades. Based on these inputs, BAW established a breakeven cut-off grade of 0.35 g/t Au as the baseline for the entire project.*

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• *Based on JORC Code (2012) and technical studies, Measured/Indicated Resources are converted using "Modifying Factors", pit optimization, and detailed mine design. Inferred Resources are explicitly treated as waste.* • *Conventional open-pit mining with outsourced shovel-and-truck operations is chosen for its simplicity. Ore benches are 5.0m (2.5m flitches); bulk waste is 10.0m.* • *Pit slope design uses 15 boreholes and rock mass data, recommending flatter slope angles in weak zones. Grade control uses a 10m × 5m × 2.5m Selective Mining Unit (SMU).* • *Pit optimization maximizes deposit value using a USD2,000/oz gold price and various costs. Only Measured and Indicated Resources are used for economic evaluation.* • *An overall 7% mining dilution factor is adopted. Dilution is applied by a 1.50 (50%) waste factor and 0 g/t dilution grade during SMU regularization.* • *The overall mining recovery factor is 91%. This accounts for an estimated 9% mining loss.* • *Minimum Mining Widths: Minimum mining widths are considered in design. The Selective Mining Unit (SMU) of 10.0m × 5.0m × 2.5m implicitly defines practical selective mining limits.* • *Inferred Mineral Resources are not included in Ore Reserves and are treated as waste in all mining studies. They do not contribute revenue.* • *Infrastructure needs include contractor-supplied mining equipment, construction of haul roads, access ramps, and waste rock dumps (WRDs). Other requirements cover water, power, and various site facilities.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The proposed gravity-CIL circuit with pre-oxidation is appropriate, combining well-established technologies (centrifugal gravity separation, shear reactor oxidation) with industry-standard cyanide leaching. The process aligns with deposit characteristics (greenschist-amphibolite facies, quartz-carbonate veins), but domain-specific variability may necessitate adjustments.* • *Metallurgical test work (PFS/DFS composites, variability samples) covers major ore types (Transitional/Fresh) but exhibits gaps in spatial representativeness, particularly for high-arsenic Fresh ore. Gravity recovery (17.8–31.5%) and CIL tails grades are well-documented, but bulk/pilot-scale data is absent. Deleterious elements (As, Sb) are addressed via lined TSF and SO_2/air cyanide destruction, though long-term arsenic stability in filtered tailings warrants monitoring.* • *The ore reserve estimation appropriately links metallurgical performance to mineralogy. However, mineralogical variability may impact gold liberation, particularly where test work composites underrepresent lateral/vertical zonation. The absence of ore sorting or grade-by-size analysis for low-grade transitional ore could affect plant feed specifications.*
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• *One EIA report has been completed and approved for the Osino Property, covering mining, processing plant and tailings storage.*
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• *The Osino Property benefits from established infrastructure, including sufficient land for current and future operations, power from Namibia's national grid with solar potential, and a robust water supply from boreholes and pit dewatering supplemented by pipeline networks and stream diversion, all accessible via the country's road network, with skilled labor readily available from nearby towns and Windhoek.*

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The projected capital costs were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated with consideration of the necessary receivables, inventories and payables required for operations. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.* • *The currency exchange rate of USD to RMB is used for conversion for RMB pricing demonstration.*

Criteria	JORC Code explanation	Commentary
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The Client owned a number of mining operations in China which are all in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is determined to be 10%. A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *Currently in the construction phase, the mine management has made initial social contributions mainly through the Twin Hills Trust, with around N$28.2 million invested (including N$13 million from Shanjin International since 2024), supporting initiatives like community drought relief, environmental workshops, and human-wildlife conflict mitigation, while also conducting community studies to guide future social strategies.* • *The mine management has maintained an excellent occupational health and safety record (no fatalities or injuries from 2022 to 2024) and plans to further engage with local communities through potential future initiatives, with no major adverse social impacts reported thus far as it progresses toward operational status.*

Criteria	JORC Code explanation	Commentary

Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:*
	  • *Any identified material naturally occurring risks.*
	  • *The status of material legal agreements and marketing arrangements.*
	  • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*
		• *There is no material risk for operation.*
		• *Risk assessment for Osino Property is included in this CPR.*
		• *The Osino Property holds one main mining license (ML238 for Twin Hills) valid until November 2, 2042, which covers its projected 16-year Life of Mine from 2026 to 2040. Additionally, it holds 18 exploration licenses (EPLs), several of which are set to expire in 2024 or 2025, with one (EPL6167) already having renewal pending.*

Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *There is no Measured Mineral Resources classified as Probable Ore Reserves.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*	• *The Ore Reserve estimation for the Osino Property conforms to the JORC Code (2012) and relies on an independent technical assessment by BAW Mineral Partners. The confidence level in the Modifying Factors, which are crucial for converting Mineral Resources to Ore Reserves, is considered by BAW to be at a feasibility study level, indicating that while robust. BAW's internal validation of the Mineral Resource model, including visual inspections and swath plot analysis, confirmed consistency, supporting the reliability of the underlying data.* • *The Ore Reserve estimates primarily relate to the Twin Hills Gold Project, which has Proved Reserves of 0.7 Mt at 1.29 g/t Au and Probable Reserves of 65.0 Mt at 1.02 g/t Au, for a total of 65.7 Mt at 1.02 g/t Au. These estimates are local to the Twin Hills pits. Assumptions for the Ore Reserve estimate include a cut-off grade of 0.35 g/t Au based on a US$2,000/oz gold price, 91% mining recovery, and 7% mining dilution. The methodology involved examining the resource block model, reviewing mining studies (PEA, PFS, DFS), pit optimization, mine design, and scheduling.*

Criteria	JORC Code explanation	Commentary
	• *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The project's economic viability is highly sensitive to gold prices, followed by operating and capital costs, posing a high-level risk. Material uncertainties exist due to the lack of issued safety production and waste discharge permits, and the pending legal formalization of the mine rehabilitation and closure plan, all of which are critical government approvals contingent on third parties [283, 284, 299, see conversation history]. Furthermore, BAW did not audit the mineral tenement status regarding legal or statutory issues, representing an unverified modifying factor. Geotechnical and hydrological factors have required specific pit slope designs and may lead to water deficits, impacting operational aspects. Metallurgical variability, particularly the "nugget effect" of gold at Ondundu and Eureka, required specific assay methods and ongoing variability testing is recommended to refine recovery models.* • *The Twin Hills Gold Project is currently in the development and construction stage, with its life of mine (LOM) production schedule projected to start from 2027. Therefore, no historical production data from the Osino Property is available to compare against the current Ore Reserve estimates*

15.5 Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• *Not applicable — no diamonds or other gemstones are present or being reported.*
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• *Not applicable*
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• *Not applicable*
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• *Not applicable*
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• *Not applicable*
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	• *Not applicable*

Criteria	JORC Code explanation	Commentary
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• *Not applicable*
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• *Not applicable*

Criteria	JORC Code explanation	Commentary
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* o *diamonds quantities by appropriate screen size per facies or depth.* o *details of parcel valued.* o *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	• *Not applicable*
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• *Not applicable*
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• *Not applicable*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			Appendix E
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch.11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			Not applicable
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

Chapter 18				Sections in BAW's CPR
	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Not applicable
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Ch 8 Sect 9
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		

Chapter 18			Sections in BAW's CPR
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		
18.14–18.17	**CONTINUING OBLIGATIONS**		Not applicable
18.14	**Disclosure in reports**		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		

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18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	

Chapter 18			Sections in BAW's CPR
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.		
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1

Chapter 18				Sections in BAW's CPR
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and		Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.		
18.25–18.26	**Disclaimers and Indemnities**			Disclaimer section
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.			Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.			Ch 1 Sect 8
18.27	**Obligations of sponsor**			**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.			
18.28–18.34	**REPORTING STANDARD**			
18.28–18.30	**Mineral reporting standard**			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —			
	(1)	under:		
		(a)	the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b)	NI 43–101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18				Sections in BAW's CPR
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		
	Note: A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18			Sections in BAW's CPR
18.33	A Mineral Company must ensure that: —		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	

Chapter 18			Sections in BAW's CPR
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP) . . . . . A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.

Element . . . . . Chemical symbols used in this report
Al — Aluminium
Au — Gold
Ag — Silver
As — Arsenic
Ba — Barium
Cu — Copper
Fe — Iron
K — Potassium
Mg — Magnesium
Mn — Manganese
Na — Sodium
O — Oxygen
Pb — Lead
S — Sulphur
Si — Silicon
Sr — Strontium
Ti — Titanium
Zn — Zinc

Exploration Target/Results . . . . includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves.

In-situ	means rock or mineralisation in place in the ground.
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials.
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions.

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock.
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals.
Yuan	stands for the currency of People's Republic of China.

COMPETENT PERSONS' REPORT OF THE YULONG PROPERTY LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

PREPARED FOR

山金国际黄金股份有限公司
SHANJIN INTERNATIONAL GOLD CO.,LTD.
SD-GOLD

PREPARED BY

BAW

BAW Mineral Partners

FEBRUARY, 2026
PROJECT NO: 077-CPR-2506

February 28, 2026

Board of Directors

Shanjin International Gold Co., Ltd.
30F North Tower, Zhengda Center
20 Jinhe E Rd, Chaoyang District
Beijing, China, 100020

Dear Sirs,

BAW Mineral Partners Limited ("**BAW**") herewith submits the Competent Persons' Report ("**CPR**") of the Banmiaozi Property, Dachaidan Property, Heihe Property, Yulong Property and Huasheng Property which are located in the People's Republic of China ("**PRC**") and Osino Property which is located in Namibia (collectively the "**Mining Properties**"), to Shanjin International Gold Co., Ltd. (the "**Client**"), pursuant to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("**JORC Code 2012**") and Chapter 18 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKEX**").

BAW was engaged by the Client in June 2025 to prepare the CPR for the Mining Properties. Subsequent to BAW's visit to the Mining Properties, BAW issued the CPR dated February 28, 2026 which covered the resource estimates, reserve estimates and production as of December 31, 2025.

The purpose of this CPR is to provide an independent technical assessment of the mining properties as of December 31, 2025 in relation to its various aspects, in particular, project geology, drilling, sampling, sample preparation, resource estimates, mine planning, past production, reserve estimates, processing strategy, capital costs, operating costs and economic analysis with reference to the requirements of the JORC Code 2012.

BAW believes that this CPR adequately and appropriately describes the technical aspects of the mining properties, our analysis and view and addresses issues of significance and risk.

BAW has not undertaken an audit of the Client's data nor reviewed the tenement status with respect to any legal or statutory issues.

BAW hereby certifies that neither BAW, nor its directors, shareholders, staff have any present or prospective interests in the Client or its mining properties. BAW is to receive the professional fee for its services (the work product of which includes this report) at its normal commercial rate and customary payment schedules. The payment of our professional fee is not contingent on the outcome of this report.

Yours faithfully,

For and on behalf of
BAW MINERAL PARTNERS LIMITED

Karfai Leung

Director

DISCLAIMER

This CPR has been prepared solely in accordance with the specific requirements and instructions of the Client. The opinions expressed in this report have been based on the information supplied to BAW Mineral Partners (BAW) by the client. BAW has exercised all due care in reviewing the supplied information. While BAW has compared the key supplied data with expected value, the accuracy and effectiveness of the results and conclusions from the report are completely dependent on the quality of the supplied data. BAW does not take responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of BAW investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which BAW had no prior knowledge nor had the opportunity to evaluate.

This CPR includes statements that may be considered forward-looking within the meaning of applicable securities laws. These statements, which are not historical facts, involve predictions about future events such as the potential output of the six mining properties, the feasibility of commercial mining, securing a strategic partner, and the funding of future mine development. Forward-looking statements include, but are not limited to, projections about the Client's plans, the timing of permits, approval of the Environmental Impact Statement, estimated gold production, economic analyses, capital and operating costs, and market conditions like future gold prices and cash flow estimates. While BAW has highlighted key factors that could cause differences, other unanticipated factors may also arise. Readers are cautioned not to place undue reliance on these statements, as actual outcomes may vary significantly. BAW does not commit to updating any forward-looking information.

EXECUTIVE SUMMARY

Project Overview

The Yulong Property is located about 25 km northeast of Baorigesitai Township, West Ujimqin Banner, Inner Mongolia Autonomous Region, China, and ~760 km northeast of Hohhot. The project is held 76.67% by Shanjin International through its subsidiary Inner Mongolia Yulong Mining Co., Ltd. ("**Yulong Mining**")

The property comprises three mining licenses (Huaaobaote, Huaaobaote Mountain, Bayan Wenduri) with a combined permitted capacity of ~2.29 Mtpa, and six exploration licenses (Huaaobaote No.1 and No.2 below 400 m, 1038, Nanshan, 1118 Highland, and Periphery II). The deposit is a polymetallic Ag-Pb-Zn system with associated Cu, Sn, and Au.

Project Advantages

Situated in the Tianshan-Tuquan metallogenic belt, at the junction of the North China Craton and Xing'an-Mongolia Orogenic Belt, the project benefits from highly favorable geological conditions. Regional faults and ultramafic intrusions provide excellent ore-forming environments, hosting multiple large, continuous ore bodies. Since commencing production in 2003, the mine has expanded to a processing capacity of ~2 Mtpa across two concentrator lines. Metallurgical recoveries are consistently strong: Pb 89–93%, Zn 87–89%, and Ag 92–94%. Tailings are largely dry-stacked with high backfill ratios, supporting strong environmental compliance.

Table 1 Mineral Resource Statement — Yulong Property (JORC 2012, as of 31 December 2025)

Category	TONNES	Pb grade	Pb Metal	Zn grade	Zn Metal	Ag grade	Silver Metal	Cu grade	Copper Metal	Au grade	Gold Metal
	Mt	(%)	(t)	(%)	(t)	(g/t)	(t)	(%)	(t)	(g/t)	(kg)
Measured	11.10	1.15	127,672	1.90	210,337	152.59	1,693	0.07	8,136	—	—
Indicated	32.95	0.79	260,039	1.66	545,299	96.93	3,194	0.17	55,137	—	—
M+I	44.04	0.88	387,711	1.72	755,636	110.95	4,887	0.14	63,273	—	—
Inferred	29.63	0.84	248,699	1.64	485,630	100.37	2,974	0.25	74,521	1.95	1,753
Total	73.67	0.86	636,410	1.68	1,241,266	106.70	7,861	0.19	137,794	1.95	1,753

Table 2 Ore Reserve Statement — Yulong Property (JORC 2012, as of 31 December, 2025)

Category	Tonnage	Silver Grade	Lead Grade	Zinc Grade	Copper Grade	Contained Silver	Contained Lead	Contained Zinc	Contained Copper
	(Mt)	(g/t)	(t)	(%)	(t)	(%)	(t)	(%)	(t)
Proved	8.07	125.50	1.02	1.63	0.03	996	82,5063	131,490	2,151
Probable. . .	18.89	90.32	0.71	1.51	0.16	1,706	134,419	286,076	30,363
Total	26.96	100.21	0.80	1.55	0.12	2,701	216,925	417,566	32,514

Exploration Potential

The Yulong Property is controlled by the Meilaosite fault zone and subsidiary structures, hosting a cluster of medium- to low-temperature epithermal Ag-Pb-Zn deposits. Multiple mineralized bodies remain open at depth and along strike, with drilling already confirming thick, continuous zones. Additional blind orebodies are likely at fault intersections and intrusive contacts, particularly in Huaaobaote Mountain, the 1118 Highland, Nanshan, 1038, and Periphery II concessions.

Economics

Based on recent mainstream metal price forecasts, the Yulong Project demonstrates an after-tax NPV of approximately RMB10.27 billion at a 6% discount rate. Sensitivity analysis shows cashflow is most sensitive to metal prices, followed by operating and capital costs.

Conclusion

The Yulong Property is a large-scale Ag-Pb-Zn polymetallic deposit with reliable JORC (2012)-compliant Mineral Resource and Ore Reserve estimates. The project has established production capacity, strong metallurgical performance, and significant exploration upside, underpinning its long-term profitability and strategic investment value.

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1 PROPERTY DESCRIPTION AND LOCATION

1.1 Property Location

The Yulong Property, an Ag-Pb-Zn mineral project, is located approximately 25 km northeast of Baorigesitai Township in West Ujimqin Banner, Inner Mongolia Autonomous Region, China. It falls under the administrative jurisdiction of Bayanhua Town within the West Ujimqin Banner. Hohhot, the capital of the Inner Mongolia Autonomous Region, is situated around 760 km southwest. The Property is also 175 km south of the China-Mongolia border.

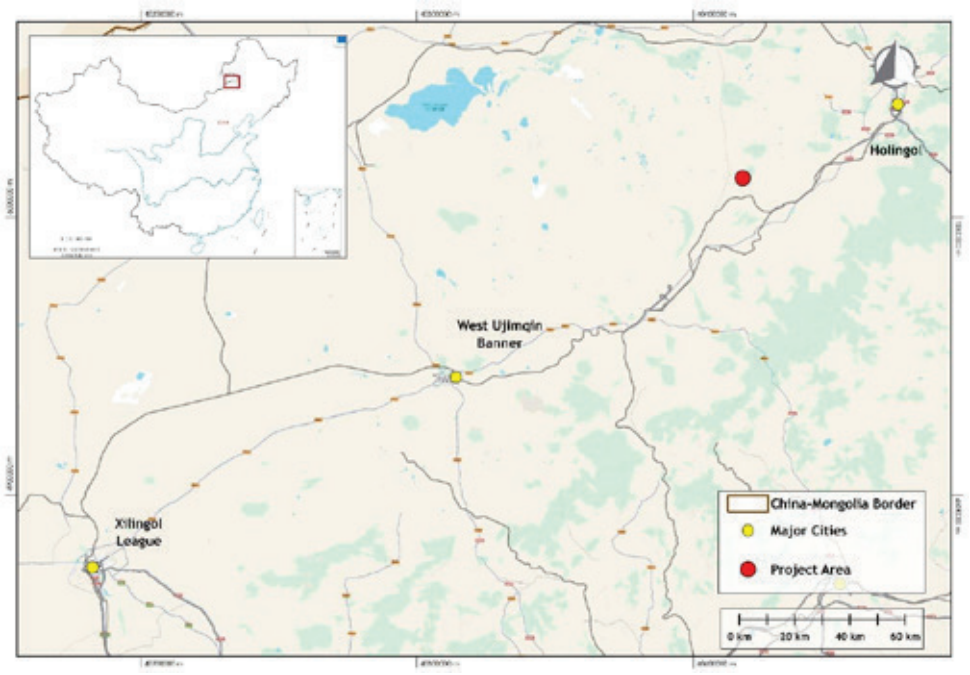


Figure 1–1 Location of the Yulong Property

1.2 Property Ownership

The Client, through its 76.67%-owned subsidiary Inner Mongolia Yulong Mining Co., Ltd. ("**Yulong Mining**"), holds the Yulong Property, encompassing all mineral resources, reserves, and mining operations reported herein.

1.3 Mineral Rights and Licensing

Pursuant to the Mineral Resources Law of the PRC, all subsurface mineral resources are State-owned. Any exploration or mining activity therefore requires a government-issued exploration or mining license that defines both the geographic boundaries and the period of validity for the work. Licenses are generally renewable, provided that the application is filed with the competent provincial or State authority before expiry and all statutory obligations have been fulfilled. For an exploration license, the holder must have paid all exploration fees and satisfied the minimum expenditure requirements for the licensed area. Renewal of a mining license further requires payment of all license fees, resource taxes, and resource compensation levies.

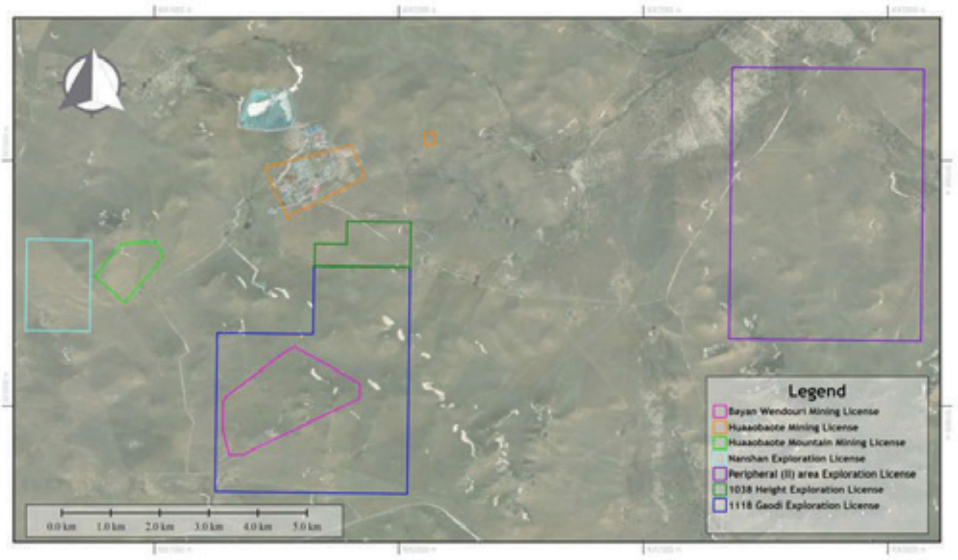


Figure 1–2 Mineral Rights for the Yulong Property

Yulong Mining currently holds three mining licenses and six exploration licenses. Exploration License Huaaobaote No. 1 and No. 2 grant rights to depths below 400 m elevation within the scope of the Huaaobaote mining license. Details of all licenses are summarized in Table 1–1, and their corner coordinates are provided in Tables 1–2 through 1–10.

Table 1–1 Summary of Mining and Exploration Licenses of the Yulong Property

Property	License Number	Expiration Date	Area (km^2)	Permitted Production (kt/a)
	Mining License			
Huaaobaote Ag-Pb Mining Area ("**Huaaobaote**")	C1500002011024210112496	11/11/2037	1.7093	1,000
Huaaobaote Mountain Pb-Zn-Ag Mining Area ("**Huaaobaote Mountain**")	C1500002012054210125299	16/05/2038	1.0269	300
Bayan Wenduri Ag-Polymetallic Mining License ("**Banyan Wenduri**")	C1525002024094210157402	14/09/2052	3.4821	990
	Exploration License			
Huaaobaote Ag-Pb Below 400 m Exploration Area No.1 ("**Huaaobaote No.1**")	T1525002022054050056825	17/05/2027	1.68	/
Huaaobaote Ag-Pb Below 400 m Exploration Area No.2 ("**Huaaobaote No.2**")	T1525002022054050056826	17/05/2027	0.05	/
Huaaobaote 1038 Pb-Zn Exploration Area ("**1038 Area**")	T1525002008043010006893	20/01/2029	1.51	/
Huaaobaote Nanshan Pb-Zn Exploration Area ("**Nanshan**")	T1525002008043010006891	20/01/2029	2.42	/
1118 Highland Pb-Zn Exploration Area ("**1118 Area**")	T1525002009123010037416	08/11/2029	11.9746	/
Huaaobaote Ag-Pb-Zn Periphery (II) Exploration Area ("**Huaaobaote Periphery**")	T1525002009114010036050	08/11/2029	21.7583	/

Table 1–2 Vertex Coordinates of the Huaaobaote Mining License of the Yulong Property

Xi'an Coordinate System (1980)

Vertex Coordinates No.	Eastings/m	Northings/m
1	5014864.75	40417123.92
2	5015322.79	40418905.85
3	5014679.32	40419204.12
4	5013843.17	40417601.50
5	5015582.77	40420416.46
6	5015585.23	40420616.43
7	5015335.50	40420607.39
8	5015342.98	40420407.52

Table 1–3 Vertex Coordinates of the Huaaobaote Mountain Mining License, Yulong Project

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	5014514.45	20649852.94
2	5014562.45	20650542.93
3	5014284.45	20650714.93
4	5013308.47	20649950.94
5	5013818.46	20649304.95
6	5017388.41	20655714.86
7	5017388.41	20655858.85
8	5017014.42	20655858.85
9	5017014.42	20655714.86

Table 1–4 Vertex Coordinates of the Bayan Wenduri Ag-Polymetallic Mining License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Corner No.	Eastings/m	Northings/m
1	5009000.00	40416529.49
2	5009491.83	40416400.00
3	5010105.86	40416400.00
4	5011110.35	40417678.62
5	5011214.71	40417866.47
6	5010454.74	40419200.00
7	5010156.59	40419200.00
8	5009081.31	40416956.51
9	5009000.00	40416797.24

Table 1–5 Vertex Coordinates of the Huaaobaote No.1 Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	118°56'43.900"	45°15'51.569"
2	118°58'05.355"	45°16'07.150"
3	118°58'19.412"	45°15'46.432"
4	118°57'06.412"	45°15'18.684"

Table 1–6 Vertex Coordinates of the Huaaobaote No.2 Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	118°59'14.489"	45°16'16.190"
2	118°59'23.662"	45°16'16.351"
3	118°59'23.391"	45°16'08.258"
4	118°59'14.218"	45°16'08.419"

Table 1–7 Vertex Coordinates of the 1038 Area Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	118°57'32.386"	45°15'02.001"
2	118°58'02.386"	45°15'02.000"
3	118°58'02.387"	45°15'17.000"
4	118°59'02.387"	45°15'17.000"
5	118°59'02.386"	45°14'47.000"
6	118°57'32.386"	45°14'47.001"

Table 1–8 Vertex Coordinates of the Nanshan Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	118°53'02.386"	45°15'02.004"
2	118°54'02.386"	45°15'02.003"
3	118°54'02.384"	45°14'02.003"
4	118°53'02.384"	45°14'02.004"

Table 1–9 Vertex Coordinates of the 1118 Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	118°56'02.000"	45°14'02.000"
2	118°57'32.000"	45°14'02.000"
3	118°57'32.000"	45°14'47.000"
4	118°59'02.000"	45°14'47.000"
5	118°59'02.000"	45°12'17.000"
6	118°56'02.000"	45°12'17.000"
7	118°56'14.790"	45°12'41.447"
8	118°56'08.560"	45°12'57.321"
9	118°56'08.188"	45°13'17.208"
10	118°57'06.187"	45°13'50.283"
11	118°57'14.735"	45°13'53.743"
12	118°58'16.303"	45°13'29.684"
13	118°58'16.477"	45°13'20.027"
14	118°56'34.307"	45°12'44.262"
15	118°56'27.059"	45°12'41.561"

Table 1–10 Vertex Coordinates of the Huaaobaote Periphery Exploration License, Yulong Property

Chinese Geodetic Coordinate System 2000 ("**CGCS2000**")

Vertex No.	Eastings/m	Northings/m
1	119°04'02.000"	45°17'02.000"
2	119°07'02.000"	45°17'02.000"
3	119°07'02.000"	45°14'02.000"
4	119°04'02.000"	45°14'02.000"

All licenses pertaining to the Yulong Property have been reported by the Client to be in good standing as of the Effective Date. BAW has not undertaken an independent legal due-diligence review of these titles; it has relied on the Client's confirmation of their validity and understands that the Client's legal counsel has completed the requisite title verification.

2 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

2.1 Accessibility

The Yulong Property is accessible via a 7 km paved access road that links the site to the Bayanhua-Ulagai provincial highway (S206), located 2 km northwest of the Project area. The Bayanhua-Huolinhe national highway (G207) lies approximately 15 km south of the site. The regional road network is well developed and maintained, providing direct connections to West Ujimqin Banner, Xilingol League, and Holingol City.

The nearest railhead is Holinhe Station on the Hohhot-Tongliao line, situated 75 km northeast (120 km by road). Lindong Station on the Jitong Railway lies 180 km northeast (220 km by road). The closest airport is in Holingol City, offering daily domestic flights to major hubs such as Shenyang and Hohhot.

2.2 Climate



Figure 2–1 Location of the Yulong Property

The area is characterized by a continental semi-arid climate, with long, cold winters and short, hot summers. The average annual temperature ranges from 4 °C to 5 °C, with a frost-free period of 108 days and an annual sunshine duration of 2,741 hours. In January, temperatures can plummet to –36 °C, with an average monthly temperature of –25 °C; in July, maximum temperatures may reach 38 °C, with an average monthly temperature of 26 °C and a mean summer temperature of 18 °C. Ice typically forms in October, and the freezing period extends through to April, lasting approximately six months. Annual precipitation averages 300–400 mm (maximum 460 mm), of which 75% falls between June and August. Average annual evaporation is approximately 2,000 mm, significantly exceeding precipitation. The area is subject to strong west-to-east winds during winter and spring, with an average wind speed of 3.2 m/s and peak gusts up to 20 m/s.

2.3 Physiography

The Yulong Project is located on the northwestern slope at the southwestern extremity of the Greater Khingan Range, at the junction of the southern Ulagai Plateau hill-mountain terrain, the northern plain of the Yinshan Range, and the northern sector of the Mengbei Plateau. The landscape is dominated by dome-shaped and elongated ridges of mid- to low-elevation hills, with surface elevations ranging from 960 m to 1,118 m and a relative relief of about 150 m. The highest point in the district is Mount Huaaobaote. The eastern sector comprises gently rolling hills, transitioning westward into deeply incised valleys. Bedrock commonly outcrops on hilltops and slopes, whereas surficial cover is dominated by thick Quaternary sequences, principally fluvio-alluvial, colluvial, and residual slope deposits.

The region lies within a grassland biome, characterized by well-developed and continuous vegetation cover. Historical records indicate no occurrences of landslides, debris flows, or other mass-wasting events within the Project area.

2.4 Local Resources and Infrastructure

The Yulong Property has no surface rivers; during the summer rainy season, localized catchment areas form small, ephemeral ponds. Water supply is primarily dependent on precipitation, with minimal groundwater recharge.

Located approximately 5 km southwest of the Yulong Property, the water source comprises six supply wells with a combined capacity of around 4,000 m^3/day. The aquifer is hosted within a faulted serpentinite zone, 70–90 m thick, with static water levels at 30–35 m depth. Hydrochemical analyses classify the water as bicarbonate-calcium-magnesium type, with concentrations of other compounds and heavy metal ions meeting national drinking water standards.

Power is supplied via a 35 kV substation at Baorigesitai, which feeds the mining and processing facilities through overhead lines connected to the Huaaobaote 110 kV substation (Yilong line, 25 km away) and the Jinxingan 110 kV substation (Yinxin line, 41.1 km away), ensuring dual-feed reliability for the project's primary loads. The main substation houses one 16,000 kVA and one 8,000 kVA transformer. At the No. 20 sub-shaft, a 1,200 kW diesel generator provides local power support; a 2,000 kW diesel generator at the 35 kV step-down substation serves as backup for the broader mining area.

The Yulong Property is located approximately 70 km from the Bayanhua and Huolinhe mines, which can adequately meet the site's fuel requirements. Construction aggregates (sand and gravel) are sourced from quarries about 30 km to the east, while other building materials are procured from Holingol City, Tongliao City, and Chifeng City. Economy of the region is marked by mining, animal husbandry, and tourism activities.

3 HISTORY

3.1 Ownership History

The initial exploration licenses for the Huaaobaote Mine and Huaaobaote Mountain concession were issued to Chifeng Jinyuan Mining Development Co., Ltd. ("**Jinyuan Mining**") in 1999 and transferred to West Ujimqin Banner Xinyuan Mining Development Co., Ltd. ("**Xinyuan Mining**") in 2002. On 12 December 2002, Xinyuan Mining was granted the first mining licenses for these areas. In 2007, Xinyuan Mining was renamed Yulong Mining, which has held these licenses since.

Exploration licenses for the 1118 Area and Huaaobaote Periphery areas were granted to Jinyuan Mining in 2003 and subsequently acquired by Yulong Mining in 2007 and 2009, respectively. The exploration licenses for the 1038 and Nanshan areas were issued to Jinyuan Mining in 2002 and transferred to Yulong Mining in 2007 and 2008, respectively. Huaaobaote No. 1 and No. 2 exploration licenses were granted directly to Yulong Mining in 2022. In 2024, the Bayan Wendouri Mining License area was separated from the 1118 Exploration License area.

In 2013, Yintai Gold Co., Ltd. ("**Yintai**") acquired a majority stake in Yulong Mining. In July 2023, Shandong Gold Mining Co., Ltd. acquired a controlling interest in Yintai, becoming its ultimate parent. Subsequently, in July 2024, Yintai changed its name to Shanjin International Gold Co., Ltd. ("**Shanjin International**"), which is now the owner of Yulong Mining and the Yulong Property.

3.2 Exploration History

In 1965, the Aeromagnetic Exploration Brigade of the Geological Department conducted a 1:1,000,000 aeromagnetic survey over the Yulong Project area, leading to the discovery and mapping of the Huaaobaote ultramafic intrusion. In 1976, the No. 2 Regional Geological Surveying Brigade of the Inner Mongolia Autonomous Region Geological Bureau undertook a 1:200,000 regional geological survey in the Hanwula area, producing geological and mineral reports, maps, and cross-sections; establishing stratigraphic frameworks; identifying multiple intrusive phases; and systematically analyzing structural features from both geological and mechanical perspectives. In 1989, the No. 2 Geophysical Brigade of the Ministry of Geology and Mineral Resources completed a 1:200,000 regional geochemical survey.

3.2.1Huaaobaote Mine and Huaaobaote Mountain Concession

In 1999, Jinyuan Mining initiated geological mapping and trenching within the Huaaobaote and Huaaobaote Mountain license areas. Between 2000 and 2001, ground geophysical surveys and shaft development led to the discovery of Pb-Zn-Ag mineralization and delineation of the No. II1 and II2 ore bodies, culminating in a general exploration report. From 2002 to 2009, Xinyuan Mining (renamed Yulong Mining in 2007) advanced exploration via detailed mapping, tunnelling, and diamond drilling.

Production commenced at Huaaobaote in 2003. In 2007 and 2009, Yulong Mining compiled a supplementary general exploration report and the "Exploration Report of Huaaobaote Ag-Pb-Zn Mine, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**Huaaobaote Exploration Report 2009**"). From 2009 onwards, production-focused exploration — comprising surface and underground drilling, tunnelling, and channel sampling — supported underground mining and resource expansion. In 2022, two new exploration licenses were granted to investigate mineralization below the 400 m elevation level, and in 2023 Yulong Mining completed the "Resource/Reserve Verification Report of Huaaobaote Ag-Polymetallic Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**Huaaobaote Verification Report 2023**"). Recent exploration continues to emphasize underground drilling and channel sampling.

For the Huaaobaote Mountain concession, Yulong Mining prepared both a general exploration report (2008) and the "Resource/Reserve Verification Report of the Huaaobaote Mountain Pb-Zn-Ag Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**Huaaobaote Mountain Verification Report 2009**"). Between 2010 and 2017, the program concentrated on surface trenching and diamond drilling.

3.2.21118 Area

From 2008 to 2010, preliminary geochemical and geophysical surveys delineated multiple anomalous zones. During 2012–2013, systematic exploration — including topographic and geological mapping, detailed geophysical and geochemical surveys, trenching, and diamond drilling — was conducted, leading to a general exploration report in 2014. Between 2016 and 2019, Yulong Mining executed extensive surface diamond drilling and issued the "Exploration Report of 1118 Highland Polymetallic Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**1118 Exploration Report 2019**"). In 2023, based on prior work, Yulong Mining compiled the "Supplementary Exploration Report of 1118 Highland Zn-Polymetallic Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**1118 Supplementary Exploration Report 2023**"). In 2024, a core area of the 1118 Exploration License was converted to the Bayan Wendouri Mining License, and drilling activities continue within this zone.

3.2.3Huaaobaote Periphery Area

During 2004–2008, Jinyuan Mining conducted preliminary geological mapping, geophysical surveys, trenching, and diamond drilling to evaluate exploration potential in the Huaaobaote periphery. From 2010 to 2017, Yulong Mining carried out extensive exploration work, including topographic mapping, geological mapping, detailed geophysical surveys, trenching, and diamond drilling. These efforts were documented in a general exploration report in 2014 and the final "Exploration Report of Huaaobaote Mine Periphery Ag-Polymetallic Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**Periphery Exploration Report 2017**") in 2017.

3.2.4Nanshan Area

In 2002, Jinyuan Mining obtained the exploration license for the Nanshan area. In 2008, preliminary geochemical and magnetic surveys delineated several anomalous zones. A small-scale confirmation drilling program was undertaken in 2010. In 2012, an IP survey guided initial drilling that identified two Pb-Zn-Ag orebodies. Systematic exploration commenced in 2013–2014, comprising topographic mapping, geological mapping, diamond drilling, and sampling. Based on these results, Yulong Mining prepared the "General Exploration Report of Huaaobaote Nanshan Pb-Zn-Ag Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**Nanshan Exploration Report 2014**").

3.2.51038 Area

In 1999, Jinyuan Mining carried out initial trenching and channel sampling in the 1038 area. Between 2000 and 2001, geochemical and IP surveys identified metal anomalies. In 2003, two shafts were developed but halted due to high groundwater inflow. From 2004 to 2009, preliminary geological mapping, magnetic and resistivity surveys, trenching, and drilling continued. A large-scale systematic exploration program was implemented from 2012 to 2014, including detailed IP and magnetic surveys, geological and topographic mapping, diamond drilling, and sampling. Yulong Mining then compiled the "General Exploration Report of Huaaobaote 1038 Highland Pb-Zn-Ag Deposit, West Ujimqin Banner, Inner Mongolia Autonomous Region" ("**1038 Exploration Report 2014**").

3.3 Historic Resource/Reserve Estimation

Mineral Resource and Ore Reserve estimates for the Yulong Property were prepared on multiple occasions between 2002 and 2023 under the PRC's domestic reporting framework. Each estimate was compiled in accordance with the applicable Chinese technical codes and approved by the Ministry of Land and Resources. While these national standards are rigorous, their classification criteria and reporting protocols do not always align with the JORC Code 2012; accordingly, the figures in those Chinese reports should not be regarded as JORC-compliant without independent verification and, where necessary, re-classification.

At the request of Shandong Gold Mining Co., Ltd., BAW issued an Independent Technical Report presenting a JORC-compliant Mineral Resource and Ore Reserve estimate for the Yulong Property in 2023. BAW updated that estimate at the end of 2024 to incorporate the results of the 2023–2024 production-exploration program and ongoing drilling across the Yulong Property.

3.4 Development and Production History

Yulong Property commenced production in 2003 within the Huaaobaote mining licence area, initially achieving an annual throughput of 280,000 t. Between 2009 and 2022, a series of technical upgrades including plant expansions, process optimizations, and equipment modernizations, were implemented, resulting in an increase of the processing capacity to 720,000 tpa. Two concentrator facilities have been established: Plant 1 with a nominal throughput of 1,400 tpd and Plant 2 with 2,000 tpd. Recent production is summarised in Table 3–1.

Table 3–1 Production Summary of the Yulong Property

Parameter	Year	2022	2023	2024	2025
Ore Mined	kt	1,133.9	1,273.7	1,280.2	1,450.0
ROM ore	kt	1,163.2	1,132.0	1,325.1	1,448.8
Pb-Ag Concentrate	t	22,651.9	19,285.9	25,945.6	22,234.1
Zn-Ag Concentrate	t	38,799.5	36,509.2	38,073.7	48,809.5

Note: Data provided by Yulong Mining

4 GEOLOGICAL SETTING

4.1 Regional Geology

The Yulong Property lies in the northeastern segment of the southern Great Hingan Mountain, part of the vast Central Asian Orogenic Belt — the world's largest Phanerozoic accretionary orogen. The district is bounded by the Erlian-Hegenshan fault to the north, the Xar Moron fault to the south, and the Nenjiang fault to the northeast. From the Paleozoic through the Triassic, the region recorded the evolution of the Paleo-Asian Ocean through successive stages of oceanic accretion, continental collision, and subsequent regional extension. Mesozoic tectonism reflects the closure of the Mongol-Okhotsk Ocean and subduction of the Paleo-Pacific plate, evidenced by collision-related metamorphic assemblages followed by extensional structures and widespread Late Mesozoic volcanic rocks and granitoid intrusions.

The oldest exposed unit is the Xilinhot massif, a Paleozoic medium- to high-grade metamorphic complex comprising amphibole-plagioclase gneiss, biotite-rich granitic gneiss, and mica schist. Overlying Ordovician-Silurian, Devonian, and Carboniferous sequences include clastic, carbonate, and volcanic formations. Permian volcano-sedimentary assemblages — carbonaceous clastic rocks, carbonates, and mafic to intermediate volcanic rocks — are extensive and host multiple mineral deposits. Paleozoic strata are intruded by Hercynian (Middle- to Late-Paleozoic) and Yanshanian (Jurassic- to Cretaceous) granitic plutons and are overlain by Mesozoic volcano-sedimentary sequences. Paleozoic granitoids dominate the western sector of the southern Great Hingan Mountain, whereas Mesozoic granitoids — including granodiorite, monzogranite, and syenogranite — are more widely dispersed.

Mesozoic volcanism, initiated in the Late Jurassic and peaking in the Cretaceous, produced extensive volcanic-sedimentary cover sequences composed of basaltic trachy-andesites, trachy-andesites, trachytes, rhyolites, and minor basalts and dacites.

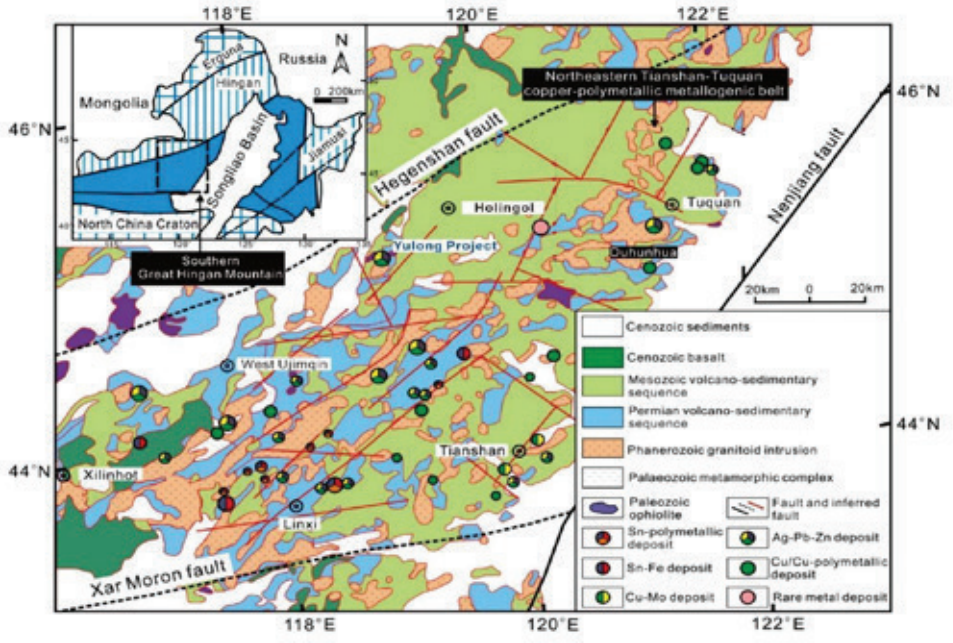


Figure 4–1 Regional Geological Map

Note: modified from Ouyang et al., 2014

4.2 Property Geology

The Yulong Property lies within the northeastern portion of the Meiluote fault zone. Exposed strata include the Lower Permian Shoushangou Formation, the Upper Jurassic Mankehtou-Ebo Formation, the Upper Cenozoic Wuchagou Formation, and widespread Quaternary unconsolidated deposits (Figure 4–2).

The Lower Permian Shoushangou Formation is dominated by sandstone, conglomeratic sandstone, siltstone, and andesitic volcaniclastic rocks. Intense alteration — characterised by mylonitisation, chloritisation, and hematitisation — is common. This unit is unconformably overlain by Late Variscan ultramafic rocks and locally intruded by younger magmatic bodies. Most economically significant orebodies are hosted within the Shoushangou Formation.

The Upper Jurassic Mankehtou-Ebo Formation rests unconformably on the Shoushangou Formation and comprises felsic volcaniclastic rocks, crystal tuff, felsic breccia tuff, and ignimbrite.

Quaternary deposits are extensive, consisting chiefly of alluvial and colluvial sediments, with subordinate eolian material.

Multistage volcanic and sub-volcanic activity reactivated the Meiluote fault zone, generating a network of NW-, NE-, and N-S trending faults within a corridor approximately 500 m wide and 1 000 m long. These structures provided conduits for ore-fluid migration and emplacement. More than 40 ore bodies — chiefly NW-trending with subordinate N-S and NE orientations — have been delineated in the Huaaobaote mining area.

The NE-trending F1 fault zone, ~80 km long and ~600 m wide, dips ~70° SE and exhibits pronounced compressional features; it is the principal control on regional polymetallic mineralisation. The NW-trending F8 fault zone (~8 km long) is subdivided into fault clusters F8–1 to F8–4 and governs NW-striking mineralised veins in the II1, II2, II3, and II4 mining zones (strike 320°, dip 60° SE; width ~600 m; length ~500 m).

The concealed N-S trending F13 fault zone controls 17 orebodies — including ore bodies VII and VII# — over ~1 500 m strike length and ~100 m width, dipping 60–80° westward. Similarly concealed, the N-S-trending F14 fault governs 13 orebodies — including III5 and III6 — in the III mining area, with ~300 m strike length and ~150 m width, also dipping 60–80° westward.

Magmatic rocks comprise Late Variscan ultramafic bodies, Yanshanian plutons, dykes, and sills. The ultramafic suite — dominated by serpentinite and harzburgite — is controlled by the F1 fault and trends NNE. Yanshanian intrusions include rhyolite, granite porphyry, and diorite porphyry.

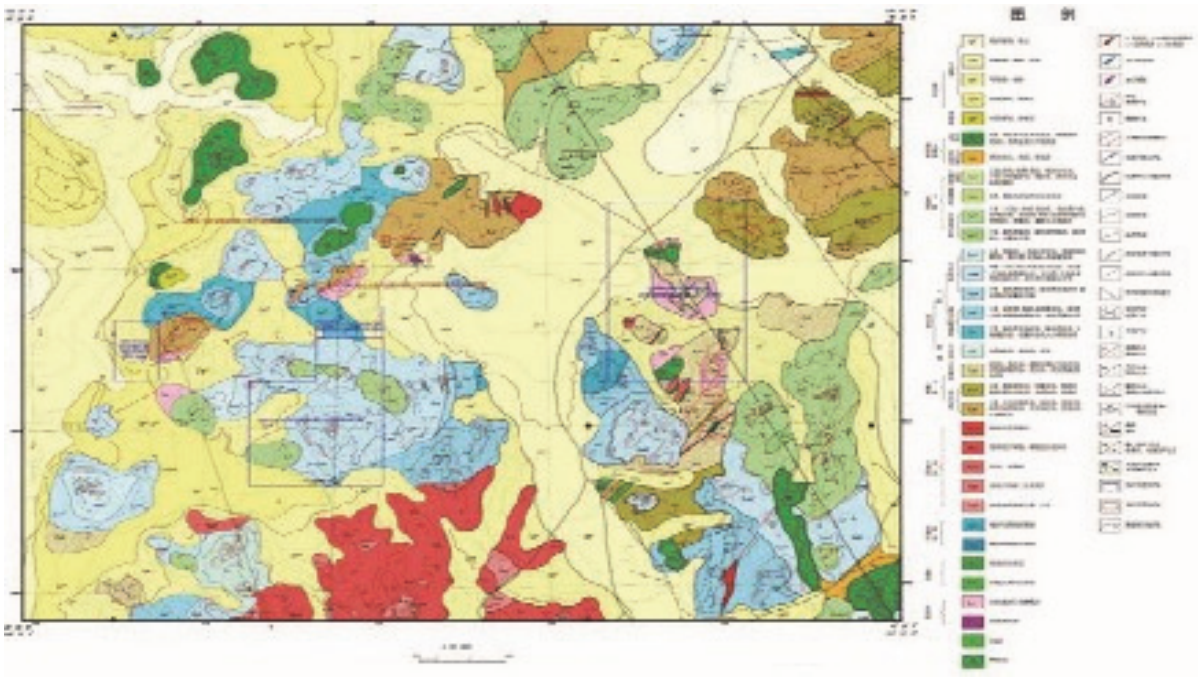


Figure 4–2 Geological Map of the Yulong Property

Note: from Yulong Mining

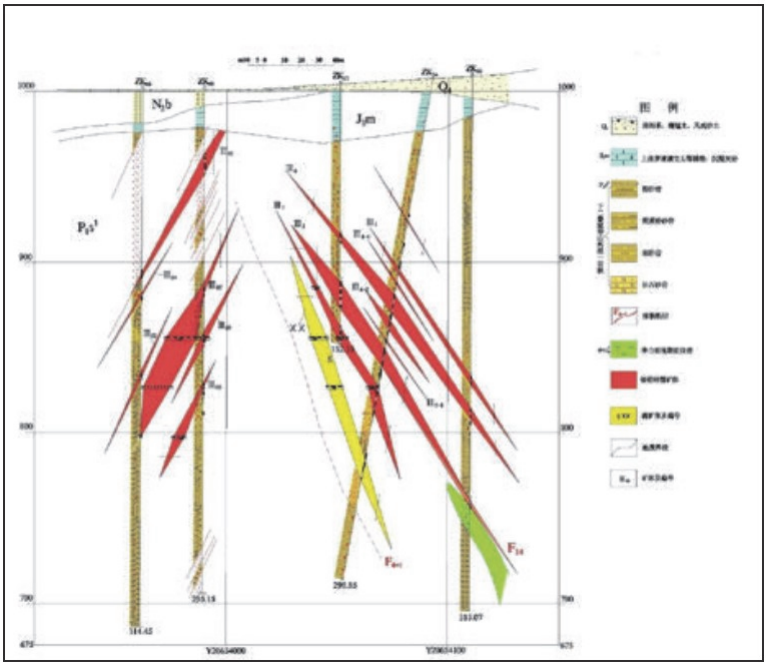


Figure 4–3 Representative Cross Section of the Huaaobaote area, Yulong Property

Note: from Yulong Mining

4.3 Alteration and Mineralization

The wall rocks in the Huaaobaote mining area are intensely altered, displaying widespread silicification, hematitisation, pyritisation, carbonatisation, chloritisation, actinolitisation, sericitisation, and kaolinisation. Pyritisation, silicification, and kaolinisation are tightly associated with mineralisation. Near surface, prolonged oxidation converts sulphide phases to oxides — principally hematite — forming a characteristic siliceous cap. Alteration intensity is greatest adjacent to the Meiluote fault, where all of the above assemblages develop along the structure.

Mineralisation within the principal orebodies occurs predominantly in massive, vein-like, and disseminated forms; smaller orebodies display disseminated and banded textures. Ore shoots are oriented northeast, northwest, or approximately north-south. Thicknesses commonly vary from a few metres to several tens of metres, with simple lens- or vein-like geometries. Individual mineralised zones exhibit substantial strike and dip continuity, extending several hundred metres.

Primary ore minerals include pyrite, galena, and sphalerite. The dominant sulphide assemblages comprise galena-sphalerite-pyrite, galena-sphalerite, galena-proustite, galena-sphalerite-tetrahedrite, and galena-sphalerite-pyrite-realgar; pyrite-realgar mineralisation also occurs. Gangue minerals consist chiefly of quartz, feldspar, sericite, chlorite, calcite, hornblende, serpentine, and fluorite.

4.4 Deposit Type

The deposit is classified as a vein-type, low- to medium-temperature, sub-volcanic-hosted hydrothermal polymetallic (Ag-Pb-Zn) system. On the basis of previous studies and observed mineralisation characteristics, it may also be interpreted as a volcanogenic massive sulphide (VMS) deposit, with the main mineralising event occurring during the Late Jurassic.

- Formation of the deposit is contingent upon four fundamental conditions:
- Felsic volcanic rocks provide both the metal source and thermal energy driving hydrothermal circulation.
- Fissures, fractures, and breccia zones within the wall rock act as conduits for ore-fluid transport and sites for sulphide emplacement.
- Serpentinite and Shoushangou sandstone behave as impermeable barriers, focusing fluid flow and promoting metal precipitation.
- An Upper Jurassic volcaniclastic cover sequence, underlain by a structurally competent basement, creates an effective trap that confines rising hydrothermal fluids and localises ore deposition.

5 EXPLORATION AND GEOLOGICAL DATABASE

5.1 Exploration Program Overview

Since 2003, systematic sampling programs encompassing trenching and surface diamond drilling have been undertaken in the Yulong Property. Following the commencement of production at Huaaobaote, an exploration-production programme was initiated within the underground workings, centred on underground drilling and channel sampling. In recent years, exploration activities have concentrated on deep extensions beneath the Huaaobaote area and on near-surface targets within the 1118 area.

All exploration work has been conducted in accordance with applicable People's Republic of China national exploration standards, which define the scope, technical protocols, and procedural requirements for each evaluation stage. Geological databases compiled for Mineral Resource estimation were prepared by the Client in conformity with these regulations. Major sample-workings completed as of the Effective Date are summarized in Table 5–1.

Table 5–1 Summary of Exploration Programs as of the Effective Date

Site	Type	Collar	Depth (m)	Samples
Huaaobaote	Surface Drill Hole	335	185,721.64	55,638
	Underground Channel	2,680	82,016.26	47,390
	Subtotal	3,015	267,737.90	103,028
Huaaobaote Mountain .	Surface Drill Hole	103	52,301.00	10,684
Huaaobaote Periphery. .	Surface Trench	17	910.46	419
	Surface Drill Hole	149	70,414.20	17,628
	Subtotal	166	71,324.66	18,047
1118 and Bayanwenduri.	Surface Trench	5	170.34	15
	Surface Drill Hole	247	162,326.16	76,047
	Subtotal	252	162,496.50	76,062
1038	Surface Trench	2	33.45	10
	Surface Drill Hole	15	6,191.21	525
	Total	19	6,224.66	535
Nanshan	Surface Drill Hole	15	6588.19	593

5.2 Trenching, Tunnelling and Drilling

Surface and underground surveys for the Yulong Property have been conducted by Yulong Mining personnel and independent contract surveyors using RTK/GPS receivers and total-station instruments — specifically, Hi-Target V30 and HD5800G GPS-RTK units, South NTS-325 total stations, and Leica TS06-plus total stations. All instruments meet the precision tolerances required for mineral-resource evaluation and mine development.

Early survey control networks were established in the Beijing 1954 and Xi'an 1980 coordinate systems. Subsequent surveys have been referenced to the Chinese Geodetic Coordinate System 2000 (CGCS 2000), ensuring consistency with current national standards.

5.2.1 Trenching and Tunnelling

A limited number of surface trenches were excavated to minimise environmental disturbance. Trenching targeted alteration and mineralised zones within 3 m of surface. Typical trench dimensions are 2.5–3.5 m wide at the collar, 1.0–1.8 m wide at the floor, and 1.5–4.5 m deep; every trench extends ≥0.3 m into fresh bedrock to permit geological logging and channel sampling.

In the Huaaobaote area, underground exploration has accompanied production since 2014 (drilling) and 2016 (channel sampling). Vertical shafts and an extensive adit network between the 420 m and 955 m levels have been systematically sampled. Shafts are constructed in three standard profiles: 2.0 × 2.0 m, 3.9 × 2.2 m, and 4.3 × 2.2 m. Underground drives are classified as:

- Drifts (along-vein adits) — used to assess strike continuity of the orebody; section 2.8× 2.8 m.

- Cross-cuts (cross-vein adits) — oriented roughly perpendicular to strike to determine thickness, attitude, grade, and wall-rock contacts; section 2.8× 2.8 m.

All workings are driven as straight as practicable to facilitate haulage and services. Channel sampling is employed in both trenches and underground headings. Sample boundaries are based on lithology and visible mineralization. Standard channel spacing is 1 m (maximum 1.5 m; locally 2–3 m in cross-cuts). Each channel is 10 cm wide and 3–5 cm deep, with a line sample taken along strike every 5–10 m. A diamond saw cuts the channel along pre-marked guide lines, after which a steel chisel is used to extract the sample.

5.2.2 Drilling

Surface and underground diamond drilling at the Yulong Property has been undertaken by third-party contractors. Drill-hole spacing is nominally 50 × 50 m, relaxed to 100 × 100 m or locally 200 × 200 m in accordance with ore-body geometry and grade continuity.

HQ and NQ-diameter core is standard; limited AQ-diameter core is used in restricted underground sites. All collars are surveyed with total stations, and down-hole deviation is measured with inclinometer tools (e.g., CX-6B and S42 instruments) at 50 m intervals in inclined holes and 100 m intervals in vertical holes, with additional readings at the bedrock interface, across principal ore zones, and at end-of-hole. Depth-correction checks follow the same frequency. According to the drill-hole database supplied to BAW, 85%–95% of sample intervals in all licence areas achieve ≥90% core recovery — acceptable for the structural and mineralised conditions encountered. Completed holes are cement-plugged and permanently marked with a concrete plinth.

Recovered core is placed in wooden (now plastic) boxes and transported to the logging facility, where depths are marked and recovery reconciled by arranging boxes sequentially. Core is logged for lithology, alteration, mineralogy, and geotechnical parameters. Plastic boxes have replaced older wooden units, and all historical core has been re-housed accordingly.

Sampling intervals are defined by recovery, lithology, alteration, structure, and mineralisation; actual intervals range from 1 m to 3 m. A diamond saw splits the core longitudinally: one half is bagged, sealed, and dispatched for preparation; the residual half remains intact for reference. Where core is broken into smaller fragments or powder and cannot be sawn, selective picking is applied — halving larger fragments and homogenising fines before sub-sampling. Entire AQ-diameter core is submitted when recovery is insufficient for splitting.

Since 2021, all core has been stored on racking in a purpose-built warehouse; historical boxes have been transferred, re-boxed in plastic, and relabelled with durable markers.

5.3 Sample Preparation, Analysis and Security

5.3.1 Density Determination

Based on the data provided to BAW, and current to the Effective Date, the Inner Mongolia Autonomous Region No. 10 Geological and Mineral Exploration and Development Institute Laboratory ("**No. 10 Laboratory**") has performed density determinations on 207, 56, 116, 86, 30, and 30 samples from the Huaaobaote, Huaaobaote Mountain, Huaaobaote Periphery, 1118 Area, 1038 Area and Nanshan Area respectively. Measurements were obtained by the conventional water-displacement method on wax-coated specimens. Density samples were collected from block specimens and drill-core intervals.

5.3.2Sample Preparation

From 2003 to 2017, sample preparation and assay work for the Yulong Property was carried out by the Inner Mongolia Autonomous Region No. 10 Geological and Mineral Exploration and Development Institute Laboratory ("**No. 10 Laboratory**"); since 2017, these tasks have been undertaken by the mine-site facility operated by Yulong Mining ("**Yulong Laboratory**"). The standard preparation procedure begins with low-temperature oven-drying of the entire sample, followed by weighing on a calibrated analytical balance. The dried material is then reduced to < 5 mm in a jaw crusher and further crushed to < 1 mm in a double-roll crusher before being homogenised. A riffle splitter divides the homogenised pulp into a primary sample and a duplicate; excess material is discarded. The duplicate is weighed, sealed, and archived, while the primary portion is pulverised in a rod mill to 75 m (–200 mesh). Finally, the pulp is split once more to produce the assay aliquot and a retained pulp duplicate for future reference.

5.3.3Sample Analysis

Samples with low to moderate Pb and Zn grades were digested in HCl-HNO_3 and analysed by atomic absorption spectrometry (AAS). High-grade Pb and Zn samples were assayed by EDTA complexometric titration: pulp aliquots were digested in HCl, HNO_3, and H_2SO_4, the leachate was adjusted to an appropriate pH, and Pb and Zn were titrated with standard EDTA solution using Xylenol Orange as the indicator; metal concentrations were calculated from the volume of EDTA consumed.

At the Yulong Mining laboratory, silver was concentrated using a fire-assay pre-concentration method. The silver was collected in a lead button, the lead was then cupelled off at approximately 900 °C, and the resulting silver bead was weighed on a microbalance with precision to parts per million.

Since 2019, in addition to the Yulong Laboratory, the following facilities have undertaken portions of the assay workload, using analytical procedures comparable to those described above:

- Nuclear Industry 243 Brigade Laboratory
- Chifeng Zhongyue Rock & Ore Testing Co. Laboratory

Before 2019, umpire analyses were performed by:

- Inner Mongolia Autonomous Region Central Laboratory
- Inner Mongolia Autonomous Region Mineral Experiment Research Institute
- Liaoning Province Geological Experiment Research Institute

Recent external check assays have been commissioned at:

- BGRIMM MTC Technology Co., Ltd. ("**BGRIMM Laboratory**")
- SGS Laboratory, Tianjin ("**SGS Tianjin**")
- Geological and Environmental Testing Division, Inner Mongolia Third Geological Exploration Co., Ltd.
- Nuclear Industry Northeast Analytical Testing Centre

BGRIMM Laboratory and SGS Tianjin hold internationally recognised accreditations. The remaining laboratories — except for the Yulong mine-site laboratory — possess the requisite provincial measurement certifications issued by Chinese authorities; no information is available on their international accreditation status. BAW did not conduct on-site inspections of the sample-analytical laboratories aforementioned, except for the Yulong Laboratory.

5.3.4Sample Security

During its site visit, BAW reviewed the sample-security procedures and observed that mine-site personnel take appropriate measures to preserve samples, maintain an accurate chain of custody, and ensure secure transport from the point of collection to the laboratory. These practices including sealed sample bags, tamper-evident packaging, sequential logging, and supervised dispatch, are considered to be adequate to safeguard the validity and integrity of all exploration samples.

5.4 Quality Assurance and Quality Control ("QA/QC")

Yulong Mining has maintained a QA/QC programme consistent with applicable PRC exploration standards, routinely submitting internal and external check samples to verify routine assay results. Historical QA/QC procedures and outcomes for the Yulong Project were reviewed by BAW in its 2023 JORC-compliant Independent Technical Report.

Yulong Mining prepares a limited number of in-house certified reference materials (CRMs); however, these CRMs are not used routinely and are dispatched only occasionally with external check samples. Blank samples were inserted solely during the 2017 exploration programme; no blanks or CRMs were inserted in any other year.

For the present review, Shanjin International provided quality-control data generated after 2022, comprising both internal and external checks. Sample-analysis precision was evaluated using Half Absolute Relative Difference (HARD), scatter, and quantile-quantile (Q-Q) plots. HARD for each duplicate pair is calculated as$|x_1 - x_2| \diagup (x_1 + x_2) \times 100\%$, while Q-Q plots compare the cumulative distributions of original and duplicate assays to assess their equivalence.

5.4.1Internal Check

Internal check samples, collected as coarse duplicates, have been used to evaluate laboratory assay precision. Since 2022, a total of 355 such samples have been collected and analysed.

For Pb assays, 88.2% of duplicate pairs fall within the 20% Half Absolute Relative Difference (HARD) envelope and 72.1% lie within 10%, demonstrating acceptable analytical precision. Quantile-quantile (Q-Q) and scatter plots also show good agreement between original and duplicate results. Full graphical interpretations are provided in Figures 5–1 to 5–3.

For Zn assays, 97.2% of duplicate pairs plot within the 20% HARD envelope and 84.8% within 10%, indicating acceptable precision. Q-Q and scatter plots confirm close consistency between the original and duplicate assays. Detailed plots are shown in Figures 5–4 to 5–6.

For Ag assays, 89.6% of duplicate pairs lie within the 20% HARD envelope and 67.0% within 10%, again indicating acceptable precision. Q-Q and scatter plots display close agreement across the full grade range, as illustrated in Figures 5–7 to 5–9.

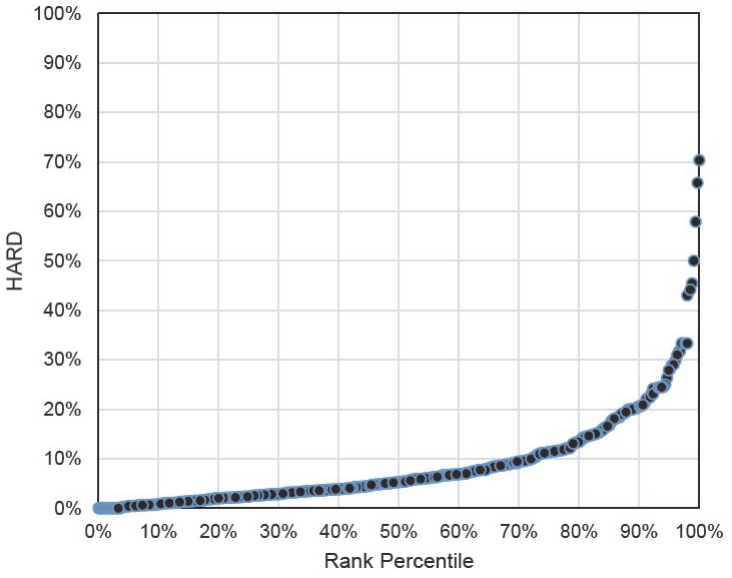


Figure 5–1 HARD Plot for Pb Internal Check Results

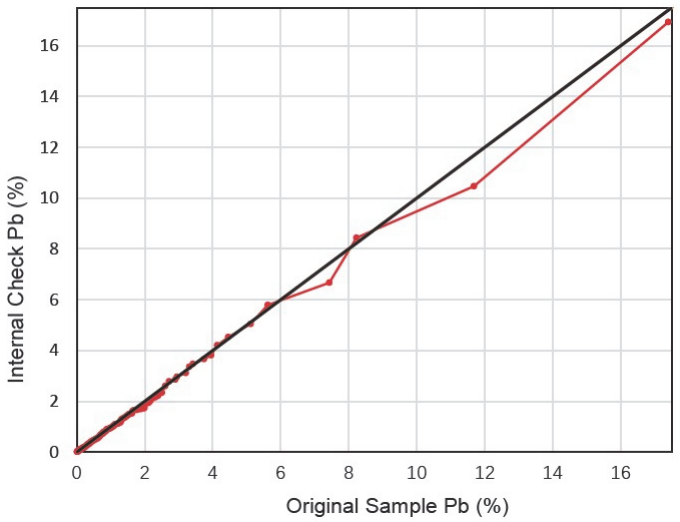


Figure 5–2 Q-Q Plot for Pb Internal Check Results

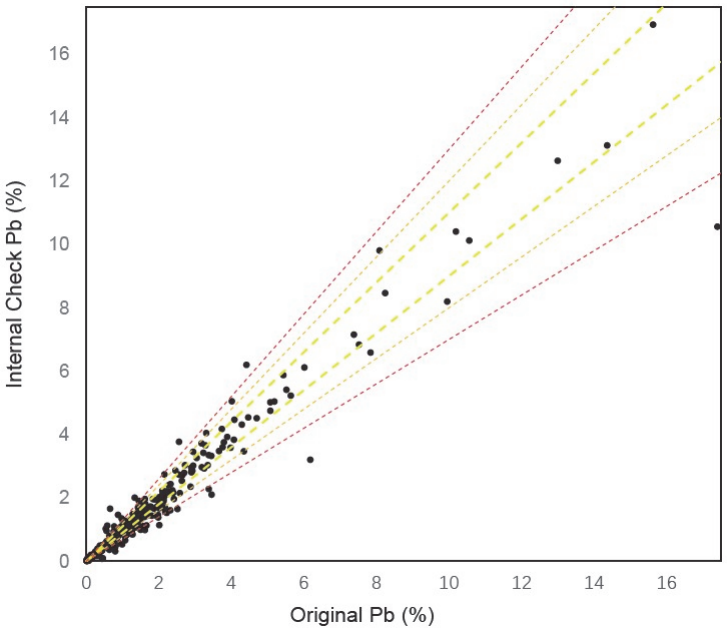


Figure 5–3 Scatter Plot for Pb Internal Check Results

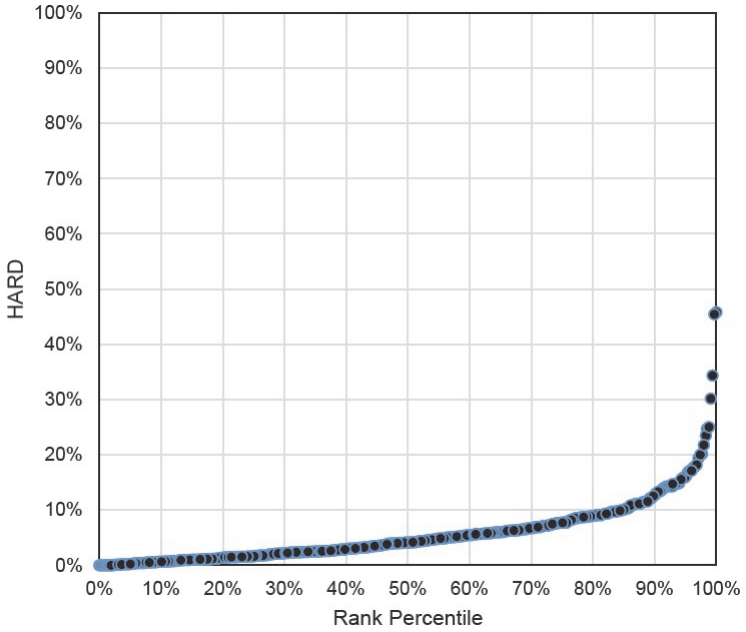


Figure 5–4 HARD Plot for Zn Internal Check Results

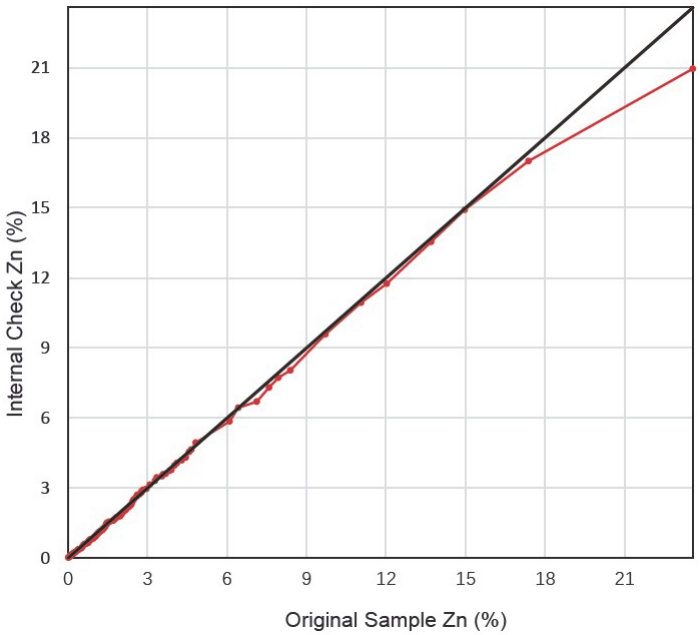


Figure 5–5 Q-Q Plot for Zn Internal Check Results

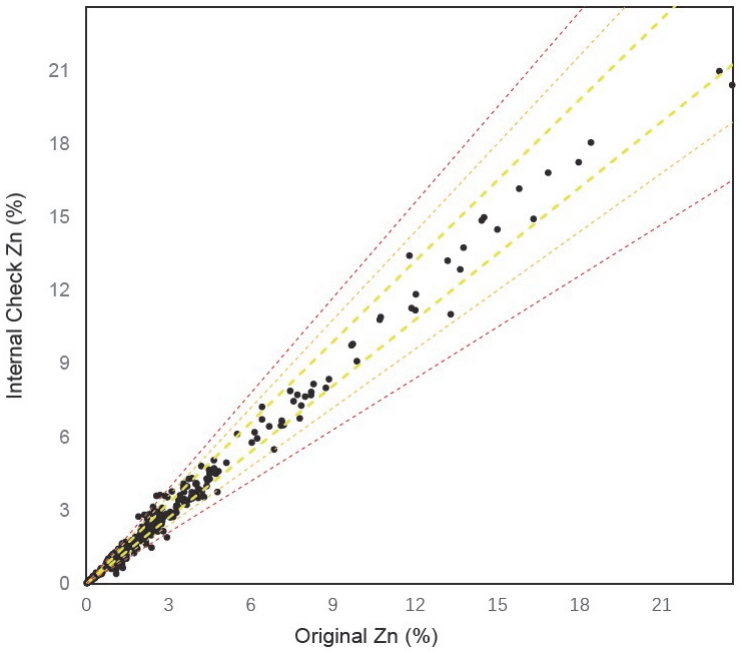


Figure 5–6 Scatter Plot for Zn Internal Check Results

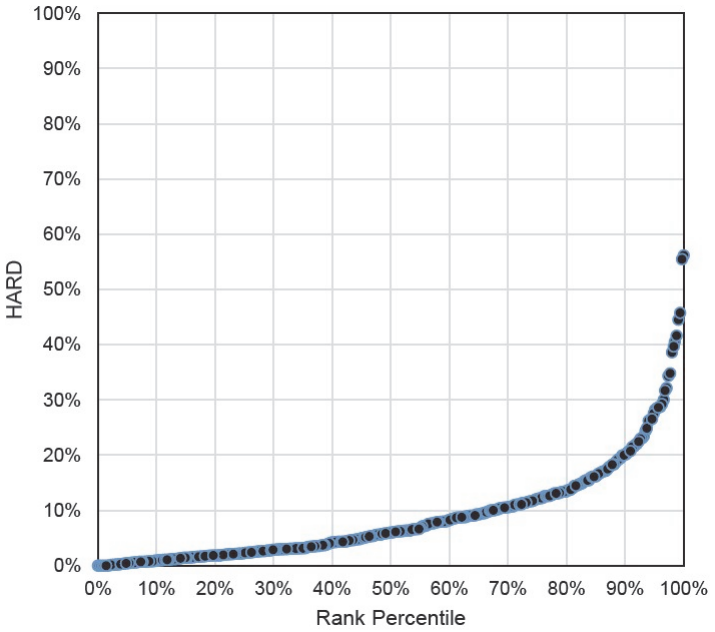


Figure 5–7 HARD Plot for Ag Internal Check Results

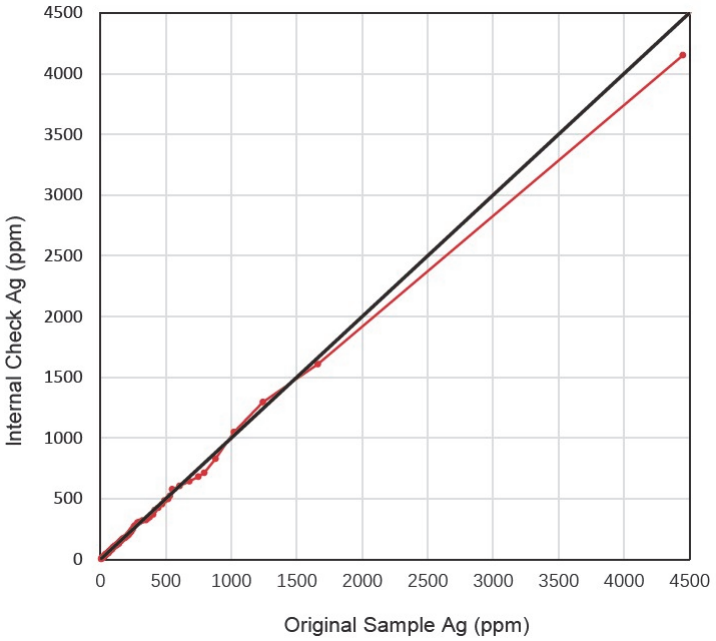


Figure 5–8 Q-Q Plot for Ag Internal Check Results

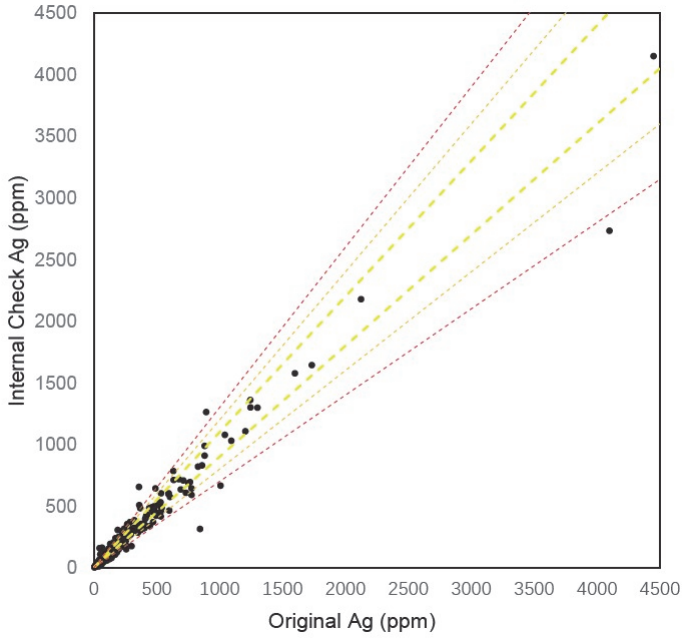


Figure 5–9 Scatter Plot for Ag Internal Check Results

5.4.2External Check

A subset of the internal check samples was dispatched to an external laboratory for verification. In total, 205 external check samples have been analysed. External control assays provide an additional check on the analytical quality of the primary laboratory.

For the Pb assay, 98.5% of duplicate pairs fall within the 20% Half Absolute Relative Difference (HARD) envelope and 89.3% within the 10% envelope, indicating acceptable analytical precision. Quantile-quantile (Q-Q) and scatter plots also demonstrate good consistency between external checks and the original results. Detailed graphical analyses are presented in Figures 5–10 through 5–12.

For the Zn assay, 98.5% of duplicate pairs plot within the 20% HARD envelope and 95.1% within the 10% envelope, confirming acceptable precision. Q-Q and scatter plots likewise show strong agreement between the external checks and the original assays. Detailed graphical analyses are provided in Figures 5–13 through 5–15.

For the Ag assay, all duplicate pairs lie within the 20% HARD envelope and 96.6% within the 10% envelope, again reflecting acceptable precision. Q-Q and scatter plots illustrate close agreement across the full grade range, as shown in Figures 5–16 through 5–18.

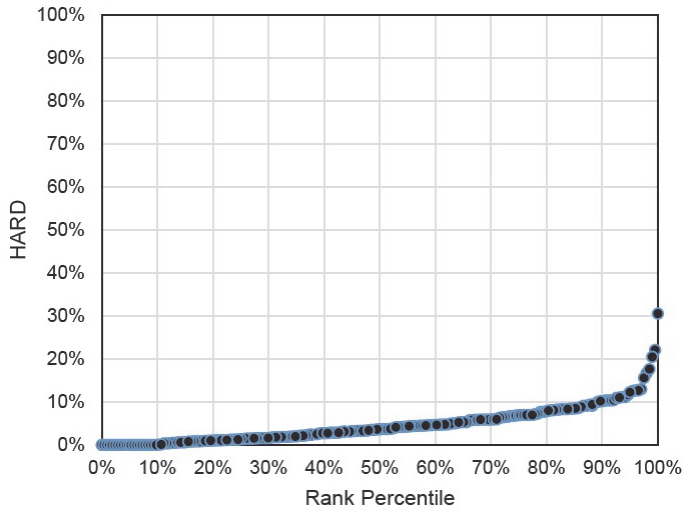


Figure 5–10 HARD Plot for Pb External Check Results

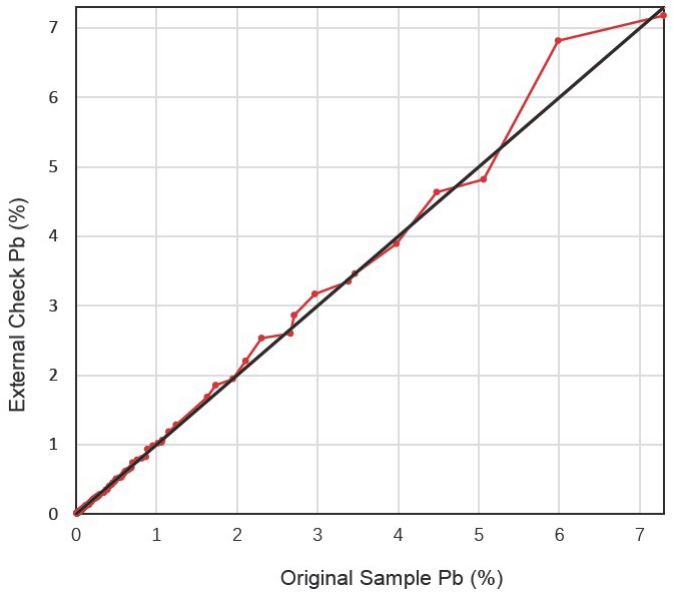


Figure 5–11 Q-Q Plot for Pb External Check Results

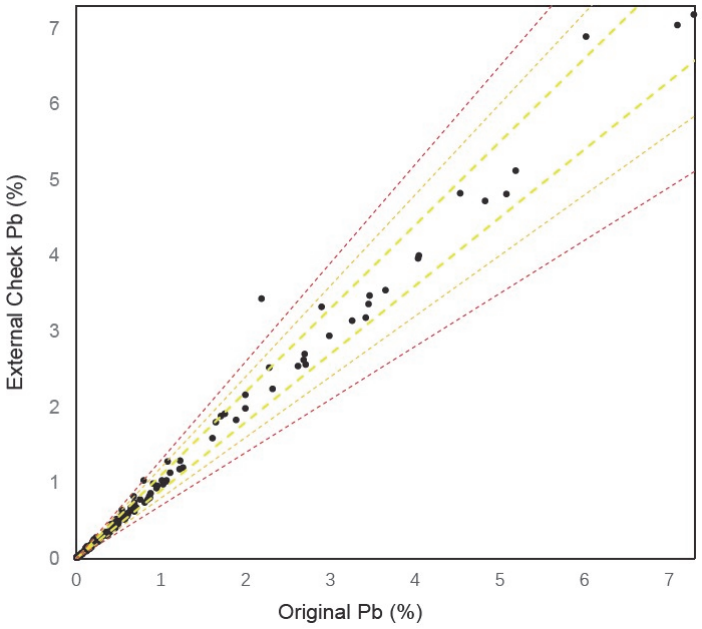


Figure 5–12 Scatter Plot for Pb External Check Results

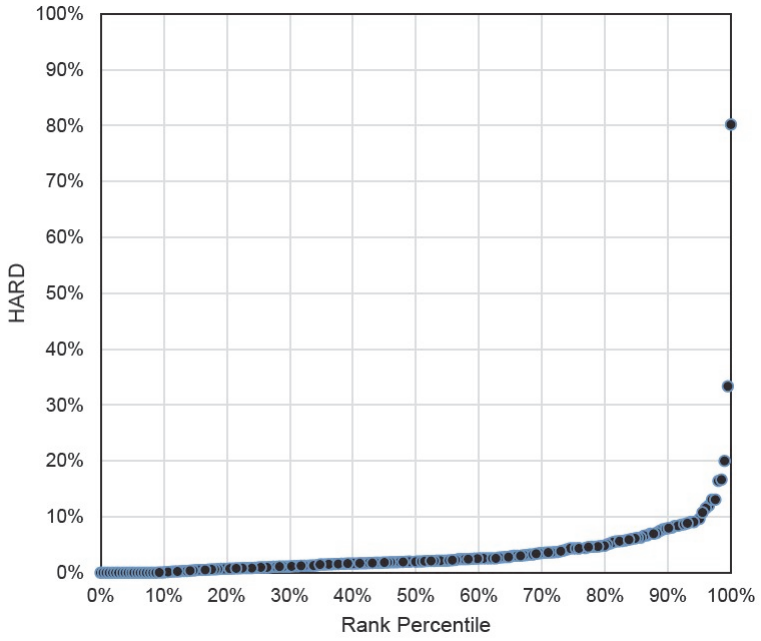


Figure 5–13 HARD Plot for Zn External Check Results

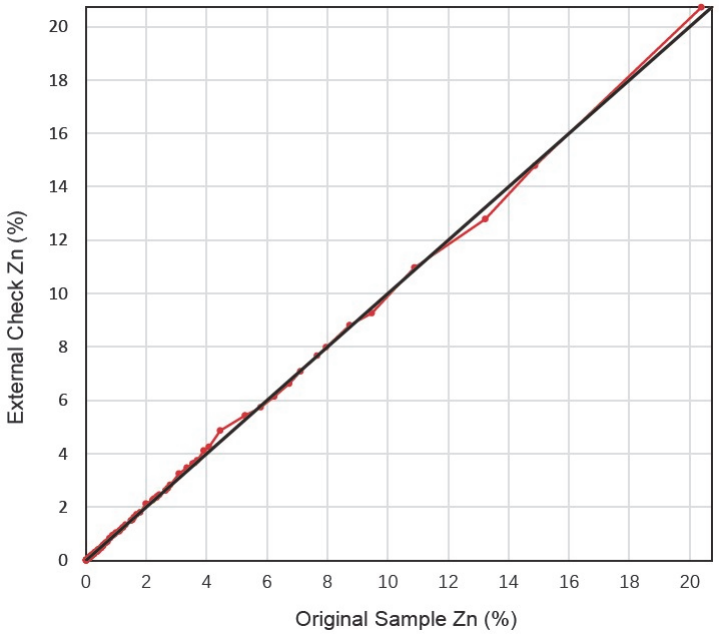


Figure 5–14 Q-Q Plot for Zn External Check Results

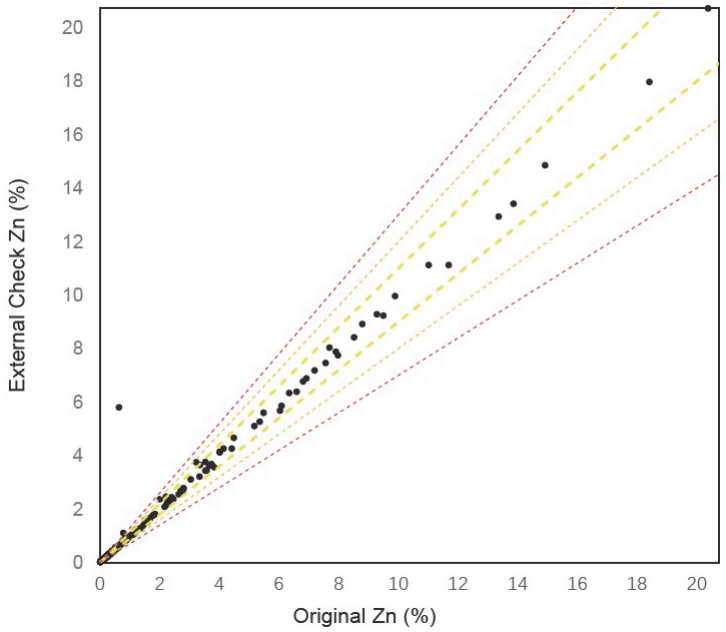


Figure 5–15 Scatter Plot for Zn External Check Results

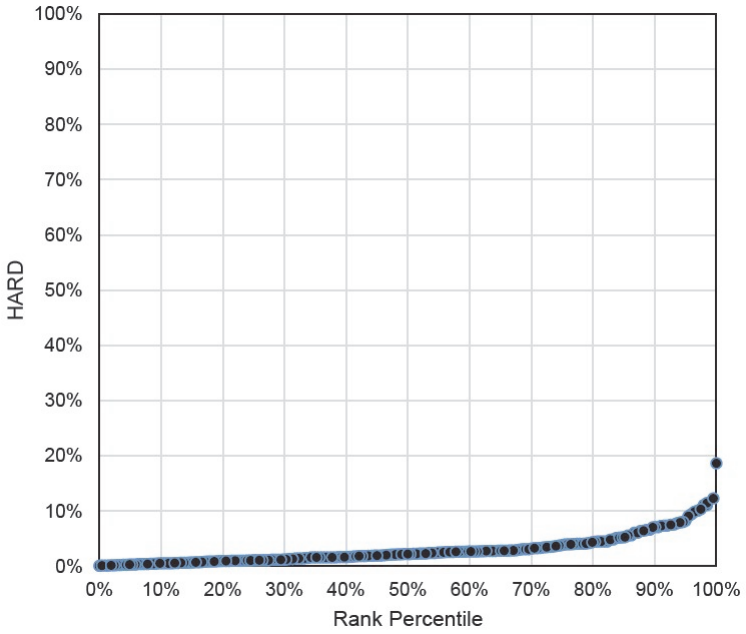


Figure 5–16 HARD Plot for Ag External Check Results

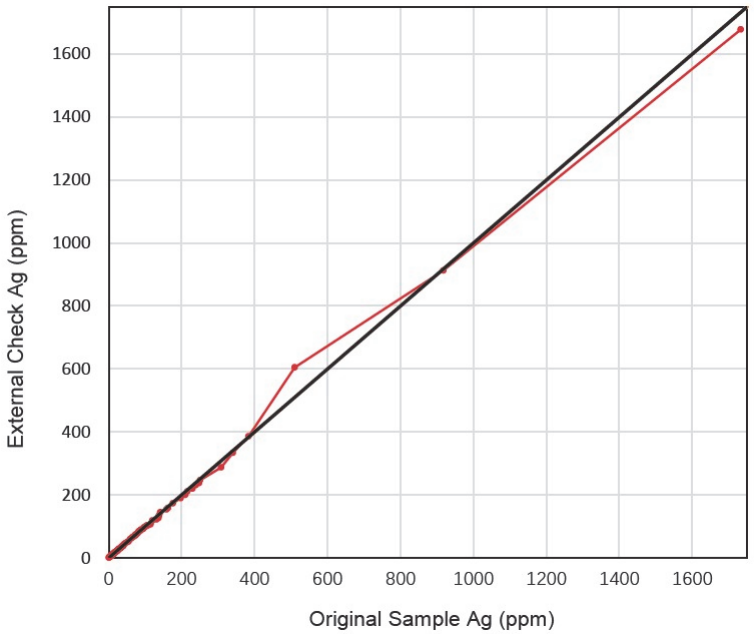


Figure 5–17 Q-Q Plot for Ag External Check Results

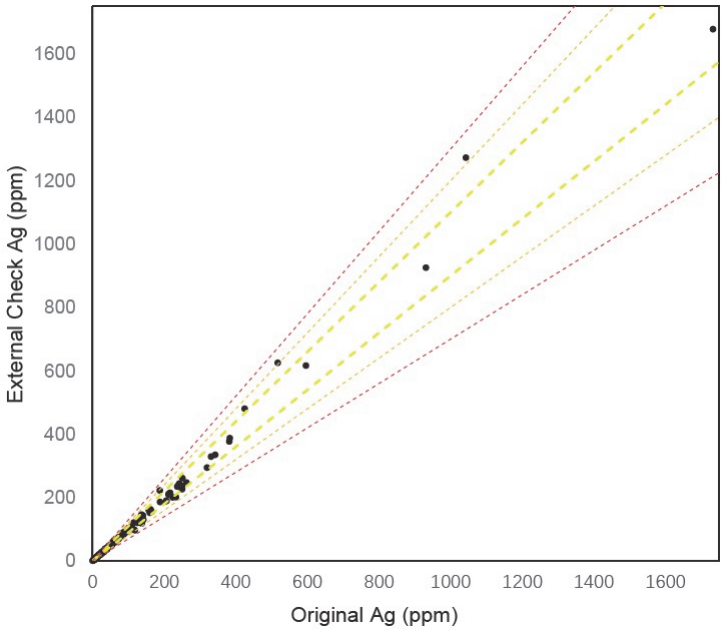


Figure 5–18 Scatter Plot for Ag External Check Results

5.5 Site Visit and Data Verification

A multidisciplinary BAW team, comprising specialists in geology, mining, metallurgy, environmental studies, and techno-economic evaluation, undertook a site visit to the Yulong Property between June 30 and July 1, 2025. The objective was to review exploration data, confirm field conditions, and evaluate the mine's infrastructure and operations.



Figure 5–19 Field Checks of Drillhole Locations

5.5.1 Verification of Borehole Location

The exploration database provided by the Client was reviewed. A number of historical drillhole collars were randomly selected and verified in the field using handheld GPS across the Huaaobaote, Huaaobaote Mountain, 1118 Gaodi, and Peripheral II areas. Collar positions were consistent with the database records, and all sites were appropriately sealed and rehabilitated.



Figure 5–20 Field Checks of Drillhole Locations

5.5.2Core Shed Inspection and Independent Sampling

The BAW team inspected the core storage facilities, which were found to be well-constructed and systematically managed. Random checks of drill cores from different areas against the original geological logs did not identify discrepancies, and the recorded mineralisation descriptions were consistent with direct observation.





Figure 5–21 Yulong Core Shed

As part of the data verification program, BAW collected 64 quarter-core samples during the site visit and submitted them to ALS/CTI (Guangzhou) for independent assay testing. The samples were prepared by standard crushing and pulverising protocols and analysed using a suite of industry-standard methods, including ICP multi-element analysis (ME-ICP61), fire assay with atomic absorption (Au-AA23), gravimetric silver determination (Ag-GRA21), and specific methods for lead and zinc (Pb-OG62, Zn-OG62).

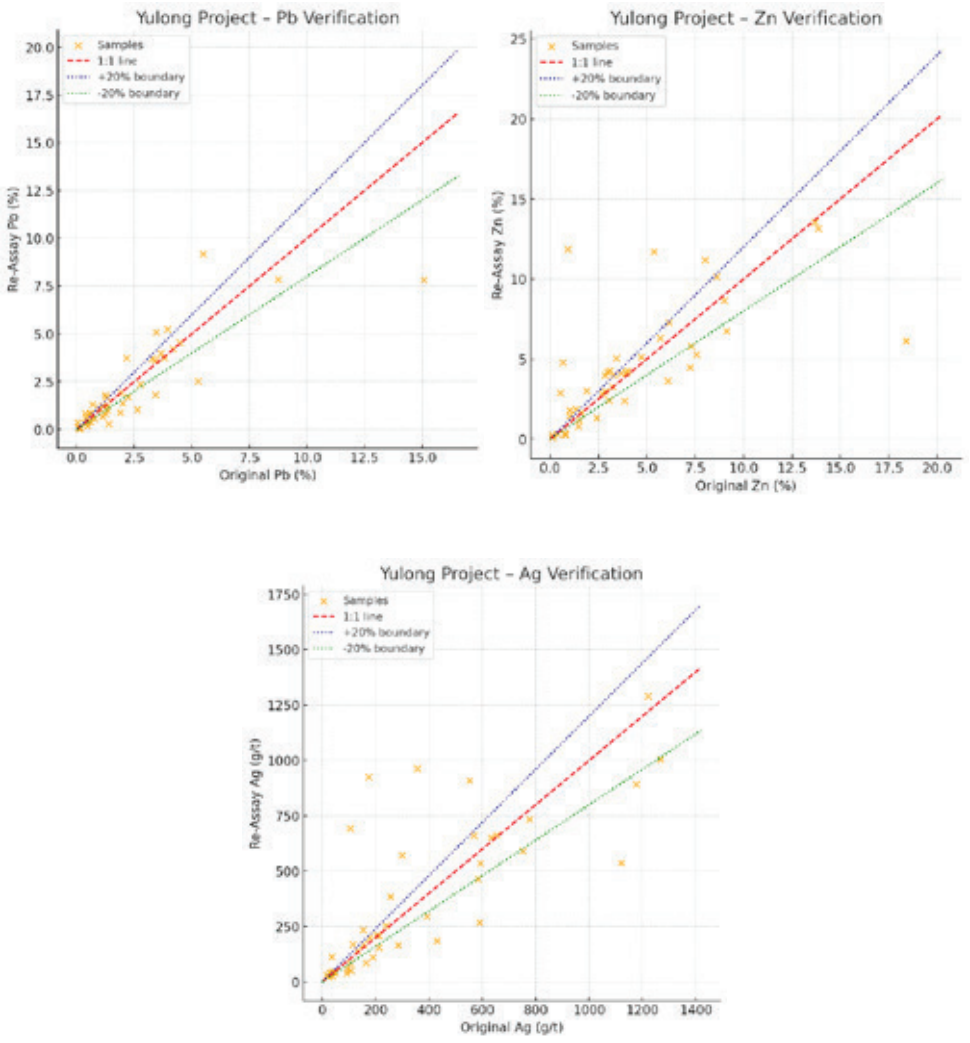


Figure 5–22 Verification — Original vs. Re-Assay (Yulong Project)

Table 5–2 Re-assay for independent Core samples for Yulong Project

Re-sampleid	Pb	Zn	AgGPT	ReAssayPb	ReAssayZn	ReAssayAg GPT	DIFFPb	DIFFZn	DIFFAg GPT
	%	%		%	%		%	%	
YL-001 .	3.41	0.11	589	1.82	0.09	268	–47%	–20%	–54%
YL-002 .	1.88	0.38	430	0.88	0.31	184	–53%	–19%	–57%
YL-003 .	1.11	0.10	91	0.67	0.24	38	–39%	135%	–58%
YL-004 .	2.23	0.79	1,267	1.69	0.25	1,005	–24%	–68%	–21%
YL-005 .	1.29	0.76	356	1.67	0.35	963	29%	–54%	171%
YL-006 .	3.94	8.61	776	5.24	10.15	733	33%	18%	–6%
YL-007 .	3.66	6.14	552	3.99	7.26	909	9%	18%	65%
YL-008 .	1.25	2.40	189	0.82	1.33	112	–34%	–45%	–41%
YL-009 .	0.40	1.34	45	0.64	1.86	44	59%	39%	–3%
YL-010 .	0.36	1.01	299	0.30	1.80	572	–18%	78%	91%
YL-011 .	1.33	13.67	752	1.23	13.55	591	–8%	–1%	–21%
YL-013 .	1.98	9.00	155	1.37	8.65	169	–31%	–4%	9%
YL-014 .	1.39	3.84	108	0.29	2.38	51	–79%	–38%	–53%
YL-015 .	2.63	9.13	164	1.03	6.74	86	–61%	–26%	–48%
YL-016 .	0.46	7.23	47	0.19	4.47	41	–57%	–38%	–12%
YL-017 .	0.04	0.67	568	0.37	4.78	660	755%	613%	16%
YL-018 .	0.13	1.63	593	0.07	1.65	536	–49%	1%	–10%
YL-019 .	0.10	1.47	284	0.03	0.79	165	–71%	–47%	–42%
YL-021 .	0.46	6.09	213	0.39	3.62	155	–15%	–41%	–27%
YL-022 .	0.11	3.05	39	0.11	2.42	24	–1%	–21%	–38%
YL-023 .	0.08	2.70	23	0.09	2.83	23	2%	5%	0%
YL-024 .	0.76	7.57	95	0.56	5.29	58	–26%	–30%	–39%
YL-025 .	0.37	13.87	105	0.83	13.15	83	122%	–5%	–21%
YL-027 .	0.61	3.23	17	0.82	3.25	31	34%	1%	79%
YL-028 .	0.94	3.93	29	1.11	4.13	40	18%	5%	40%
YL-029 .	1.34	2.83	37	0.99	2.97	44	–26%	5%	20%
YL-030 .	0.67	0.51	35	1.30	2.89	114	93%	467%	228%
YL-031 .	8.75	5.70	1,221	7.85	6.30	1,290	–10%	11%	6%
YL-032 .	4.17	8.01	584	4.20	11.20	464	1%	40%	–21%
YL-033 .	15.08	5.36	633	7.82	11.70	652	–48%	118%	3%
YL-034 .	5.49	18.41	1,120	9.18	6.12	537	67%	–67%	–52%

Re-sampleid	Pb	Zn	AgGPT	ReAssayPb	ReAssayZn	ReAssayAg GPT	DIFFPb	DIFFZn	DIFFAg GPT
	%	%		%	%		%	%	
YL-035 .	2.16	0.91	104	3.74	11.85	694	73%	1202%	567%
YL-036 .	2.77	1.51	1,176	2.36	1.16	891	–15%	–23%	–24%
YL-037 .	1.23	2.96	256	1.80	4.16	385	46%	41%	50%
YL-039 .	1.12	3.41	132	1.24	5.03	140	11%	48%	6%
YL-040 .	5.27	7.30	653	2.53	5.81	662	–52%	–20%	1%
YL-041 .	0.60	1.02	114	0.38	1.43	169	–36%	40%	48%
YL-042 .	1.92	2.84	393	1.91	3.97	295	–1%	40%	–25%
YL-043 .	0.56	1.90	173	0.86	3.01	924	53%	58%	436%
YL-045 .	3.45	3.08	153	5.08	4.26	234	47%	38%	53%
YL-046 .	4.48	4.70	239	4.54	5.11	254	1%	9%	6%
YL-047 .	3.80	4.01	213	3.75	4.26	208	–1%	6%	–2%
YL-048 .	3.27	3.29	178	3.69	3.99	198	13%	21%	12%
YL-049 .	3.40	3.65	204	3.61	4.13	211	6%	13%	4%

The results confirmed the presence of significant silver and base metal mineralisation, with values in line with the original project database. Random checks against the mine laboratory records showed good reproducibility, and no material discrepancies or systematic bias were identified. The independent check assays therefore provide confidence in the reliability of the assay database used in the Mineral Resource estimation.

5.5.3Laboratory Procedures visit



Figure 5–23 On-site Labl visit

BAW inspected the on-site laboratory facilities, reviewed the analytical procedures employed, and examined original assay records for recent exploration and production samples. These procedures were found to be consistent with accepted industry practices. However, earlier assay data were generated by third-party laboratories and were not subject to direct verification by BAW.

5.5.4Infrastructure and Operations

The site visit also included inspections of the industrial site, surface infrastructure, tailings storage facilities, processing plant, and underground mining operations. These inspections confirmed that operational practices and infrastructure are consistent with the standards expected for a project of this nature.



Figure 5–24 Yulong Underground stope visit — Mineralization



Figure 5–25 Yulong Surface infrastructure and tailing

5.6 Comments

BAW did not personally observe on-site drilling and sampling activities. Exploration at the Yulong Project has been conducted under the applicable national standards of the People's Republic of China, which prescribe systematic drilling, logging, sampling, density determination, and auditable databases for Mineral Resource and Reserve estimation — requirements that largely align with the JORC Code 2012 and prevailing industry practice. Field measures such as sample security, duplicate analyses, and external umpire assays specified in GB/DZ standards and Ministry of Natural Resources regulations correspond closely to comparable provisions in the JORC framework.

BAW did not visit all off-site laboratories; only the Yulong Laboratory at the mine site was reviewed, and its protocols and procedures were found to follow industry standards.

The current quality-control programme relies on internal checks and external umpire checks. Although these measures monitor analytical precision, they do not directly address accuracy or potential contamination. Yulong Mining has prepared a limited number of in-house CRMs, but these were only inserted — together with blank samples — during the 2017 exploration programme and have not been used in other years. Internal checks are largely coarse duplicates selected at random; no fixed insertion rate is applied.

BAW recommends the routine insertion of CRMs and blank samples to provide independent verification of analytical accuracy and to monitor contamination during preparation and assay. Internal checks should be submitted as blind pulp duplicates randomly inserted in the same analytical stream as primary samples, rather than re-assayed in separate batches, allowing real-time precision assessment for each laboratory run. The duplicate suite should be supplemented with field duplicates and coarse duplicates to monitor sampling and preparation stages. A fixed insertion rate for all QA/QC sample types should be established, and QC data should be reviewed on a regular monthly or quarterly schedule to enable timely identification and correction of any issues.

6 MINERAL RESOURCES ESTIMATION

6.1 Introduction

The previous estimation of Mineral Resources for the Yulong Property was conducted in 2024 by BAW in accordance with the JORC Code 2012 requirements. The classification, reporting and estimation of Mineral Resources for the Yulong Property, presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX.

6.2 Resources Definitions and Classification

The JORC Code is a mineral resource/ore reserve classification system that has been widely used and is internationally recognized. It has also been used in independent technical reports for Mineral Resources and Ore Reserves statements for natural resources companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions and classification of Mineral Resources are summarized as below.

- *A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

- *A 'Measured Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.*

- *An 'Inferred Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*

The general relationships between exploration results, Resources and Reserves under the JORC Code are illustrated in.

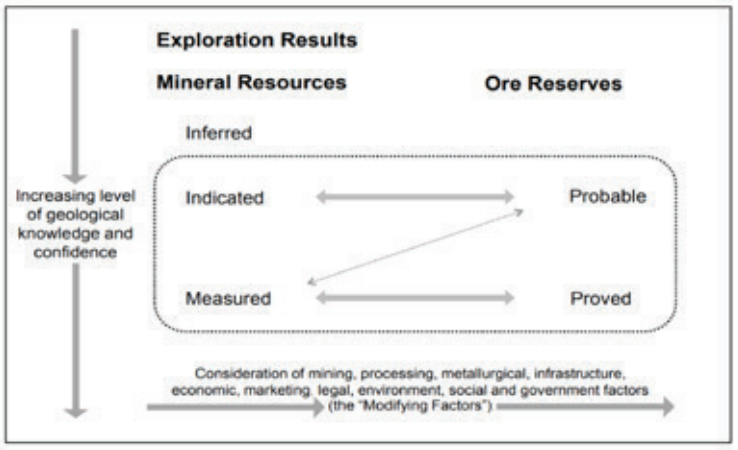


Figure 6–1 General relationship between Exploration Results, Mineral Resources and Ore Reserves

Generally, Ore Reserves can be presented as part of the total Mineral Resources or as additional to the Mineral Resources. In this CPR, all of the Ore Reserves are included within the Mineral Resources. The Ore Reserves estimations for the Yulong Property are reported subsequent chapter in this CPR.

6.3 Resources Estimation Procedures

Our Mineral Resource estimation followed a structured procedure as below

- **Database Compilation and Verification**: Consolidation of drilling data with quality checks for accuracy and completeness.
- **Geological Modelling**: Construction and refinement of mineralization wireframes and geological domains based on lithological, structural, and assay data.
- **Data Conditioning**: Compositing of sample data, conducting statistical analysis, and applying grade capping where appropriate.
- **Block Modelling and Interpolation**: Development of a 3D block model and grade estimation using suitable interpolation methods.
- **Bulk Density Assignment**: Allocation of dry bulk density values by lithology and oxidation state, based on measured data.
- **Resource Classification**: Classification of Mineral Resources in accordance with JORC Code (2012) Table 1 criteria.
- **RPEEE Assessment**: Evaluation of "reasonable prospects for eventual economic extraction" and determination of reporting cut-off grades.
- **Model Validation and Reporting**: Visual and statistical validation of the block model, followed by preparation of the Mineral Resource Statement.

6.4 Drillhole Database

Table 6–1 Summary of Drillhole Database Records for the Yulong Property

Concessions	Type	No. of Holes	Meterage	No. of Assays
Huaaobaote Mountain	DDH	103	52,301	10,686
Huaaobaote Mine	DDH and/Channel/ Sampling	3,015	267,737.9	103,028
Bayan Wendouri & 1118 Area	DDH	252	162,496.5	76,062
1038 Area	DDH	19	6,294.66	536
Nanshan	DDH	15	6,588.19	593
Huaaobaote Periphery.	TR and DDH	166	71,324	18,047

Exploration database were provided by the Client, together with the latest geological report of each site, which were compiled and validated by BAW for Mineral Resource estimation in each site. The databases detail of the mining and exploration licenses shown in Table 6–1. Drillhole collar coordinates were surveyed using RTK **GPS** in the CGCS2000 Coordinate System, and downhole surveys were completed at 50–100m intervals using a single-shot camera instrument. The geographic relationship of multiple concessions of the Yulong Property is shown in Figure 6–2.

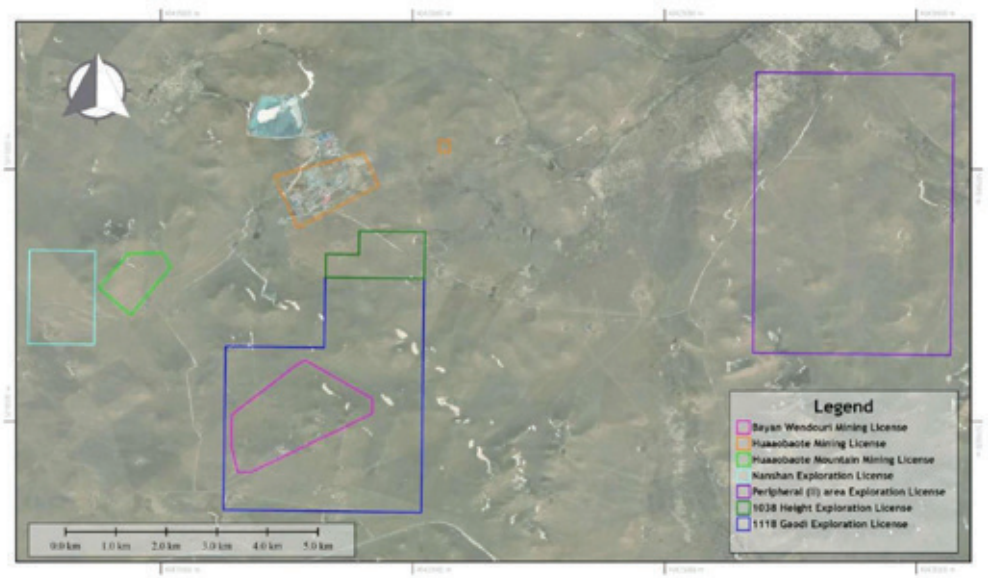


Figure 6–2 The Geographic Relationship of Multiple Concessions of the Yulong Property

BAW compiled a geological database from validated collar, downhole survey, and assay data. Inconsistencies in survey and assay datasets were reviewed with the data manager to maintain integrity. BAW believes the drilling campaign and massive geological database satisfy the JORC Code (2012) requirements and adequately support subsequent Mineral Resource classification.

6.5 Domain Interpretation

BAW utilised topographic data in the CGCS2000 coordinate system, current as of December 2025, to construct a digital terrain model (DTM). This model served as the reference surface for geological modelling and subsequent Mineral Resources estimation.

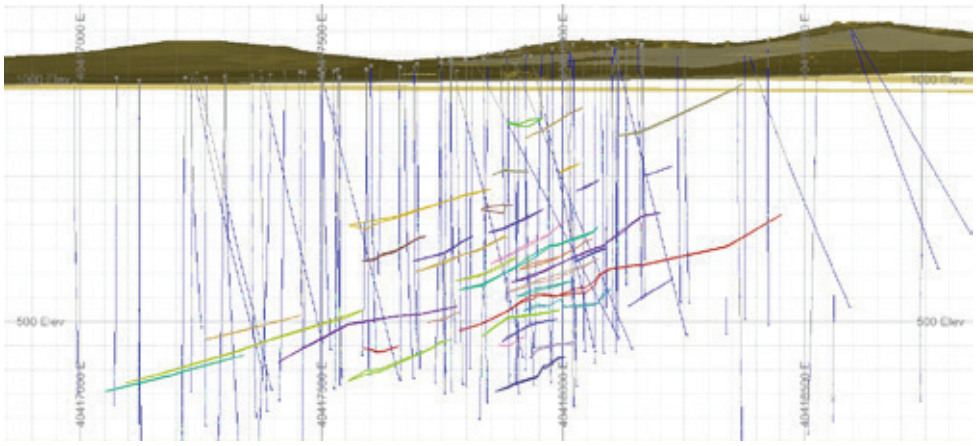


Figure 6–3 Topography Model of Bayan Wendouri and 1118 Area

Mineralization in these mining licenses are structurally controlled. The spatial distribution of mineralization is closely associated with the fault and adjacent fractured zones with steeply dipping toward North northeast in the Huaaobaote Mountain concession; shallow to moderately dipping toward southwest in Bayan Wendouri and 1118 Area; and complex structural-controlled mineralization in Huaaobaote.

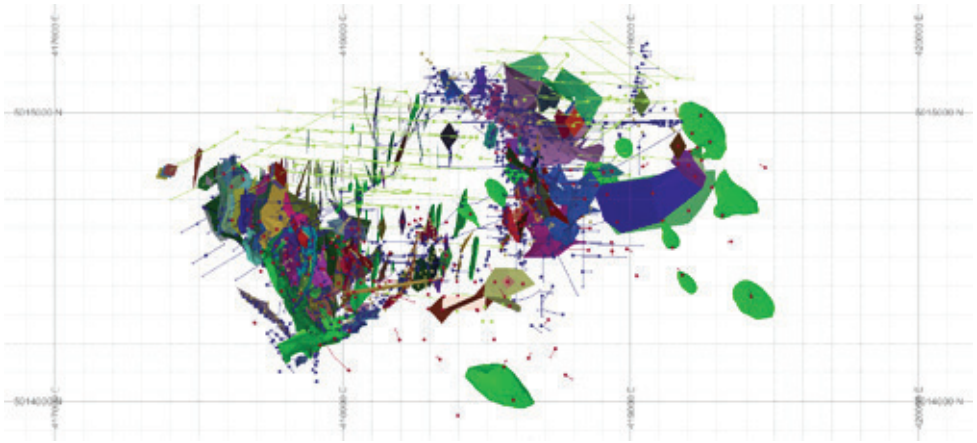


Figure 6–4 Spatial Distribution of various domains of the Huaaobaote Mine

A 40 g/t silver-equivalent grade shell model was developed by mine geologist and provided to BAW in collaboration with mine geologists, using a client-provided model as the foundation. This shell served as the basis for grade estimation and as the primary constraint for both interpolation and block model reporting. Silver-equivalent grades were derived from silver, lead, zinc, and copper, using forecast metal prices and metallurgical recoveries.

Oxide and sulphide zones were interpreted from historic logging data, with the transition zone excluded from modelling. The extent of the oxidized zone was verified in consultation with mine geologists.

Based on ore characteristics and mineralization styles, domains were defined as follows:

- Huaaobaote Mountain deposit: one sulphide domain.
- **Bayan Wendouri and 1118 Area**: two domains, copper-bearing and non-copper-bearing.
- **Huaaobaote deposit**: ten structural domains.

Each domain was assigned a unique code for resource estimation.

Table 6–2 Domain Codes for the Yulong Property

Field	Description	Value
Oxidation	Oxd	10- Oxidation
		20- Sulphide
Domain	Zone	210 Sulphide domains Huaaobaote Mountain site
Domain	Zone	121 Sulphide_Copper Bayan Wendouri and 1118 Gaodi sites
		122 Sulphide Bayan Wendouri and 1118 Gaodi sites
		220 Sulphide0 Huaaobaote
		221 Sulphide1 Huaaobaote
		222 Sulphide2 Huaaobaote
		223 Sulphide3 Huaaobaote
		224 Sulphide4 Huaaobaote
		225 Sulphide5 Huaaobaote
		226 Sulphide6 Huaaobaote
		227 Sulphide7 Huaaobaote
		228 Sulphide8 Huaaobaote
		229 Sulphide9 Huaaobaote
		310 Domains in 1038 Gaodi
		410–412 Domains in Nanshan
		510 Domains in Peripheral (II)

6.6 Compositing

Basic statistical analysis of assay data was undertaken to evaluate grade distributions and to guide data preparation prior to resource estimation. Sampling intervals within the 40 g/t silver-equivalent shell were assessed for the sulphide domains.

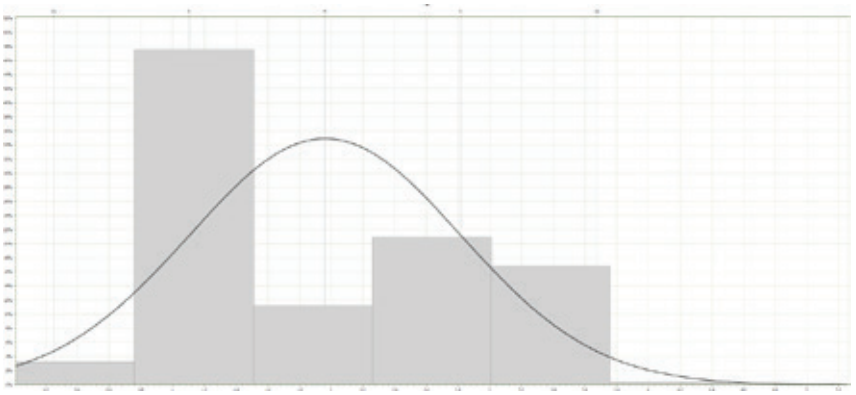


Figure 6–5 Histogram of Sample Length Distribution within Major Geological Domains of the Huaaobaote Mountain Concession

In the Huaaobaote Mountain concession, two dominant sampling interval groups were identified, approximately 1.5 m and 3.0 m in length. Analysis indicated that most intervals were 1.5 m. To reflect mineralised thickness, minimum mineable width, block size, and sampling distribution, BAW adopted a 1.5 m composite length. All assays were composited to 1.5 m downhole intervals, with samples shorter than 1.0 m merged with the preceding interval.

Regarding the Bayan Wendouri and 1118 Area concessions, a 1.0 m interval was also adopted, at the Huaaobaote deposit, 1.0 m intervals were selected due to the dominance of that interval length. For samples shorter than 0.5 m, intervals were merged with the previous section. Following compositing, the 40 g/t silver-equivalent grade shell was re-generated based on the composited assay dataset.

Table 6–3 Overall Assay Length Statistics

	RAW	Mean	SD	Cov	Mode	Min	Median	Max
Huaaobaote Mountain	994	1.96	0.86	0.44	1.26	0.2	1.50	4.35
Bayan Wendouri and 1118 Area .	6,598	1.27	0.26	0.20	1.52	0.25	1.30	4.80
Huaaobaote	10,534	1.14	0.57	0.50	1.15	0.1	1.00	6.10

Regarding the Huaaobaote Mountain, Bayan Wendouri and 1118 Area concessions, BAW conducted univariate statistical analyses on raw assay data for 1.0m-Composits within each geological domain to assess population characteristics; univariate statistical analyses were conducted on raw assay data for 1.0m-Composits within each geological domain to assess population characteristics the Huaaobaote Mountain concession. The data exhibit a log-normal distribution, with some extreme high-grade samples occurring within the defined geological Domains.

Table 6–4 Statistics of Composites against Raw Assays of Each Element of the Huaaobaote Mountain Concession

	Element	RAW	Mean	SD	Cov	Min	Median	Max
AgEq. . .	AgEq_ppm	994	111.5	150.04	1.35	0.28	59.47	1,659.73
	Comp_AgEq_ppm	1,769	89.37	104.37	1.168	0.18	60.12	1,659.73
	Diff	78%	–20%	–30%	–13%	–36%	1%	0%
Ag.	Ag_ppm	990	64.5	96.18	1.49	0.4	35.7	1,382
	Comp_Ag_ppm	1,785	54.71	72.63	1.33	0.06	37.8	1,382
	Diff	80%	–15%	–24%	–11%	–85%	6%	0%
Pb.	Pb_%	957	0.72	1.12	1.56	0.02	0.35	9.78
	Comp_Pb_%	1,738	0.57	0.72	1.25	0.01	0.38	6.02
	Diff	82%	–21%	–36%	–20%	–50%	9%	–38%
Zn.	Zn_%	986	1.28	2.27	1.78	0.01	0.57	24.71
	Comp_Zn_%	1,763	0.94	1.31	1.39	0.01	0.56	14.07
	Diff	79%	–27%	–42%	–22%	0%	–2%	–43%
Cu.	Cu_%	182	0.21	0.35	1.69	0.02	0.07	2.73
	Comp_Cu_%	267	0.16	0.21	1.34	0.01	0.08	1.85
	Diff	47%	–24%	–40%	–21%	–50%	14%	–32%

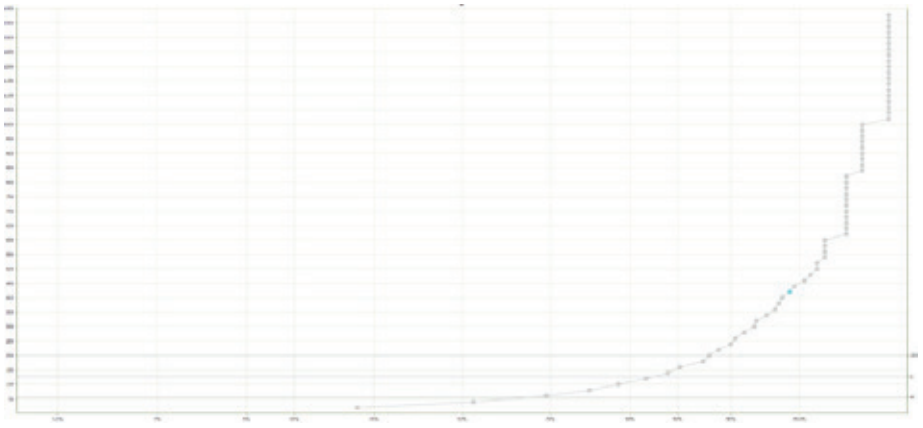


Figure 6–6 Probability Plot of Sample Distributions in 1.5m Composited of Silver

6.7 Grade Capping

BAW applied grade capping on a domain-by-domain basis to the composited assay data for each element included in the resource estimation, in order to mitigate the influence of high-grade outliers. Statistical tools including histograms, log-probability plots, and cumulative frequency distributions were used to assess grade distributions. In addition, three-dimensional spatial checks were undertaken to identify outliers and determine appropriate capping thresholds.

Based on these analyses, domain-specific thresholds were established. Capping was applied after compositing and prior to grade estimation, with assay values exceeding the thresholds replaced by the capping value. This procedure reduced the impact of statistical outliers and improved the consistency and reliability of the resource estimate.

For the Huaaobaote Mountain concession, the Coefficients of Variation ("**CV**") for capped composites of silver, lead, zinc and copper were reduced to a range of 0.80–1.22. For the Huaaobaote Mine, capping was applied to silver, lead, zinc, and copper, resulting in CV values generally between 0.80 and 1.50. The adopted capping thresholds were:

- Silver: 530–820 g/t
- Lead: 3–10%
- Zinc: 4.5–12.7%
- Copper: 0.4–2.2%

Table 6–5 Statistical Analysis of Capped Composites for Huaaobaote Mountain and 1118gaodi

Site	Domain	Metal	Capping Value	No. of Replaced Samples	Capped Ratio (%)	Mean Before Capping	Mean After Capping	Difference (%)
Huaaobaote Mountain . . .	210	Ag	430g/t	31	1.52	54.71	53.30	–2.6
	210	Pb	3.75%	21	1.03	0.57	0.55	–3.5
	210	Zn	6.10%	17	1.52	0.94	0.91	–3.2
	210	Cu	0.35%	30	1.47	0.16	0.12	–25

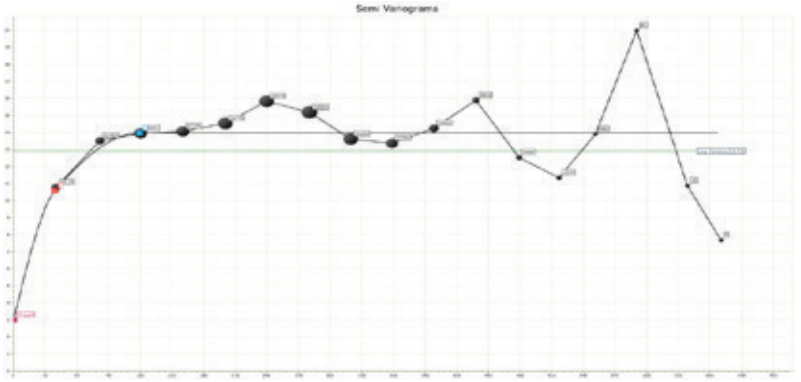
In Huaaobaote, the distribution of high-grade values varies, particularly with respect to polymetallic associations. To minimize the potential bias introduced by extreme high-grade values in resource estimation, BAW applied a systematic top-cutting (capping) procedure. Data were first subdivided by sample type (drill core and channel samples) and by statistical domains (e.g., high-grade Zn, low-grade Zn; high-grade Pb, low-grade Pb). For each domain, the data between the 50th and 90th percentiles were analyzed progressively to calculate the mean, standard deviation, and coefficient of variation (CV = Mean/StDev), while monitoring the relative change in CV with increasing percentiles. When a significant change in CV was observed (typically below the 97.5th percentile or when the CV decreased below 1.5), the corresponding grade value was adopted as the top-cut threshold. This methodology effectively mitigates the local impact of extreme outliers while preserving the realistic grade variability within the mineralized domains.

Table 6–6 Statistical Analysis of Capped Composites for Huaaobaote

Composites Type	Capping	Capping Value	No.of Capped	Before Capping	After Capping	DIFF
CM	Pb	20	161	2.16	1.93	–11%
CM	Zn	19.7	158	2.84	2.71	–5%
CM	Ag	1,351	344	286.8	202.6	–29%
CM	Cu	4	9	0.037	0.032	–14%
DDH.	Pb	9.16	92	1.13	0.9	–20%
DDH.	Zn	13.2	93	1.777	1.688	–5%
DDH.	Ag	1,092	78	124.9	105.1	–16%
DDH.	Cu	4	11	0.041	0.034	–17%

6.8 Variogram Study

BAW conducted a semi-variogram study to guide the grade interpolation search strategy. The study focused on capped composites within the mineralised domain, preparing downhole variograms and omnivariograms to assess the nugget effect. Dimensional variograms were developed along strike and down-dip to capture grade continuity. The variogram ranges were then applied as the spherical search ellipse parameters for Ordinary Kriging interpolation, ensuring accurate grade estimation based on the spatial variability of silver, lead zinc and copper mineralisation.





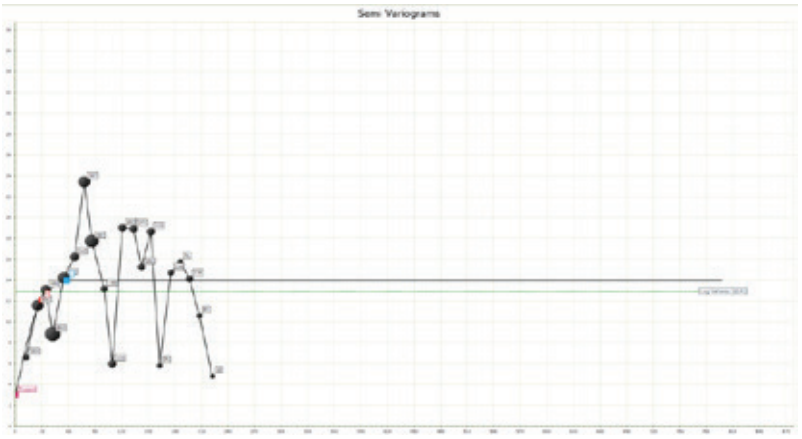


Figure 6–7 Variograms of Silver

BAW completed variogram studies on the principal domains and applied the results to Ordinary Kriging ("**OK**") interpolation. Variogram analysis was also undertaken for silver, lead, zinc, and across all cut-off thresholds. With the exception of copper, no well-structured variogram models could be established. Directional variogram modelling within several geological domains confirmed that the strike and dip orientations of mineralisation were consistent with the geological interpretation and assumptions. These results provided adequate confidence to define search parameters and to support the estimation strategy adopted in the resource model.

Table 6–7 Variogram Parameters

		Spherical 1				Spherical 2				Major Azi and Plunge	Semi-major Azi and Plunge	Rotation
	Nugget	Sill 1	Range 1	Range 2	Range 3	Sill 2	Range 1	Range 2	Range 3			
Ag . . .	3	4.53	39.1	69.1	30.1	6.45	119.5	106.2	57.7	306//79	126//11	90
Pb. . . .	0.03	0.46	7.82	49.58	87.8					143//75	301.5//14	–69.18
Zn. . . .	0.1	2.43	11.7	40.09	9					143//60	305.1//22	0

6.9 Bulk Density

BAW reviewed the available bulk density test results and, taking into account their spatial distribution, derived representative average values for use in the resource estimate.

At the Huaaobaote Mountain deposit, 57 bulk density samples collected in 2009 from the ore zone returned an average of 3.42 g/cm^3 for the sulphide domain. At the Bayanwenduri and 1118 Highland deposits, 76 bulk density samples collected up to 2023 yielded an average of 2.87 g/cm^3 for the sulphide domain. At the Huaaobaote deposit, 131 bulk density samples collected up to 2023 returned an average of 3.60 g/cm^3 for the sulphide domain.

These values were applied in the tonnage calculations during the course of Mineral Resources estimation to ensure consistency with the geological characteristics of each deposit.

Table 6–8 Bulk Density Samples and Averages by Concessions

Concessions	No. of Samples	Period of Sampling	Average Bulk Density (g/cm^3)	Ore Type/Domain
Huaaobaote Mountain . . .	57	2009	3.42	Sulphide zone
Bayanwenduri and 1118 Area	76	≤ 2023	2.87	Sulphide zone
Huaaobaote Mine	131	≤ 2023	3.60	Sulphide zone
1038 Highland	30	Before 2017	2.81	Remove special values
Nanshan	30	Before 2014	3.00	
Peripheral (II)	116	Before 2014	2.81	

6.10 Block Modeling

An un-rotated block model was constructed by BAW for resource estimation. To reflect the spatial geometry of the mineralisation, parent block dimensions were set at 10 m along east, 10 m along north, and 2 m vertically. Sub-blocks were defined with 5 m along east, 5m along north, and 0.5m vertically to allow for finer resolution within the model of the Huaaobaote Mountain. Details of the block model definition is as listed below.

Table 6–9 Block Model Definition

Concession	Direction	Origin	Length	# of Blocks	Block Size	Sub-block Size
Huaaobaote Mountain	X	40414200	1,090	56	20	5
	Y	5012350	1,130	114	10	2.5
	Z	230	830	1,060	8	2
Bayan Wendouri and 1118 Area .	X	40414200	1,090	56	20	5
	Y	5012350	1,130	114	10	2.5
	Z	230	830	1,060	8	2
Huaaobaote Mine	X	40416835	2,965	150	20	5
	Y	5008260	2,540	256	10	2.5
	Z	90	1,025	104	10	2.5

Block models for domain codes, density, grade, and classification were created. Domain codes and density values were assigned based on the parameters outlined in the preceding sections.

Considering the variogram performance and mineralization style, BAW utilized OK and IDW to estimate grades into parent blocks using capped composites. Three interpolation passes were employed in the estimation process. Each pass was implemented so that blocks with better-informed data were interpolated first. Informing data included search ellipse parameters, as well as the minimum and maximum number of composites required to interpolate a given block, along with the maximum number of composites that could be considered per drill hole.

The consideration of a minimum number of composites for interpolation in a given pass, combined with the maximum number of composites per hole, effectively determined the minimum number of drill holes needed for that pass. Each ellipsoid search was divided into eight sectors, with a maximum of four points and a minimum of two points set per sector. The estimation parameters are summarized below.

Table 6–10 Estimation Parameters Adopted for IDW and OK Methods

Concession	Domain	Pass	Strike Range (m)	Down Dip Range (m)	Across Dip Range (m)
Huaaobaote Mountain	210	I	45	31.5	3.2
		II	90	63	6.4
		III	180	126	12.8
Bayan Wendouri and 1118 Area	121	I	62.5	31.5	3.2
		II	125	63	6.4
		III	250	126	12.8
	122	I	62.5	31.5	3.2
		II	125	63	6.4
		III	250	126	12.8
Huaaobaote Mine . .	220	I	30	30	3
		II	60	60	6
		III	120	120	12
	221	I	30	24	3
		II	60	48	6
		III	120	96	12
	222	I	30	18	3
		II	60	36	6
		III	120	72	12
	223	I	30	21	3
		II	60	42	6
		III	120	84	12
	224	I	30	21	2.1
		II	60	42	4.2
		III	120	84	8.4
	225	I	30	21	2.1
		II	60	42	4.2
		III	120	84	8.4
	226	I	30	30	3
		II	60	60	6
		III	120	120	12
	227	I	30	21	3
		II	60	42	6
		III	120	84	12
	228	I	30	30	3
		II	60	60	6
		III	120	120	12
	229	I	30	30	3
		II	60	60	6
		III	120	120	12

Considering that no updated exploration data were available for the 1038 Highland, Peripheral (II), and Nanshan areas, BAW retained the Mineral Resource models as of year-end 2024. No updates were undertaken for these areas in the current estimate. These resources are therefore carried forward unchanged from the previous estimate.

6.11 Resource Classification

The classification of Mineral Resources for the project follows the JORC Code and industry best practices, incorporating an integrated assessment of geological continuity, drilling density, data quality, variogram performance, and estimation confidence.

BAW adopted a classification strategy that reflects confidence in the geological interpretation and grade continuity, supported by both drilling spatial configuration and the results from three-pass OK method. The following criteria were applied to define the confidence categories:

- **Measured Mineral Resources**: Assigned to blocks estimated within 50m at least three drillholes, using a minimum of **seven** composites for grade estimation (first search volume), and located within zones showing strong geological continuity and high data density.

- **Indicated Mineral Resources:** Defined as blocks estimated within 100m of the master domain, using at least two drillholes and a minimum of four composites for grade estimation (second search volume).

- **Inferred Mineral Resources:** Assigned to blocks estimated during the second or third search passes, within searching range stated in Table 6–8 and supported by at least one drillhole. These areas are characterized by lower drill density and more limited confidence in geological and grade continuity, although mineralisation is reasonably interpreted as continuous.

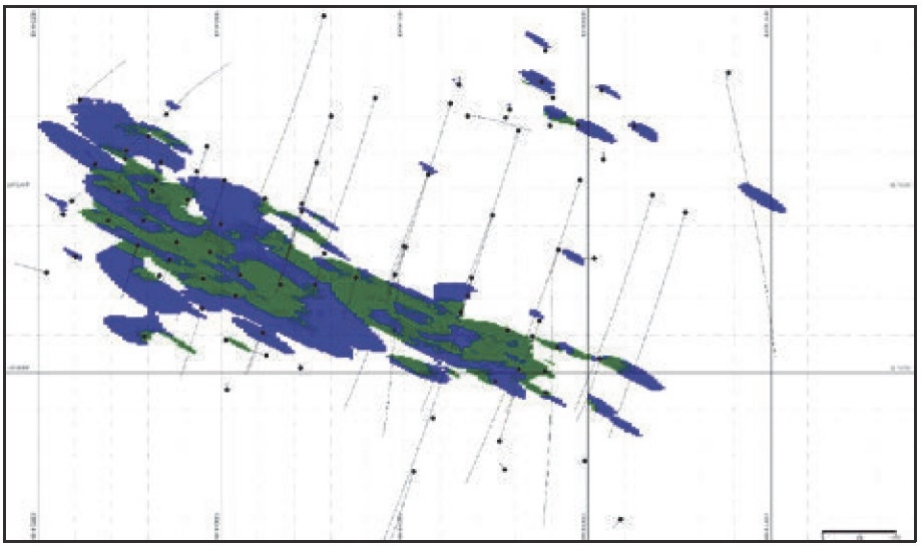


Figure 6–8 Resource Distribution of the Huaaobaote Mountain Concession

Given the amount and distribution of measured resources, BAW is satisfied that the geological modeling accurately reflects the current geological information and knowledge. This classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding, in accordance with the JORC Code (2012) requirements for public reporting.

6.12 Model Validation and Sensitivity

BAW conducted a comprehensive validation of the interpolated model, which included visual inspection, global statistic and comparison of grades between the IDW and OK methods. BAW concluded that the OK method better reflects the geological characteristics of the Huaaobaote Mountain deposit, while IDW2 is applied to the Huaaobaote Mine, Bayan Wendouri and 1118 Area concessions.

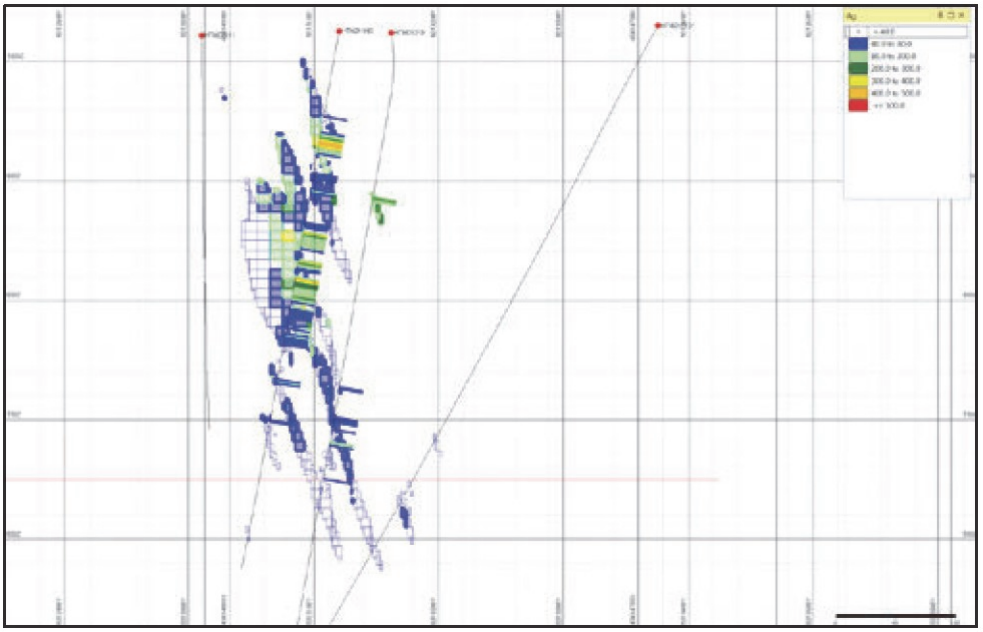
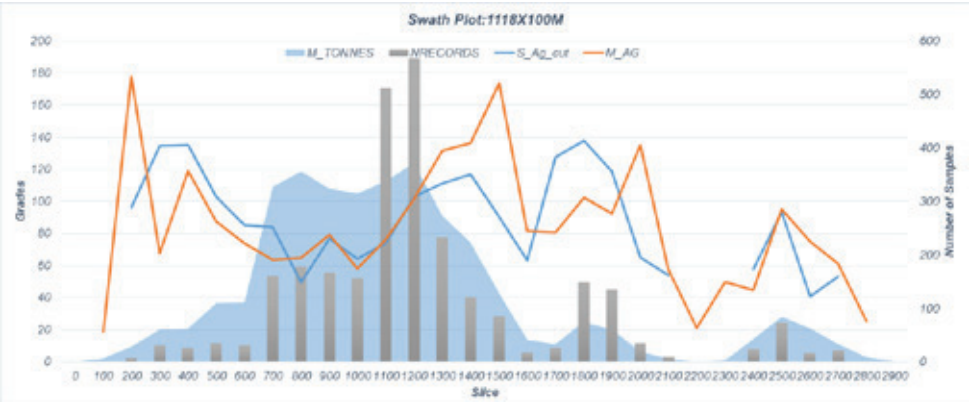


Figure 6–9 Visual comparison between Drillhole Assay Result and the Block Model of the Huaaobaote Mountain Concession

Swath plots for silver, lead, zinc and copper within mineralized zones were generated in three orthogonal directions (north, east, and vertical) at specified intervals for all sites. The block models and composites are generally well-aligned in all orthogonal directions. This comparison highlights a strong consistency between the blocks and composites, with similar overall distribution patterns observed across the X, Y, and Z coordinates. In the case of Bayan Wendouri and 1118 Gaodi sites, the swath plot of elevation shows relatively low correlation in shallow elevation where tonnage is limited.



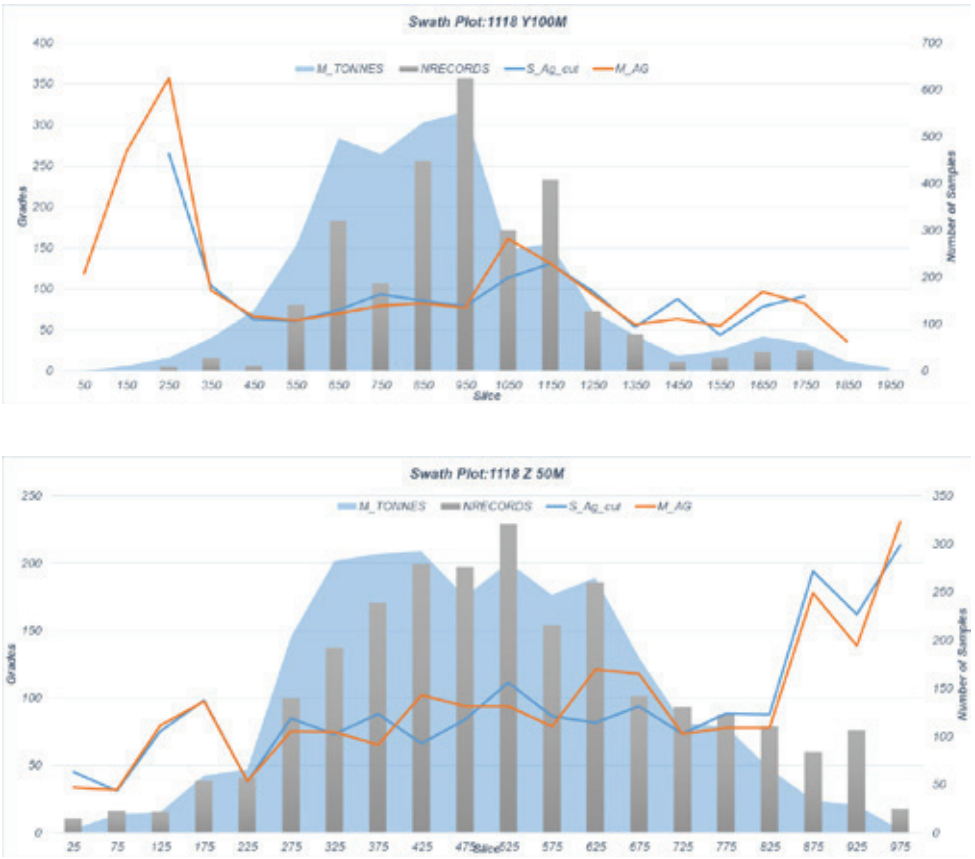


Figure 6–10 Silver Swath Plots for the Bayan Wendouri and 1118 Area Concessions along Easting, Northing and Elevation Direction

6.13 Metal Equivalent and Cut-off Estimation

For the purpose of equivalent grade calculation, BAW converted the recoverable value of all payable metals into silver equivalent (AgEq). Metallurgical recoveries vary across deposits due to differences in ore characteristics and were determined from a combination of metallurgical testwork and production data. Metal prices applied in the calculation were based on the reserve price assumptions.

Based on the three-year average metal prices, silver equivalent grade was calculated to combine silver, lead, zinc and copper into a single silver equivalent value. The silver equivalent grade was calculated using the formula below:

$$\mathrm{Ag}\,(g/t) + \frac{\mathrm{Pb}\,(g/t) \times P_{Ag} \times R_{Ag}}{P_{Pb} \times R_{Pb}} + \frac{\mathrm{Zn}\,(g/t) \times P_{Zn} \times R_{Zn}}{P_{Ag} \times R_{Ag}} + \frac{\mathrm{Cu}\,(g/t) \times P_{Cu} \times R_{Cu}}{P_{Ag} \times R_{Ag}}$$

where,

- AgEq (g/t): Silver equivalent silver in grams per ton
- Ag (g/t): Amount of silver present
- Pb (g/t): Amount of lead present
- Zn (g/t): Amount of zinc present
- Cu (g/t): Amount of copper present
- P: Price per unit of each metal (Ag, Pb, Zn, Cu)
- R: Recovery rate of each metal

Table 6–11 Silver Equivalent Estimated for Multiple Concessions

Concession	Silver Equivalent & Recovery	Gold	Silver	Copper	Zinc	Lead
	Unit	$/troy oz	$/troy oz	$/lb	$/lb	$/lb
	Metal Price	2,000.0	25.0	4.0	1.3	1.0
Huaaobaote . . .	Recovery	—	93.16%	0.00%	89.70%	91.10%
	AgEq	—	1.00	—	35.39	25.93
Huaaobaote Mountain . . .	Recovery	—	87.50%	80.00%	70.00%	67.00%
	AgEq	—	1.00	100.81	29.40	20.30
Bayan Wendouri and 1118 Area . . .	Recovery	—	92.54%	60.00%	84.00%	83.00%
	AgEq	—	1.00	71.49	33.36	23.78
1038 Highland .	Recovery	—	86.93%	0.00%	87.64%	86.70%
	AgEq	—	1.00	—	37.05	26.44
Peripheral (II) .	Recovery	91.60%	88.00%	0.00%	85.00%	85.00%
	AgEq	83.27	1.00	—	35.50	25.61
Nanshan	Recovery	—	85.43%	0.00%	85.69%	89.48%
	AgEq	—	1.00	—	36.87	27.77

The Mineral Resources for the Yulong Property have been reported only where reasonable prospects for eventual economic extraction (RPEEE) can be demonstrated. The assessment of RPEEE was based on the following considerations:

- **Commodity Price**: A silver price of USD32.5/oz was adopted, based on the three-year historical average and deemed a reasonable long-term assumption.
- **Underground Potential**: Blocks were evaluated for potential underground extraction, applying an appropriate underground break-even cut-off grade.

Table 6–12 Cut-Off Grades Adopted for In-Pit and Out-Pit Resources

Parameters	Unit	Value
USD To RMB		7
Unit Cost	RMB/t	354.07
Mining Cost	RMB/t	247.17
Processing Cost	RMB/t	63.05
G&A Cost	RMB/t	43.85
Silver Price	USD/oz	32.5
	RMB/g	5.63
payable		80%
Processing Recovery	%	93.20%
Breakeven Cut-off Grade	g/t	65

6.14 Mining Depletion

Mined-out areas were considered during the course of the Mineral Resource estimation. The mine-site has not undertaken systematic laser scanning of underground voids. However, boundary of mined stopes was provided on vertical sections. Based on these, BAW reviewed each by domains and assign the "Mined-out" attribute to generate the "Mined Out" block model. The depletion has been applied to the block models to reflect the depletion status as at December 31, 2025.

6.15 Mineral Resources Statement

The Mineral Resources of the Yulong Property were estimated as of December 31, 2025 with the following key assumptions:

- Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred resources in this estimation are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured Mineral Resources. It is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

- The Mineral Resource estimate is reported as of December 31, 2025.

- Underground Mineral Resources are reported using an underground mining break-even cut-off grade (BCOG) of 65.0 g/t AgEq, reflecting the assumption of "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) under underground mining conditions.

- Totals may not add up.

Table 6–13 Mineral Resources Statement Prepared by BAW for the Yulong Property as of December 31, 2025

Site	CAT	TONNES	Pb grade	Pb Metal	Zn grade	Zn Metal	Ag grade	Silver Metal	Cu grade	Copper Metal	Au grade	Gold Metal
		Mt	(%)	(t)	(%)	(t)	(g/t)	(t)	(%)	(t)	(g/t)	(t)
Huaaobaote Mountain	Measured	—	—	—	—	—	—	—	—	—	—	
	Indicated	5.73	0.62	35,448	1.13	64,719	64.45	369.44	0.02	862		
	M+I	5.73	0.62	35,448	1.13	64,719	64.47	369.44	0.02	862		
	Inferred	4.55	0.74	33,483	1.17	53,367	69.18	314.94	0.02	747		
	Total	10.28	0.67	68,931	1.15	118,086	66.55	684.38	0.02	1,609		
Huaaobaote	Measured	8.98	1.33	119,532	2.08	186,491	161.54	1,450.67	0.03	2,531		
	Indicated	10.46	1.11	116,386	1.83	191,138	129.00	1,349.95	0.03	2,841		
	M+I	19.44	1.21	235,918	1.94	377,629	144.03	2,800.62	0.03	5,371		
	Inferred	5.72	1.21	69,468	1.79	102,489	145.82	834.11	0.19	10,975		
	Total	25.16	1.21	305,386	1.91	480,118	144.44	3,634.73	0.06	16,346		
1038 Hight	Measured	—	—	—	—	—	—	—	—	—		
	Indicated	0.22	1.15	2,527	2.03	4,455	136.82	30.02	—	—		
	M+I	0.22	1.15	2,527	2.03	4,455	136.82	30.02	—	—		
	Inferred	0.38	1.15	4,416	2.19	8,431	125.20	48.12	—	—		
	Total	0.60	1.15	6,943	2.13	12,886	129.43	78.14	—	—		
Nanshan	Measured	—	—	—	—	—	—	—	—	—		
	Indicated	0.33	2.54	8,427	2.89	9,596	190.99	63.42	—	—		
	M+I	0.33	2.54	8,427	2.89	9,596	190.99	63.42	—	—		
	Inferred	0.27	1.96	5,382	2.37	6,499	158.17	43.46	—	—		
	Total	0.61	2.28	13,809	2.65	16,095	176.13	106.88	—	—		
Peripheral (II) area	Measured	0.32	—	—	—	—	183.41	58.32	—	—	—	—
	Indicated	0.59	0.08	490	0.13	790	208.47	122.58	—	—	—	—
	M+I	0.91	0.05	490	0.09	790	199.67	180.90	—	—	—	—
	Inferred	0.90	1.04	9,326	1.23	11,098	194.96	175.66	—	—	1.95	1.75
	Total	1.81	0.54	9,816	0.66	11,888	197.32	356.56	—	—	1.95	1.75
Bayan Wendouri	Measured	1.67	0.40	6,660	1.30	21,645	99.88	166.68	0.34	5,605		
	Indicated	14.59	0.64	92,578	1.78	259,746	77.16	1,125.72	0.29	42,183		
	M+I	16.26	0.61	99,238	1.73	281,391	79.49	1,292.40	0.29	47,788		
	Inferred	12.37	0.82	101,163	2.05	253,871	86.43	1,069.22	0.26	32,445		
	Total	28.63	0.70	200,401	1.87	535,261	82.49	2,361.63	0.28	80,232		

Site	CAT	TONNES	Pb grade	Pb Metal	Zn grade	Zn Metal	Ag grade	Silver Metal	Cu grade	Copper Metal	Au grade	Gold Metal
		Mt	(%)	(t)	(%)	(t)	(g/t)	(t)	(%)	(t)	(g/t)	(t)
1118 gaodi	Measured	—	—	—	—	—	—	—	—	—		
	Indicated	1.02	0.41	4,182	1.45	14,856	129.59	132.43	0.91	9,252		
	M+I	1.02	0.41	4,182	1.45	14,856	129.59	132.43	0.91	9,252		
	Inferred	5.43	0.47	25,461	0.92	49,875	90.03	488.61	0.56	30,355		
	Total	6.45	0.46	29,643	1.00	64,731	96.30	621.04	0.61	39,607		
Stokpile	Measured	0.13	1.15	1,480	1.71	2,200	135.29	17.46	—	—		
	Indicated	—	—	—	—	—	—	—	—	—		
	M+I	0.13	1.15	1,480	1.71	2,200	135.29	17.46	—	—		
	Inferred	—	—	—	—	—	—	—	—	—		
	Total	0.13	1.15	1,480	1.71	2,200	135.29	17.46	—	—		
Total	Measured	11.10	1.15	127,672	1.90	210,337	152.59	1,693	0.07	8,136		—
	Indicated	32.95	0.79	260,039	1.66	545,299	96.93	3,194	0.17	55,137		—
	M+I	44.04	0.88	387,711	1.72	755,636	110.95	4,887	0.14	63,273		—
	Inferred	29.63	0.84	248,699	1.64	485,630	100.37	2,974	0.25	74,521	1.95	1.75
	Total	73.67	0.86	636,410	1.68	1,241,266	106.70	7,861	0.19	137,794	1.95	1.75

Notes:

The information in this CPR relating to Mineral Resources is compiled by Dr. Shugang Zhao who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Dr. Zhao consents to the reporting of this information in the form and context in which it appears.

6.16 Comparison with Previous Estimates

The previous Mineral Resource estimate for the Yulong Property, prepared by BAW in March 2025, was based on data as of December 31, 2024, as reported in the Client's 2024 Year-End Mineral Resources and Ore Reserves Statement. The most recent Mineral Resource estimate for the Yulong Property was completed by BAW, utilizing exploration and production data as of December 31, 2025.

For this update, BAW reviewed and refined the resource models for the Huaaobaote, Huaaobaote Mountain, 1118 Highland, and Bayan Wendouri deposits. The main changes from the previous estimate are summarised as follows:

1. 3D Modelling for Huaaobaote and Huaaobaote Mountain: The previous polygonal estimation approach was replaced with full 3D wireframe and block modelling. This allowed for more accurate volume control and grade distribution, resulting in an increase in the Measured and Indicated categories.

2. Classification Optimisation for 1118 Highland and Bayan Wendouri: Resource classifications in these deposits were refined based on data density and geological confidence; however, the underlying geological models were not modified.

3. Unified Cut-off Grades: Cut-off grades across all deposits were standardised to ensure consistency in resource reporting and comparability within the project.

4. Adjustment of Metal Equivalent Relationships: The equivalent metal conversion ratios were updated to reflect the latest multi-metal price relationships and market trends, leading to adjustments in silver-equivalent grades and reported metal contents.

A summary comparison of the previous and current Mineral Resource estimates is presented in Table 6–14 below.

Table 6–14 Comparison of Previous and Current Mineral Resource Estimates for the Yulong Property

Estimation	CAT	TONNES (Mt)	Lead Grade (%)	Contained Lead (t)	Zinc Grade (%)	Contained Zinc (t)	Silver Grade (g/t)	Contained Silver (kg)	Copper Grade (%)	Contained Copper (t)	Gold grade (g/t)	Gold Metal (kg) (t)
20241231	Measured	9.35	0.67	62,808	1.75	163,154	90.35	844,597	0.28	26,164	—	0
	Indicated	28.42	0.82	231,743	1.75	496,224	97.02	2,757,851	0.20	58,002	—	0
	Inferred	34.10	0.94	320,322	1.77	602,450	127.03	4,331,276	0.13	43,427	0.97	1.753
	Subtotal	71.87	0.85	607,657	1.77	1,271,316	110.39	7,933,724	0.18	127,593	0.97	1.753
20251231	Measured	11.10	1.15	127,672	1.90	210,337	152.59	1,693	0.07	8,136		
	Indicated	32.95	0.79	260,039	1.66	545,299	96.93	3,194	0.17	55,137		
	Inferred	29.63	0.84	248,699	1.64	485,630	100.37	2,974	0.25	74,521	1.95	1.753
	Subtotal	73.67	0.86	636,410	1.68	1,241,266	106.70	7,861	0.19	137,794	1.95	1.753
DIFF	Measured	19%		103%		29%		100%		–69%		0%
	Indicated	16%		12%		10%		16%		–5%		0%
	Inferred	–13%		–22%		–19%		–31%		72%		0%
	Subtotal	3%		5%		–2%		–1%		8%		0%

6.17 Exploration Potential

The Huaaobaote mining district is situated along the Meilaosite deep-seated fault and its subsidiary structures, hosting a cluster of typical medium- to low-temperature epithermal Ag-Pb-Zn polymetallic deposits. Exploration to date has delineated multiple sizable mineralized bodies with stable morphology and grade distribution, confirming the maturity and continuity of the mineralizing system. Mineralization remains open both at depth and along strike, with drilling already revealing thick, continuous mineralized zones in depth, including intercepts of substantial width and grade. Further exploration is expected to significantly expand the resource base. The extension of the controlling fault zones, together with parallel blind lodes in the hangingwall and footwall, offers additional upside potential, particularly near fault intersections and intrusive contacts, where conditions are favorable for new mineral body formation. Additional drilling in these sectors is strongly recommended.

The Huaaobaote Mountain deposit, as the western extension of the main ore field, shares the same geological framework. Mineralization is controlled by the Shoushangou Formation and its structural contacts with serpentinized ultramafics and NE-trending faults. Current exploration remains preliminary, and the continuation of fracture-shear zones and alteration halos is not fully constrained. Both depth extensions and peripheral zones present potential blind mineralization, and step-out drilling and structural targeting may define new large-scale orebodies.

The 1118 Highland deposit, a current exploration focus, hosts Zn-dominant polymetallic mineralization within the Dashizhai Formation along NW-trending fault zones. Mineralization is strongly structurally controlled, forming typical fracture-filling hydrothermal lodes. Large-scale, continuous mineralized bodies have been delineated, yet extensions remain open at depth and along strike. Fault intersections and subsidiary extensional-transpressional fractures represent key exploration targets, with high potential for blind lodes in marginal zones.

The Nanshan deposit comprises Ag-Pb-Zn mineralization within the Shoushangou Formation sandstones and siltstones. Orebodies are regular in form, with relatively consistent thickness and grade. Several mineralized bodies have been confirmed by drilling, yet depth and lateral extensions remain unconstrained. Alteration zones and geophysical-geochemical anomalies in peripheral sectors indicate considerable potential for additional resources.

The 1038 Highland deposit, located to the southeast, is controlled by NE-trending faults and contacts with serpentinized ultramafic intrusions. Mineralization is dominated by Ag-Pb-Zn, with subordinate Cu. Orebodies are structurally complex, commonly vein- or lens-shaped, reflecting multi-phase hydrothermal overprinting. Current drilling confirms that mineralization persists along strike and at depth, yet the system remains incompletely constrained. Blind lodes are considered highly probable within contact zones and subsidiary fracture belts, supporting strong potential for resource expansion.

The Outer Zone II deposit lies to the east of the main ore field, where mineralization occurs within alteration zones along the contact between diorite porphyry and serpentinized peridotite. Mineralization styles comprise fracture-controlled altered rock and medium- to low-temperature epithermal polymetallic systems. Exploration has defined dozens of orebodies with good internal continuity, yet overall strike and depth extensions remain open. Structural bends, intersections, and overlapping alteration zones are particularly prospective, while several geophysical and geochemical anomalies remain untested. Both depth extensions and peripheral sectors offer significant exploration upside.

In summary, the six principal deposits of the Huaaobaote cluster belong to a unified structural-metallogenic system, arranged in a chain-like pattern along the Meilaosite fault zone. Common favorable exploration targets include depth extensions, fault intersections, and intrusive contacts. With continued deep drilling, step-out exploration, and systematic anomaly verification, the district holds strong potential for ongoing resource growth and the establishment of a large-scale, long-life resource base.

6.18 Conclusions and Recommendations

BAW makes the following recommendations:

- **Infill Drilling** — Undertake additional infill drilling to improve geological confidence and facilitate the upgrade of Inferred Resources, particularly in zones where mineralisation continuity is already demonstrated.

- **Step-out Drilling** — Conduct step-out drilling along strike and down dip to test the extensions of mineralisation and evaluate potential resource growth in open areas.

- **Bulk Density Program** — Implement a systematic bulk density measurement program across key lithologies and weathering profiles to refine tonnage estimation and improve accuracy.

- **Production Reconciliation** — Strengthen geological data collection during mining through routine face mapping, channel sampling, and lithological logging to support reconciliation and ongoing model refinement.

- **Model Updates** — Regularly update the geological and depletion models to reflect new drilling results and mining activities, ensuring accurate resource tracking.

7 ORE RESERVES ESTIMATION

7.1 Ore Reserves Definitions and Classification

The classification, reporting and estimation of Ore Reserves for the Yulong Property presented in this CPR are made in conformity with the requirements of the JORC Code 2012 which is conformable with the requirements for the natural resource companies listed on the HKEX. In accordance with the JORC Code 2012, the definitions of Ore Reserves and the classification of Ore Reserves are summarized as below.

- *An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves, which include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.*

- *A 'Probable Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Reserve is lower than that applying to a Proved Reserve.*

- *A 'Proved Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the Modifying Factors.*

- *Under the JORC Code, Inferred Mineral Resources are deemed to be too poorly delineated to be transferred into Reserve category, and therefore no equivalent Possible Reserve category is recognized or used.*

The general relationships between exploration results, Mineral Resources and Ore Reserves under the JORC Code are illustrated in Figure 6–1.

7.2 Ore Reserves Estimation Procedure

Ore Reserve estimation generally involves the consideration of the Ore Resource estimation associated with its resource model and various "Modifying Factors" including mine planning, historic production data, reconciliation of resource estimation and production, processing, infrastructures, economic, marketing, legal, environmental, social and governmental factors. The processes of Ore Reserve estimation for open-pit and underground operations are summarized as follows respectively:

- **Examination of Resource Block Model**: Confirm the geological interpretation of the models, focusing on the meaning and range of each attribute or parameter in the resource block models.

- **Mining Study Review**: Analyze the contents of mining study reports, including the applied mining and processing methods, appropriate operating costs, and parameters. Assess how these parameters were used to determine the open pit extents and shape. Review the selected pit shell for surface constraints and potential interactions with planned production operations.

- **Mineable Stope Shape Optimization:** The position and shape of the underground mining is optimized given the geological and economic parameters of the deposit as well as the mining, processing, and market parameters. Within the license and above the minimum cut-off grade before mining losses and dilution.

- **Mine Design and Development Review:** Conduct a comprehensive audit of planned or existing production and development systems. Verify compliance with production processes and plans against technical, industry, and regulatory standards. Evaluate system rationality through on-site inspections, data analysis, and expert input, identifying bottlenecks and risks.

- **Mine Production Schedule**: Schedule the material within the designed stopes according to feasible tonnage and processing plant targets.

- **Equipment Requirements**: Review mobile equipment requirements based on the mining system, mining schedule, and commodity target.

- **OPEX and CAPEX**: Review operating and capital expenditures. Scrutinize cost estimates, compare them with benchmarks, and identify risks. Provide recommendations for cost optimization and contingency planning.

7.3 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the JORC Code (2012), BAW reviewed a number of technical studies prepared for the Yulong Property and made reference with the actual operation and current mining plan. The confidence level in the Modifying Factors demonstrated in those technical studies are considered by BAW to be akin to a pre-feasibility study level and are suitable to support Ore Reserve estimation. The technical studies reviewed by BAW include:

7.3.1 Huaaobaote

- Feasibility Study Report for the Phase II Technical Renovation Project of Inner Mongolia Yulong Mining Co., Ltd. Xiwuzhumuqin Banner Huaaobaotete Silver-Lead-Zinc Mine, Hebei Xinye Engineering Technology Co., Ltd. June 2010.

- Preliminary Design for Underground Mining Engineering of Phase II Technical Renovation of Huaaobaotete Silver-Lead-Zinc Mine's First, Second, and Third Mining Areas, Hebei Xinye Engineering Technology Co., Ltd. October 2010.

- Laboratory Test Summary of Full Tailings Structured Fluid Cemented Filling and Design Specification for Filling System Construction, Changsha Mining Research Institute Co., Ltd. December 2013.

- Feasibility Study Report for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Hunan Metallurgical Planning and Design Institute and Changsha Mining Research Institute Co., Ltd. January 2014.

- Preliminary Design for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Changsha Mining Research Institute Co., Ltd. May 2014.

- Optimized Supplementary Preliminary Design for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine (Original Third Mining Area), Changsha Mining Research Institute Co., Ltd. July 2015.

- Preliminary Design (Amendment) for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Changsha Mining Research Institute Co., Ltd. June 2018.

- Preliminary Design (Amendment) for Phase II Engineering of Huaaobaotete Silver-Lead Mine Technical Renovation Project, Changsha Mining Research Institute Co., Ltd. 2021.

7.3.2 Huaaoaboate Mountain

- Mineral Resources Development and Utilization Plan for Lead-Zinc-Silver Mine in Huaaobaote Te Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd., JinJian Engineering Design Co., Ltd., June 2023.

- Feasibility Study for Lead-Zinc-Silver Mine in HuaaobaoteTe Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd., ShanJin Design & Consulting Co., Ltd.

7.3.3 1118 Area

- Pre-feasibility Study Report on the Construction Project of Zinc Polymetallic Ore at 1118 Highland of Inner Mongolia Yulong Mining Co., Ltd., Jinjian Engineering Design Co., Ltd. July 2025

7.4 Cut-Off Grade

The cut-off grade for the ROM feed are generally calculated using the following formula whereas the parameters used in estimating the cut-off grade are detailed in the Table 7–2.

$$Cut-off\ Grade = \frac{Mining\ Cost + Processing\ Cost + G\&A\ Cost}{Payable\ factor * silver\ Price * Processing\ Recovery}$$

The historic unit costs used for cut-off grade analysis for the operating mines is shown in Table 7–2. whereas operating costs for the development projects such as the Huaaobaota Mountain and 1118 area is based on the unit costs estimated in the technical studies as shown in Table 7–2.

Table 7–1 Historic Unit Costs for the Operating Mines of the Yulong Property

	Unit	2022	2023	2024	2025Q2	Average
Mining Cost. . . .	RMB/t	244.29	264.72	241.24	238.41	247.17
Processing Cost .	RMB/t	57.05	63.13	56.66	75.36	63.05
G&A Cost	RMB/t	45.02	60.32	70.07	—	43.85
Total Cost	RMB/t	346.36	388.17	367.97	313.77	354.07

Source: provided by the mine management and summarized by BAW

Table 7–2 Cut-off Grade adopted in Ore Reserves Estimation for the Yulong Property

	Unit	Huaaobaote	Huaaobaote Mountain		1118 Area
			Plan[1]	FS[2]	
Unit Conversion Exchange Rate	RMB/USD	7.000	7.000	7.000	7.000
Unit Cost	RMB/T	354.07	296.90	403.12	339.10
Mining Cost	RMB/t	247.17	150.90	224.90	185.70
Processing Cost	RMB/t	63.05	95.90	80.93	107.10
G&A Cost	RMB/t	43.85	50.10	97.29	46.30
Silver Price	USD/oz	25.00	25.00	25.00	25.00
	RMB/g	5.63	5.63	5.63	5.63
Payable		80%	80%	80%	80%
Processing Recovery	%	93.2%	90.0%	90.0%	90.0%
Breakeven Cut-off Grade (Silver Equivalent)	g/t AgEq	85	74	99	84

Source: provided by the mine management and summarized by BAW

Note:

A. Mineral Resources Development and Utilization Plan for Lead-Zinc-Silver Mine in Huaaobaote Te Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd.

B. Feasibility Study for Lead-Zinc-Silver Mine in Huaaobaote Te Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd.

It should be noted that the cut-off grade used in the Ore Reserves statement is based on actual operational data and plans derived from technical studies. BAW has established 85g/t Silver Equivalent as the cut-off grade for the operating mines.

7.5 Mining Loss and Dilution

The following modifying factors are used to determine the Mineral Reserves.

- Mineable shapes for underground Ore Reserves were generated using the Stope Optimizer by BAW. The detailed procedure and parameters were summarized in Chapter 8.

- Measured, Indicated Mineral Resources were considered during Stope Optimization and treated as ROM, Inferred Resource metal grade was not used to generate the MSO shape result and not as a part of Ore Reserves.

- Mining Dilution for three mines:

- A dilution of 0.5 m is applied to each side of the stope. A minimum mining width 1 m, with a minimum stope pillar 2m.

- Mining Ore Loss: 10% which was summarized from the technical study and was the similar with the mine operations records.

7.6 Ore Reserves Statement

The Ore Reserves of the Yulong Property were estimated as of December 31, 2025 with the following key assumptions:

- All of the Ore Reserves are included within the Mineral Resources;
- The Ore Reserves do not include any Inferred Resources which have been treated as waste (i.e. its mining costs have been covered but no revenue has been assumed for the Inferred Resources);
- Adopted cut-off grade: 85 g/t AgEq, based on a silver price of RMB5.63/g (US$25/oz), with an assumed USD to RMB exchange rate of 7;
- Ore Reserves are reported within the exploration licenses or mining licenses;
- Mining recovery: 90%;
- Mining dilution: 10%;
- Totals may not add up.

Table 7–3 Ore Reserve Statement Prepared by BAW for the Yulong Property as of December 31, 2025

	Category	Tonnage (mt)	Silver Grade (g/t)	Lead Grade (%)	Zinc Grade (%)	Copper Grade (%)	Contained Silver (t)	Contained Lead (t)	Contained Zinc (t)	Contained Copper (t)
Huaaobaote	Proved	8.07	123.34	1.02	1.63	0.03	996	82,506	131,490	2,151
	Probable	7.63	106.46	0.87	1.51	0.02	812	66,674	115,105	1,579
	Total	15.70	115.14	0.95	1.57	0.02	1,808	149,180	246,594	3,730
Huaaobaote	Proved	—	—	—	—	—	—	—	—	—
Mountain	Probable	3.13	70.70	0.64	1.19	0.02	221	20,111	37,373	489
	Total	3.13	70.70	0.64	1.19	0.02	221	20,111	37,373	489
1118 Area	Proved	—	—	—	—	—	—	—	—	—
	Probable	8.00	81.88	0.58	1.64	0.35	655	46,153	131,398	28,296
	Total	8.00	81.88	0.58	1.64	0.35	655	46,153	131,398	28,296
Stockpile	Proved									
	Probable	0.13	135.29	1.15	1.71	0.00	17	1,480	2,200	—
	Total	0.13	135.29	1.15	1.71	0.00	17	1,480	2,200	—
Combined	Proved	8.07	125.50	1.02	1.63	0.03	996	82,506	131,490	2,151
	Probable	18.89	90.32	0.71	1.51	0.16	1,706	134,419	286,076	30,363
	Total	26.96	100.21	0.80	1.55	0.12	2,701	216,925	417,566	32,514

Notes:

The information in this CPR relating to Ore Reserves is compiled by Mr. Hongbo Liu who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralization and the type of deposits under consideration and to the activities which he is undertaking to qualify as the Competent Persons as defined in JORC Code (2012). Mr. Liu consents to the reporting of this information in the form and context in which it appears.

8 MINING

8.1 Introduction

The Yulong Property comprises of three concessions, namely, Huaaobaote Mine which is an operating mine, Huaaobaote Mountain and 1118 area which are development projects at the time.

Construction of the Huaaobaote Mine commenced in August 2002. The first-phase mining technical transformation project was launched in August 2009, followed by the second phase in 2010. At present, the production areas of the first, second, and third mining districts remain largely independent of one another. The first and second districts are adjacent and share similar orebody characteristics, whereas the third district operates separately, with markedly different orebody geometry and mining conditions. Located about 600–700 m from the first and second districts, the third district is separated by an intermediate zone that has not yet been fully explored. Recent exploration results suggest considerable potential within this zone.

The mine-site employs the shrinkage stoping method. Ores and waste rock are hoisted to the surface and stacked at the shaft opening. From there, ores are transported by scrapers to dump trucks and delivered to the processing plant. All waste rock is fully utilized for tailings dam construction, road surfacing, and shaft platform development.

8.2 Huaaobaote

8.2.1Hydrogeological Conditions

The hydrogeological conditions of the Huaaobaote Mine are defined by its environmental setting and geological structure, which together play a critical role in governing mining operations.

Regional Setting

Geographically, the mine lies within a continental semi-arid climate zone, marked by long, harsh winters and short, hot summers. Annual precipitation averages 300–400 mm, most of which falls between June and August, while annual evaporation reaches about 2,000 mm. The mine area functions as a groundwater runoff and discharge zone, making it an important component of the regional hydrological system.

Groundwater Types

Two main types of groundwater are present in the mine area:

1. Quaternary (Q) Pore Water

    - Found in shallow aquifers composed of 3–10 meters of unconsolidated sediments in low-lying areas.
    - Exhibits weak water abundance, with drill tests showing an average yield of ~45 m^3/day.
    - The water table is usually less than 5 meters deep.
    - Water quality is excellent, classified as bicarbonate-calcium type, with low mineralization (0.2–0.7 g/L).
    - Serves as a reliable source of potable water for local use.

2. Structural Fissure Water

    - The primary groundwater type affecting mining operations.
    - Occurs in fractured zones (15–39 m thick) within Lower Permian sedimentary rocks, metamorphosed volcanic rocks, and serpentinite.
    - Water table depths range between 4.4 and 27.6 m.
    - Fault systems trending northwest, north-south, and northeast act as key conduits for groundwater flow and are closely associated with mineralization.
    - Water presence in highly fractured or compressed rock zones can compromise rock stability, requiring additional support during excavation.
    - The Upper Jurassic fractured bedrock aquifer, largely dewatered, now functions as a permeable but water-deficient horizon.
    - Water quality is classified as bicarbonate-calcium-magnesium type. Although affected by dissolution and adsorption of sulfides and heavy metals from mineralized rocks, the water remains suitable for concentrator operations.
    - Long-term monitoring indicates no significant deterioration in regional groundwater quality from mine water use or discharge.

Hydrogeological Characteristics

The mine is categorized as a moderately water-rich area. Groundwater recharge is mainly derived from atmospheric precipitation, though infiltration is limited by the high evaporation rate. Lateral recharge from surrounding bedrock fissure water is significant, with extensive dewatering forming a cone of depression reaching depths of ~700 m.

- Daily drainage from individual wells typically ranges between 150 and 360 m^3.
- The maximum estimated drainage for the entire mine reaches 360 m^3/day.
- More detailed area- and depth-specific studies suggest potential maximum inflows of up to 1,609 m^3/day.

For exploration purposes, the mine's hydrogeological conditions are classified as simple (Type II).

8.2.2Geotechnical Conditions

The geotechnical assessment of the Huaaobaote Mine focused on evaluating rock mass stability under its specific geological and hydrogeological conditions. The host rock primarily consists of Lower Permian metamorphosed volcanic clastic rocks, normal sedimentary rocks, and Upper Jurassic tuffaceous rocks, all generally classified as hard rock.

Methodologies Applied

1. Engineering Geological Analysis
    - o The surrounding rock of underground excavations was classified as basically stable for spans up to 5 m.
    - o Stability is attributed to the rock's blocky structure and predominantly closed fissures.
2. Rock Mass Quality Index (RQD Method)
    - o Rock mass quality was assessed through the Rock Quality Designation (RQD).
    - o Typical values ranged from 75% to 90%, indicating good quality with mild to moderate fracturing.
    - o This confirmed overall stability outside weathered zones.

3. Numerical Simulation (FLAC3D)

   - o Simulations evaluated stope stability under varying geological and mining conditions.
   - o Parameters included stope height (30–50 m), pillar length (30–60 m), and room length (40–70 m).
   - o Results recommend:
     - Maximum stope height of ≤40 m in Mining Areas 1 and 2.
     - Maximum stope height of ≤30 m in Mining Area 3.

Conclusions and Recommendations

In general, the majority of the host rock is stable under current conditions. Reduced stability is observed in zones affected by weathering, argillization, intense brecciation, or faulting. Groundwater in fractured zones can further compromise stability locally.

To ensure safe and efficient mining, additional support measures are advised in less stable sections, including shotcrete application, anchor-mesh-shotcrete systems and reinforced concrete linings. Overall, the mine's engineering geological conditions are classified as simple (Type III).

8.2.3Mining Method

Overhand sub-level Open Stoping with Delayed Fill

The primary mining method described is Overhand sub-level Open Stoping with Delayed Fill. This method utilizes specific dimensions, including a block length of 15 meters, a stope length of 30 meters, and a block width ranging from 30 to 40 meters. Each mining block is divided into two sub-levels, with a typical sub-level height of 15 to 20 meters. The overall mining direction proceeds continuously from bottom to top. Transportation levels are established at a height of 10 meters, with the bottom at 5–10 meters. In this two-stage process, the first sub-level is mined for 15 meters and subsequently backfilled, which then forms the stable base for mining the second sub-level for 30 meters.

The workflow for this method involves several distinct stages. Initially, preparation engineering establishes sub-level connecting drifts and main levels, spaced 15 meters apart along the ore body's strike, to serve as access for mining equipment. Mining operations commence with the excavation of the first sub-level and stripping of surrounding rock, followed by leveling the stope floor. Ore extraction is performed using fan-shaped deep-hole blasting, employing drill rigs like HY100BQ or KQ100B for drilling, and #2 rock emulsion explosives with non-electric detonators for millisecond delay blasting. Once blasted, ore is either mucked directly from deep holes or sub-levels or transported by auxiliary LHDs or dump trucks to main ore passes for gravity discharge. After a sub-level is mined, the created void is backfilled using tailings and waste rock. This backfilling is critical for roof management, often complemented by rock bolts/cable bolts and shotcrete composite support. The backfilling process itself is carried out via raises, drifts, and temporary pipelines, with the exterior of the mined-out area sealed using cement mortar. Specific backfilling strength requirements apply, with the stope bottom demanding a minimum of 5 MPa, and the overall stope top and sides requiring 4 MPa, while the second sub-level (21–31 meters high) is filled with a low-strength backfill of 0.5 MPa or more.

This method was shown in Figure 8–1.

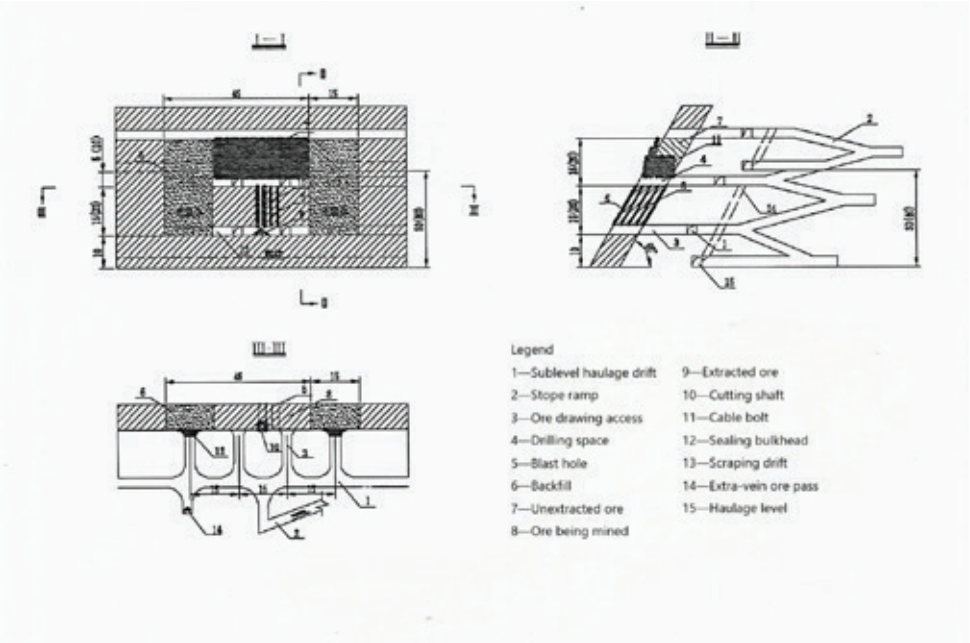


Figure 8–1 Overhand sub-level Open Stoping with Delayed Fill

Overhand Cut-and-Fill Stoping with Delayed Fill

This method is specifically designed for thin to medium-thick, steeply dipping ore bodies with unstable surrounding rock. Its main parameters include stope lengths of 30–60 meters, widths matching the ore body's horizontal thickness, and sub-level heights ranging from 10 to 14 meters. Mining occurs in layers from bottom to top; the first layer is excavated to 4.5 meters, followed by a 3-meter backfill to leave a 1.5-meter open space. Subsequent layers are consistently mined and backfilled at 3-meter increments, with a maximum controlled roof height of 4.5 meters and a minimum of 1.5 meters.

The workflow starts with preparation engineering to establish access ramps, sub-level drifts, and dedicated raises for ventilation, ore extraction, and backfilling. Drilling and blasting use YT29A pneumatic leg rock drills with 2# emulsion explosives for horizontal holes (1.5–3.5m deep, 0.6–1.0m spacing). After blasting, ore is transported by LHDs or trackless vehicles to ore passes. Backfilling with cemented tailings is crucial for ground support and to provide a working platform for the next layer. The first backfill layer requires geotextile and rebar mesh, using a 1:4 to 1:6 ash-sand ratio, while subsequent layers typically use a 1:10 ratio, and the final layer is completely filled to the roof, sometimes incorporating waste rock. Ventilation routes fresh air through layered drifts and exhausts foul air through fill raises, with local mechanical ventilation at the working face, and dewatering pipes or pumps manage fill water.

This method was shown in Figure 8–2.

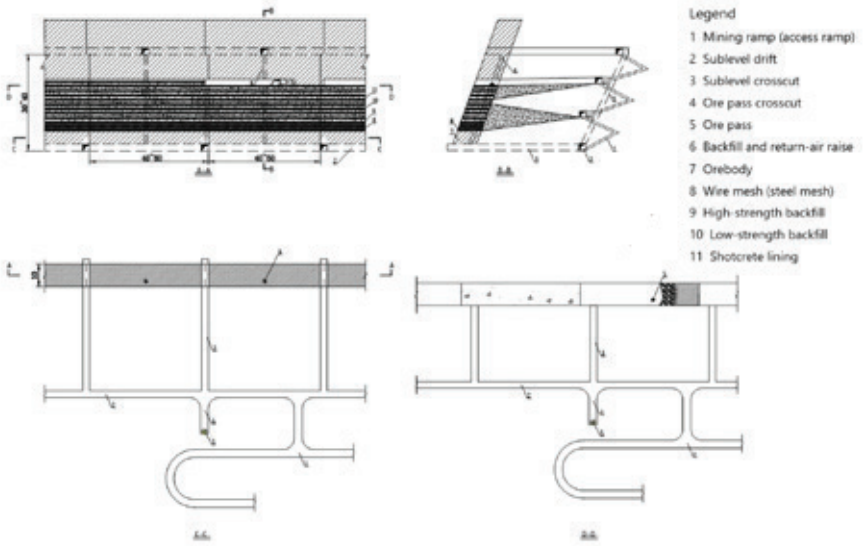


Figure 8–2 Overhand Cut-and-Fill Stoping with Delayed Fill

8.2.4Stope Optimization

Mineable stope optimization is carried out as part of the strategic mine planning for the underground mine, to determine the optimal size, shape, and location of stopes based on a block model. The designed stopes were then assessed economically to eliminate any uneconomical stopes based on factors such as development and mining costs. The parameters adopted in the stope optimization are summarized in Table 8–1. The optimized stopes are illustrated in Figure 8–3.

Table 8–1 Stope Parameters adopted for various Mining Methods for the Huaaobaote Mine

Parameters	Unit	Overhand sub-level Open Stoping with Delayed Fill	Overhand Cut-and-Fill Stoping with Delayed Fill
Height	m	12	2
Length	m	3	3
Minimum Width	m	1	1
Minimum Stope Pillar	m	2	2
Dilution	m	0.4 each side	0.4 each side
COG Ag equivalent	g/t	85	85



Figure 8–3 Stope Optimization Result for the Huaaobaote Mine

As shown above, the left side displays the 1–2 Mining Section, while the right side shows the 3 Mining Section. Scattered optimized stopes are also present in between; however, BAW has eliminated these due to the long distances involved.

Compared to the mined-out sections of the orebody, some orebodies remain mineable, and the intended mining zone for certain orebodies have been redefined. However, the mine management has not provided 3D scanned models of the mining zone and roadways. It is recommended that the mine management strengthen their technical capabilities in relation to underground 3D scanned models of various facilities.

8.2.5Development System

The Huaaobaote Mine is undergoing a major technical transformation, initiated after its 2012 acquisition by the Client. The strategic objective is to modernize operations and establish the mine as a model of efficiency and safety. A key feature of the redesign is the integration of the previously isolated mining areas into a single, unified system, transitioning from multi-level relay hoisting to a more automated single-level shaft hoisting system.

- **Ore Hoisting:** A main skip shaft is used for unified ore hoisting.
- **Auxiliary Functions:** Cage-equipped shafts handle the transport of waste rock, personnel, materials, and equipment.
- **Mining Depths:** 700–400 m elevation for Areas I and II and 855–660 m elevation for Area III.
- **Internal Transportation:** Mid-level rail motor cars provide efficient ore and material movement, improving both productivity and safety.

Mining Zones

- **I-II Mining Section:** Geographically adjacent, with similar orebody conditions.
- **III Mining Section:** Physically separate, located 600–700 m away, with distinct orebody morphology and conditions.

Level Elevations/Depths

- **Design Depths**
  - **Area I-II:** 955–400 m level. The current mining depth is 855–660 m (with 850 m and above already mined out).
  - **Area III:** 855–660 m level. The current mining depth is 855–660 m.
- **Primary Transportation Level:** 660 m (serving the unified mining system).
- **Operational Levels:** 855 m, 705m, 660 m, 620 m, 580 m, 540 m, 500 m, 460 m, and 420 m.

Safety and Infrastructure Upgrades

- **Inclined Ramp** (2021 Update)**:** A new auxiliary ramp connects the 915 m mid-level to the surface, serving as both a safety exit and an equipment transport route for the upper sections of Areas I-II.
- **Additional Human Shafts:** New shafts near Auxiliary Shafts #1 and #2 (500–420 m levels) provide supplementary safety exits for the deepest production areas.

8.2.6 Underground Service

Ventilation

The mine is operated with a zoned ventilation system. Mining Areas I and II are ventilated using a diagonal exhaust system, while Mining Area III is ventilated by a dual-wing diagonal exhaust system with return air through both flanks. The ore handling and crushing system is served by an independent ventilation circuit, with shaft SJ20 functioning as the intake airway and the skip shaft as the return airway. Auxiliary fans are installed in the fan chamber connected to the small ventilation shaft at the collar, discharging contaminated air through the main shaft.

The total mine airflow is 198 m^3/s. The main fans are installed at the return shaft collars, including SJ16, SJ8, and SJ18 for Mining Areas I and II, and SJ12 and SJ19 for Mining Area III. Different fan models and capacities are employed to meet varying air volume and pressure requirements, such as FKCDZ No.24 (2 × 110 kW), FKZ No.15 (110 kW), FKZ No.16 (55 kW), and FKZ No.11 (30 kW). All primary fans are equipped with standby motors of the same type to ensure operational reliability.

Dewatering

The mine implements a relay drainage system, where water from lower sumps is pumped to upper sumps and subsequently discharged to the surface. Pump houses are strategically located at various levels. The initial design outlined four pump houses: two near the 1# auxiliary shaft (at the 660m and 460m levels) and two near the SJ20 vertical shaft (at the 660m and 500m levels). A revised design updated these locations to include pump houses near both the 1# and 2# auxiliary shafts at the 420m level, and near the SJ20 vertical shaft at the 460m and 660m levels.

Once discharged, mine water is directed to a low-level sedimentation pond and subsequently transferred to the concentrator's high-level water pond for processing, with any excess routed to the new tailings dam. Some fracture water encountered within the ore body may have lower quality due to dissolved sulfides and heavy metal ions, but it is still designated for use in the concentrator's production processes. Specific pump models, flow rates, and power ratings are detailed for each location to ensure efficient water management. Additionally, submersible pumps are installed at the bottom of the 1# and 2# auxiliary shafts to drain seepage water to the main sumps.

Compressed Air

The mine's compressed air supply relies on surface air compressor stations for centralized distribution. These stations are strategically located near the auxiliary shafts of the I-II and III mining areas. The system primarily utilizes wind-cooled screw air compressors, having phased out older water-cooled or screw types. The total exhaust volume of the existing compressors is substantial, cited as 243.54 m^3/min or 369 m^3/min, ensuring an ample supply for both production needs and the underground compressed air self-rescue system.

The maximum air consumption for production in the I-II mining areas is 175.66 m^3/min, while in the III mining area, it is 68.28 m^3/min. For emergency self-rescue, the system is designed to provide 64.8 m^3/min for up to 180 people, considering a leakage factor, or 44.7 m^3/min for 149 people in a newer design. Compressed air is conveyed underground through seamless steel pipes (e.g., $\Phi 273 \times 7$mm for the I-II areas and $\Phi 219 \times 6$mm for the Three area), which are laid down the shafts.

The self-rescue system incorporates essential safety features, including pressure-reducing, silencing, and filtering devices, along with control valves to regulate exit pressure (0.1–0.3 MPa), air storage tanks, safety valves, pressure relief valves, and oil-water separators. Additionally, all metal pipes entering the mine are properly grounded for lightning protection.

Transportation

The mine's transportation infrastructure is designed for efficiency and safety, with distinct roles for each shaft. The main shaft is dedicated to centralized ore hoisting, while auxiliary shafts handle personnel, materials, and waste rock. Energy efficiency is emphasized throughout the transportation processes.

A new double-skip main shaft, centrally located between the One/Two and Three mining areas, utilizes 3.2 m^3 bottom discharge skips with steel wire rope guides and a JKM-2.8 × 4ZI multi-rope tower hoisting machine powered by a 907 kW DC motor. The SJ20 vertical shaft is used for fine ore recovery and is being upgraded to a multi-rope friction hoisting system for enhanced personnel safety. The 2# auxiliary shaft lifts ore, waste rock, personnel, and materials from the eastern part of the Three mining area, employing a multi-rope friction hoisting system with a cage and counterweight, using 0.5 m^3 mine cars and double-layer cages for up to 50 people.

Underground transport relies primarily on battery-powered locomotives (e.g., 8-ton, 120V) pulling YCC1.2 side-dump mine cars (1.2 m^3 capacity). A single locomotive can tow up to 15 cars. Crushed ore is transported to main chutes near the main shaft using a vibrating feeder for controlled discharge. For loading and clearing, various loaders and scrapers are deployed, including ADCY-2.0 and ADCY-1.5 electric shovel loaders, Z-30 electric loaders, 2DPJ-30 electric scrapers, and LWT-80 mucking machines.

The filling system involves specialized transport methods: tailings are pumped from concentrators to the filling station via slurry pumps and ceramic composite pipes, while cement is air-unloaded into silos from tank trucks. The prepared filling slurry is then conveyed through boreholes or pump pipelines to the underground stopes.

8.2.7Mining Equipment

The key mining equipment is shown in Table 8–2.

Table 8–2 Key Mining Equipment of the Huaaobaote Mine

Equipment	Model	Quantity
Axial Flow Fan	FKCDZNo24/2*110	1
5-Ton battery locomotives	CTY5/6BG	1
8-Ton battery Locomotive	CTY8/6BG	3
Sewage Submersible Pump	WQX30–100	1
Vibrating Ore Discharger	FZC2–1–3	6
Battery-Powered Locomotive	CTY8/6B	4
Battery-Powered Locomotive	CTY5/6B	2
Side-Tipping Mine Car	YCC1.2–6	40
Single-Side Curved-Rail Side-Discharging Mine Car	YCC1.2–6	130
Tip-Over Mine Car	KFU0.75–6	160
Tip-Over Mine Car	KFU1.1–7	80

8.2.8Production Schedule

The production is scheduled to be around 1 Mtpa. The stockpile has also been incorporated into the production schedule. The LOM production schedule is shown in Table 8–3.

Table 8–3 Production Schedule of the Huaaobaote Mine of the Yulong Property

	Unit	Total	2026	2027	2028	2029	2030	2031	2032
Development	km	184	11.42	11.98	12.23	12.12	11.70	11.96	12.45
Ore Mined	kt	15,700	1,008	1,021	1,043	1,033	997	1,020	1,062
Silver Grade	g/t	116.81	181.16	141.52	128.99	120.44	113.15	112.87	111.68
Lead Grade	%	0.97	1.33	1.10	1.02	0.96	0.87	0.86	0.93
Zinc Grade	%	1.57	1.54	1.34	1.60	1.64	1.50	1.47	1.68
Copper Grade	%	0.02	0.01	0.01	0.03	0.07	0.03	0.03	0.02
Contained Silver	t	1,808	190	145	135	124	113	115	119
Contained Lead	t	149,180	13,415	11,211	10,651	9,924	8,630	8,723	9,878
Contained Zinc	t	246,594	15,523	13,650	16,640	16,931	15,007	14,962	17,859
Contained Copper	t	3,730	50	122	271	726	336	352	186

	Unit	2033	2034	2035	2036	2037	2038	2039	2040	2041
Development	km	12.58	12.22	11.87	11.72	12.55	12.35	12.28	10.84	3.48
Ore Mined	kt	1,073	1,041	1,012	999	1,070	1,053	1,047	924	297
Silver Grade	g/t	109.23	103.66	127.63	108.65	82.91	81.28	88.27	118.19	94.29
Lead Grade	%	0.94	0.96	1.17	1.05	0.79	0.75	0.78	0.79	0.81
Zinc Grade	%	1.71	1.65	1.64	1.76	1.57	1.50	1.44	1.38	1.96
Copper Grade	%	0.02	0.02	0.04	0.04	0.01	—	—	0.03	0.01
Contained Silver	t	117	108	129	109	89	86	92	109	28
Contained Lead	t	10,075	10,019	11,842	10,515	8,431	7,946	8,183	7,334	2,403
Contained Zinc	t	18,385	17,158	16,601	17,603	16,800	15,840	15,042	12,782	5,811
Contained Copper	t	187	218	415	384	124	37	26	266	30

8.3 Huaaobaote Mountain

8.3.1Hydrogeological Conditions

The Huaaobaote Mountain concession is situated in a low-hilly region on the southwestern slope of the Greater Khingan Mountains, characterized by terrain that slopes generally from east to west. Bedrock exposure is limited, with most of the area covered by thick Quaternary deposits. The region is marked by a semi-arid continental climate, featuring cold winters, hot summers, and windy, sandy conditions in spring and autumn. Annual precipitation averages 300–400 mm, primarily occurring in July and August, while annual evaporation is significantly higher at approximately 2000 mm. A seasonal river, the Burgasitai, is located about 8–10.2 km to the west, experiencing large flows during the rainy season but drying up in drier periods. The topography generally facilitates natural drainage.

Groundwater recharge in the concession mainly comes from atmospheric precipitation. Key water-bearing layers include Quaternary slope-alluvial pore water and structural fissure water within Lower Permian clastic rocks, Variscan serpentinite, and Upper Jurassic volcanic lavas. Although the natural groundwater supply is generally limited, the F1 (Meilaositer) and F2 faults in the central mine section are potential water-conducting faults. As mining depths increase, these faults may draw groundwater from the western river valley, becoming significant sources of water inflow. Additionally, concentrated rainfall patterns pose a risk of surface water entering the mine through shafts, poorly sealed boreholes, or fissures in disturbed zones, leading to sudden inflows.

Water quality analysis shows that water from exploratory shafts (SJ9, SJ10) is of poorer quality, with mineralization ranging from 0.5 to 0.6 g/L, classified as heavy carbonic acid-sulfate-calcium-magnesium type, and containing 1.5 g/L of fluoride ions. In contrast, water from nearby Quaternary phreatic layers is of better quality, characterized as heavy carbonic acid-magnesium-calcium type. Hydrogeological surveys categorize the mine section as having simple hydrogeological conditions, primarily fed by fissure aquifers, indicating a weakly to moderately rich water zone. The predicted normal water inflow for the lowest design mining level (570 m) is 3840 cubic meters per day (m^3/d), with a maximum expected inflow of 5760 m^3/d, which is 1.5 times the normal inflow.

Mine water will be treated and recycled for production, eliminating external discharge and minimizing impacts on groundwater quality. The existing tailing pond features a natural red mud bottom and includes anti-seepage measures like compacted chalk and stone masonry to prevent wastewater seepage that could contaminate surrounding groundwater. Continuous monitoring of water inflow and active drainage management will be crucial, particularly as excavation areas expand or depths increase, to ensure safe production and environmental protection.

8.3.2Geotechnical Conditions

The concession is characterized by predominantly simple engineering geological conditions. Geotechnical surveys classify it as primarily composed of layered rock formations. Overall, the geological environment is considered favorable.

Key engineering geological rock types identified include the blocky hard rock zone, the thick-layered semi-hard rock zone, and the loose bulk structure zone (Quaternary). The blocky hard rock zone, located in the south, consists of compact serpentinite that exhibits good stability, though sections near the F1 fault are more fractured. The thick-layered semi-hard rock zone, the primary ore-hosting formation, is widely distributed in the central and northern parts and consists of metamorphosed volcanic clastic rocks with developed joints and fissures. While the upper layers are strongly weathered (averaging 41.81 m thick), rock quality and stability improve significantly with depth, with RQD values reaching 85–90% in the slightly weathered zone. The loose bulk structure zone in southern valley depressions consists of unconsolidated Quaternary deposits with poor stability.

The stability of the ore body's hanging wall and footwall, primarily metamorphosed sandstone, is generally classified as medium to good, with RQD values ranging from 50–90%. However, localized areas may exhibit poorer stability due to weathering and structural fracture zones, making them susceptible to roof falls and block collapses. Rock mechanics tests classify the ore and surrounding rock as "hard" with unconfined compressive strength values mostly exceeding 60 MPa. Key parameters include a loosening coefficient of 1.6, a hardness coefficient (f) of 8–14 for ore and 5–8 for surrounding rock, an ore specific gravity of 3.42 t/m^3, and a rock specific gravity of 2.70 t/m^3.

Based on these conditions, the mine is generally not expected to face major engineering geological problems. However, specific attention is needed in areas affected by weathering and structural fractures, where appropriate support measures should be implemented. The stability of adit wall rock below a development depth of 960 m is considered reliable. The overall stability of the rock mass and simple geological structure indicate that proper roadway arrangements and targeted support methods will ensure safe mining operations.

8.3.3Mining Method

The mining operation primarily employs underground methods, specifically shrinkage stoping with subsequent backfilling and sublevel open stoping with backfilling. The selection of method is determined by multiple factors such as orebody thickness, dip, stability of the orebody and country rocks, and the prohibition of surface subsidence.

Shrinkage Stoping with Delayed Fill Mining Method

This method is recommended for ore bodies with a thickness of 5 m or less, accounting for approximately 70% of mining operations. It involves creating stopes 50 m long along the strike, with a height of 50 m and an 8-m high bottom pillar (Figure 8–4).

Drilling is performed using YT-28 pneumatic leg rock drills to create parallel blast holes that are 1.8 to 2.0 m deep and 38 mm in diameter, arranged in a 0.8 m x 0.8 m pattern. Blasting employs digital electronic detonators for segmented millisecond initiation, with secondary breaking occurring within the stope. Ore is mucked from entries, and the stope is backfilled with waste rock or cemented tailings after extraction, with filtered water drained. This method yields a stope production capacity of 100 tons per day, with a 12% loss rate and a 9% dilution rate.

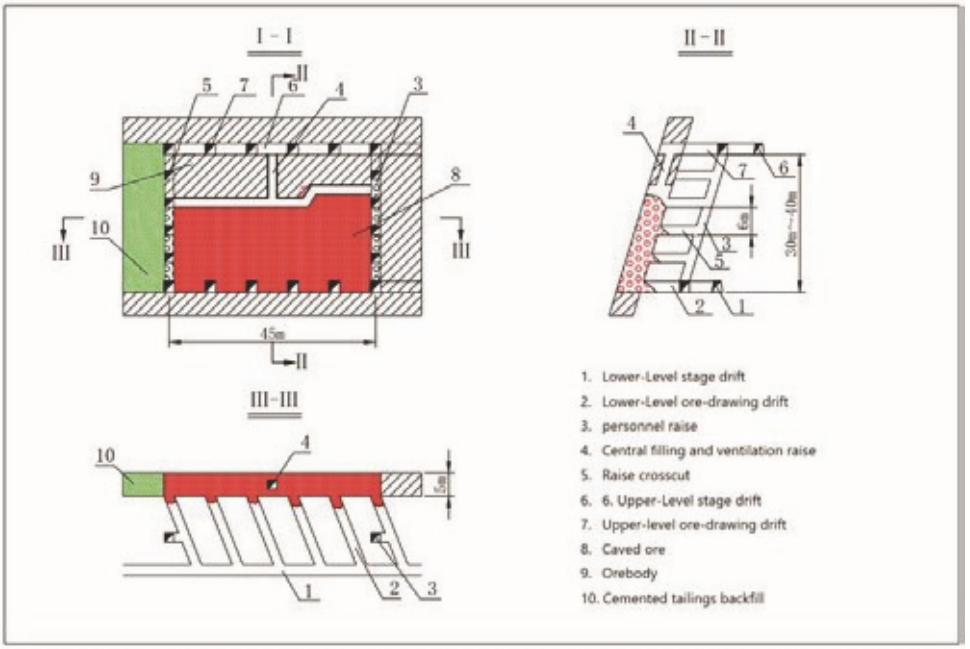


Figure 8–4 Shrinkage Stoping with Delayed Fill Mining Method

Sublevel Open Stoping with Delayed Fill Mining Method

Sublevel Open Stoping with Delayed Fill Mining Method is employed for thicker ore bodies, divided into two applications based on the orebody thickness:

- **Orebody thickness between 5 m and 15 m** (20% of mining methods): A layout along the strike is used. Stoping parameters include a 50m block length, 50m level height, 13m sublevel height, and an 8m bottom pillar. Drilling utilizes YGZ90 medium-deep hole drilling rigs for fan-shaped holes (60–65 mm diameter, 5.0–12.0 m deep), followed by blasting with digital electronic detonators.

- **Orebody thickness greater than 15m** (10% of operations): A layout perpendicular to the strike is used. Structural parameters remain similar, with 13m sublevel heights and 8m bottom pillars, but mucking entry spacing is 8m.

Both variations involve primary extraction of the stope followed by pillar recovery. Ore is mucked using $1m^3$ LHDs and transported via raises and mine cars. Ventilation follows a diagonal system, with fresh air sweeping the working faces and dirty air exhausting to return air drifts and shafts. After mining, stopes are backfilled with waste rock or cemented tailings, with water drainage similar to the shrinkage stoping method. This method achieves a stope production capacity of 280 tons per day, with a 13% loss rate and a 13% dilution rate. Overall, the concession is designed for a recovery rate of 87.5% and a comprehensive dilution rate of 9.8%.

8.3.4Stope Optimization

Mineable stope optimization is carried out as part of the strategic mine planning for the underground mine, to determine the optimal size, shape, and location of stopes based on a block model. The designed stopes were then assessed economically to eliminate any uneconomical stopes based on factors such as development and mining costs. The parameters adopted in the stope optimization are summarized in Table 8–5. The optimized stopes are illustrated in Figure 8–5.

Table 8–4 Stope Parameters Adopted for various Mining Methods

Parameters	Unit	Sublevel Open Stoping with Delayed Backfill	Shrinkage Stoping with Delayed Backfill
Height	m	15	2
Sub_Stope Height		3	/
Length	m	5	3
Minimum Width	m	1	1
Minimum Stope Pillar	m	2	2
Dilution	m	0.3 each side	0.3 each side
Cut-Off Grade Silver Equivalent	g/t	85	85

BAW implemented optimized stope designs utilizing reduced dimensions via the Shrinkage Stoping with Delayed Backfill method. This approach enables the economic extraction of relatively thin mineralization zones previously considered marginal or uneconomic, significantly enhancing resource recovery in narrow sections of the deposit.

For areas with sufficient ore thickness suitable for Sub-Level Open Stoping with Delayed Backfill, BAW employed coordinated multi-stope layouts. This design strategy effectively matches the practical mining sequence and extraction requirements of the production drives, ensuring efficient resource utilization across the entire orebody. The comprehensive optimization results, compare with the development system form the PFS are presented in Figure 8–5.

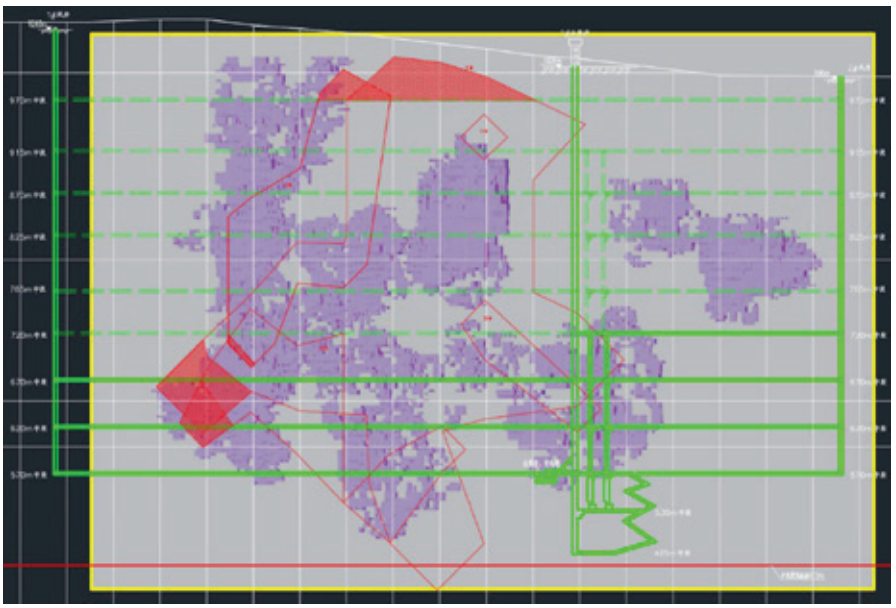


Figure 8–5 Stope Optimization Result for the Huaaobaote Mountain Concession

8.3.5Development system

The planned development and transportation system is underground operation using a vertical shaft system which integrates several critical components:

- **1# Main Shaft**: This central vertical shaft has a net diameter of Φ5.5 m and serves multiple purposes, including hoisting ore, waste rock, personnel, equipment, and materials. It functions as the main fresh air intake and a primary safety exit, extending to approximately 521 m deep and connecting to 11 different levels.

- **1# Return Air Shaft**: With a net diameter of Φ3.5 m, this shaft primarily exhausts return air from the mine and serves as an emergency safety exit, including a ladderway.

- **2# Fresh Air Intake Shaft**: This vertical shaft, with a net diameter of Φ4.0 m, provides additional fresh air intake and serves as an emergency safety exit.

- **System Ore and Waste Rock Raises**: Two raises, each with a net diameter of Φ3.0 m, are integral to the material handling system, allowing ore and waste rock to gravity feed from upper mining levels down to the 530-m belt loading level.

The underground transportation utilizes a rail-based system. Battery-powered locomotives pull trains of 1.2 cubic meter side-dump mine cars, transporting excavated ore and waste rock to the 1# Main Shaft's system raise car dump. From there, materials are directed through the system raises to the 530-m belt loading level, where they are efficiently loaded onto the main shaft's skip for transportation to the surface. Dimensions of the underground development system is listed Table 8–5.

Table 8–5 Dimensions of the Underground Development System of the Huaaobaote Mountain Concession

Roadway/Chamber	Cross-Section Type	Dimensions (W × H or Diameter)
1# Main Vertical Shaft (Shaft Body). . .	Circular	Φ5.5m
1# Return Air Shaft	Circular	Φ3.5m
2# Fresh Air Intake Shaft	Circular	Φ4.0m
System Ore/Waste Rock Raises	Circular	Φ3.0m
Shaft Bottom Double-Track Roadway .	Three-centered Arch Drift	4.7m × 3.2m
Level Transportation Roadway	Three-centered Arch Drift	2.8m × 2.8m
Belt Road	Three-centered Arch Drift	3.6m × 3.0m
Pump Room.	Three-centered Arch Drift	4.2m × 4.1m
Substation	Three-centered Arch Drift	5.0m × 3.7m
Equipment Maintenance Chamber	Three-centered Arch Drift	5.5m × 3.5m

Source: the PFS provided by the mine management

8.3.6 Underground Services

Ventilation

The development project utilizes a mechanical extraction ventilation method with a side-wing diagonal system. Fresh air is supplied through the #1 main shaft and #2 air shaft, flowing through cross-cut entries to each production level. Contaminated air is channeled through return air raises and upper level entries, exhausting to the surface via the #1 air shaft. A FKZ №21/200 axial flow fan in the #1 air shaft's fan room facilitates this process.

To control dust, the system employs wet drilling, mist spraying at loading and unloading points, and regular spraying of accumulated dust on equipment and roadways. During blasting, mist is sprayed on muckpiles and drill holes to suppress dust. The system includes air quality monitoring, wind speed assessment, and automatic control of the main fan for on-demand ventilation, reducing energy consumption. Stagnant roadways are sealed to prevent air short-circuiting and pollution.

Backfilling

The backfilling system primarily uses cemented tailings, supplemented by waste rock backfill for safety and reliability, validated by production practices in neighboring areas. Filling material is sourced from a nearby filling station, 5 km southeast, and pumped to surface boreholes at the #1 air shaft's site.

The filling process involves transporting slurry through boreholes that gravity-feed it to underground stopes, completed in stages with fill heights not exceeding 2 m, ensuring the top layer reaches over 3 MPa strength. Communication is maintained between the filling area and surface preparation station via dedicated telephones to manage potential issues. After mining, concrete bulkheads are constructed in cross-cuts, with drainage holes to prevent water accumulation.

Water Supply

The development project employs a centralized water supply system, sourcing treated mine drainage from underground workings. After settling to remove impurities, water is stored in a 500 m^3 high-level tank on the surface.

From this tank, a main supply pipeline ($\varphi 114 \times 7$ seamless steel pipes) extends down the #1 main shaft to various underground points. Pressure reducing valves regulate water pressure at each level's entrance, providing water for drilling, dust suppression, backfilling, fire fighting, and emergency shelters.

Power Supply

The power supply system complies with national and industry standards for high and low voltage distribution, relay protection, automation, lightning protection, and grounding. It incorporates static capacitors for reactive power compensation at 0.4 kV low-voltage buses and the 10 kV bus at the #1 main shaft's substation, aiming for a power factor above 0.95. Emergency backup power for the hoisting system is provided by a newly added diesel generator, ensuring personnel safety.

8.3.7Mining Equipment

Key underground mining equipment proposed for the Huaaobaote Mountain concession is summarized in Table 8–6.

Table 8–6 Key Mining Equipment for the Huaaobaote Mountain Concession

System	Equipment	Model/Specification	Quantity
Hoisting System . . .	Main Hoisting Machine	JKMD-3 × 4PIII	1
	Sheave Assembly		2
	Skip	7.2m^3 Bottom-dump	1
	Double-layer Cage	3600mm × 1600mm	1
	Hoisting Ropes	6V × 34-FC- φ 30–1770	4
	Balance Ropes	6 × 36WS-FC- φ 44–1570	2
	Over-wind Buffer Device	HGJ	2
	Over-dump Buffer Device	HGF	2
	Belt Loader	B = 1000mm, L = 40m	1
	Metering Device	Matches 7.2m^3 skip	1
	Unloading Curved Track	Matches 7.2m^3 skip	1
	Vibrating Feeder	XZGZ2300 × 1200	4
	Rocker	Hydraulic	12
	Safety Gate	Hydraulic	12
	Car Retarder	Hydraulic	12
Inclined Hoisting	Hoisting Winch	JTP-1.2 × 1	1
System	Steel Rope	6 × 7-FC- φ 20–1770	1
	Sheave Block	φ 800	1
Underground	Battery-powered	CTY5/6GB	5
Transportation	Locomotive		
System	Side-dump Mine Car	1.2m^3	50
Mining Equipment .	Rock Drill	YT-28	21
	Rock Drill	YSP-45	6
	Rock Drill	YGZ-90	3
	Diesel LHD	WJ-1	11
	Mining Drill Jumbo	HT72B	3
	Scaling Jumbo	XMPYT-58–230	2
	Tunneling Drill Jumbo	CYTJ45D	2
	Rock Bolting Jumbo	DS2	2
	Mobile Crusher	YS-1	5
	Shotcrete Machine	TP56	3
Ventilation System .	Main Fan	FKZ№21/200	1
	Auxiliary Fan	FK№4.5/5.5	7
	Auxiliary Fan	FK№4.5/11	9
Drainage System. . .	Multistage Pump	MD280–65 × 8	3
	Submersible Pump		2
Air Supply System .	Air Compressor	DLGF32/8	4

System	Equipment	Model/Specification	Quantity
Water Supply System	High-level Water Tank	$500m^3$	1
	Booster Pump	$Q = 155m^3/h$, $H = 134m$, $N = 90kW$	2
	Living Area Booster Pump	$Q = 12m^3/h$, $H = 45m$, $N = 4.0kW$	2
	Pressure Regulating Pump	$Q = 2m^3/h$, $H = 45m$, $N = 1.5kW$	1
	Chlorine Dioxide Generator	HSB-50Q	2
	Axial Flow Fan	T30-NO2.5C	2

8.3.8Production Schedule

Prior to obtaining the mining permit, the mine commissioned a qualified entity to complete the Pre-feasibility Study Report. However, after comprehensive consideration, it has been determined that the mineral processing process can achieve a production capacity of 2 million tons through technological improvements — a capacity sufficient to support the mining operations at both Huaaobaotete and the 1118 Area.

Accordingly, the current plan is to commence mining operations in the 1118 Area upon the completion of mining activities at Huaaobaotete. In the meantime, efforts will be intensified to strengthen exploration and research work, with a focus on tapping into the mining potential of Huaaobaotete Mountain.

The LOM schedule has been developed by BAW, organized on an annual basis with the following assumptions during production scheduling:

1. Only blocks classified as Measured and Indicated Mineral Resources with a metal grade above the cut-off grade were considered as ROM.

2. Blocks classified as Inferred Mineral Resources, unclassified material, or those with a silver equivalent grade below the cut-off grade were designated as waste.

The total LOM is estimated to be 11 years, starting in January 2028, with a construction period of 2.5 years. The proposed production schedule is shown in Table 8–7.

Table 8–7 Proposed Production Schedule for the Huaaobaote Mountain Concession of the Yulong Property

	Unit	Total	2036	2037	2038	2039	2040	2041	2042	2043
Development	km	149	14.8	17.1	16.3	15.4	15.5	14.7	14.6	13.1
Ore Mined	kt	3,128	247	300	301	300	301	301	300	300
Silver Grade	g/t	70.70	85.45	83.52	66.24	65.38	65.76	66.41	70.23	73.38
Lead Grade	%	0.50	0.64	0.79	0.68	0.70	0.70	0.61	0.61	0.61
Zinc Grade	%	0.93	1.05	1.35	1.44	1.48	1.46	1.24	0.87	0.99
Copper Grade	%	0.01	0.01	0.02	0.02	0.03	0.03	0.04	0.01	0.00
Contained Silver	t	221	21	25	20	20	20	20	21	22
Contained Lead	t	15,722	1,585	2,370	2,051	2,096	2,118	1,840	1,821	1,841
Contained Zinc	t	29,104	2,589	4,041	4,325	4,451	4,389	3,722	2,621	2,966
Contained Copper	t	460	37	50	54	84	104	107	19	6

	Unit	2044	2045	2046
Development	km	11.1	10.5	6.0
Ore Mined	kt	299	298	181
Silver Grade	g/t	71.76	67.44	60.90
Lead Grade	%	0.62	0.55	0.51
Zinc Grade	%	1.05	1.01	1.17
Copper Grade	%	0.00	0.00	0.00
Contained Silver	t	21	20	11
Contained Lead	t	1,843	1,633	913
Contained Zinc	t	3,147	3,010	2,112
Contained Copper	t	9	15	4

8.4 1118 Area

In September 2024, the Company obtained the BayanWendouri mining license, covering the main mining area of the former 1118 Area exploration license. The mining license was lawfully granted on the basis of the Mine Development and Utilization Plan and the Pre-Feasibility Study Report. The Company also retained the area outside the mining license as a new exploration license. In line with industry practice and the technical reports, both licenses relate to the same orebody, and the technical studies cover the entire deposit; therefore, the current Ore Reserve estimation continues to use the name "1118 Area."

8.4.1Hydrogeological Conditions

The 1118 area is located in the hilly and mountainous region of the Hoolin Gol Plateau, at the northern foothills of the Greater Khingan Mountains. The terrain features dome-shaped and long-ridge low-to-medium mountains and hills, with elevations ranging from 968 m to 1118 m and a relative height difference of 150 m. Bedrock is predominantly exposed on mountain tops and slopes, while eroded gullies are underdeveloped.

The region has a continental semi-arid climate, with a rainy season in August and September. The average annual precipitation is 375.1 mm, primarily concentrated between June and August. Surface water bodies are scarce, with no permanent rivers and only sporadic small water collection areas during summer rains. The annual average temperature is 2.2°C, with extremes ranging from –36°C to 38°C, and an average frozen soil depth of 2.6 m.

Two primary groundwater sources are identified: Quaternary loose rock porous unconfined water and bedrock fissure water.

The Quaternary loose rock porous aquifer (Qh apl), composed of alluvial-proluvial sand and gravel, is unconfined and ranges in thickness from 0.08 m to 62.3 m, with groundwater depths typically between 3.58 m and 10.06 m. Its water chemistry is generally of the HCO3-Ca • Mg type, making it suitable for human and livestock consumption. This aquifer is considered an indirect factor in mine water inflow.

Bedrock fissure water is primarily found in the fractured zones of the Lower Permian Dashizhai Formation and weathered volcanic clastic rocks. The strongly weathered zones can be up to 82.2 m thick, providing significant groundwater storage. Although the water yield from bedrock fissures is generally low (0.005–0.021 L/m • s), it directly contributes to mine water inflow. Quaternary silty clay and intact bedrock units act as aquitards, limiting water flow.

The project area is classified as a groundwater recharge-runoff zone due to its elevation. Atmospheric precipitation is the main source of groundwater recharge, infiltrating exposed bedrock fissures. Groundwater flows from higher hilly areas to lower plains and valleys, where it is primarily discharged through human and livestock use, and to a lesser extent, evaporation. Mine water inflow predictions for the project utilize an analogy method, based on data from the nearby the Huaaobaote Mine with similar hydrogeological conditions. The maximum mine water inflow is projected to be 1695 m^3/d at the 400 m elevation level, serving as the basis for the engineering design.

8.4.2Geotechnical Conditions

The geology of the 1118 Area is classified into three groups of rocks according to their engineering geological characteristics. Overall stability is influenced by structural planes and weathering. The area is considered of medium complexity for engineering geological investigation due to relatively uniform rock types and less developed geological structures, with stability primarily affected by weak interlayers and fractured zones.

Engineering Geological Characteristics

Three main types of rocks are identified:

- **Loose Quaternary Deposits**: Comprising loose to dense sand, silt, gravel, and crushed stone found in valleys and plains. Fine sand has a bearing capacity of 80–100 kPa, silty clay around 100 kPa, and crushed stone (derived from rhyolitic breccia) has a bearing capacity of 300–500 kPa.

- **Sedimentary Rocks**: This group includes the Lower Permian Dashizhai Formation and Jurassic Manketouebo Formation, characterized by feldspar sandstone, fine sandstone, and various tuffs. The rock mass generally exhibits a blocky structure (I2) with mostly closed structural planes. The saturated uniaxial compressive strength ranges from 10.16 to 92.28 MPa, with 72% of samples classified as relatively hard. The rock is classified as easily softened.

- **Highly Fractured Bedrocks**: Comprising highly fractured bedrock in strong weathering zones (9.1 m to 82.2 m thick) and structural fractured zones (0.6 m to 127.5 m thick). These zones show poor rock integrity, with RQD values ranging from 0% to 47%, classifying the rock mass as extremely poor to poor (IV-Ⅴ). Localized kaolinization can soften the material.

Structural Plane Characteristics and Rock Mass Classification

Rock mass stability is influenced by faults, bedding planes, tectonic structures, weathering fissures, and weak interlayers. Based on integrity and properties, the rock mass is divided into three structural types:

- **Blocky Structure (I)**: Found in fresh bedrock below weak weathering zones, exhibiting minimal deformation.
- **Fragmented Structure (III)**: Present in weak weathering and structural fractured zones, characterized by intercutting weathering and tectonic fissures, often filled.
- **Loose Granular Structure (IV)**: Occurs in surface strong weathering zones, structural fractured zones, and Quaternary loose layers, consisting of granular or fragmentary material.

Rock/Soil Mass Quality Evaluation

Evaluations utilizing the Rock Quality Designation (RQD), Rock Mass Quality Coefficient (Z), and Rock Mass Quality Index (M) methodologies reveal that the blocky rock mass demonstrates good to fair quality, with a relatively complete integrity reflected in an average RQD of 75.89%. In contrast, loose and soft rock types yield insufficient data for meaningful assessment using RQD.

Evaluation of Country Rocks Stability

- **Strong Weathering Zones**: Roof and floor rocks are fractured, with poor mechanical properties, rendering them unstable as direct roof/floor.
- **Weak Weathering Zones**: Developed fissures result in poor stability as direct roof/floor.
- **Below Weak Weathering Zones**: Rocks are relatively hard with good mechanical properties, making them stable.
- **Structural Fractured Zones**: Generally unstable, requiring engineering measures during excavation.

No large weak interlayers or active faults were found. The main ore body's surrounding rock is mostly relatively hard, blocky, and intact despite weathering, classified as easily softened relatively hard-to-hard rock. The overall engineering geological complexity of the mining area is medium, with localized weak interlayers and saturated fractured zones potentially causing engineering challenges.

8.4.3Mining Method

The selection of method is determined by multiple factors such as orebody thickness, dip, stability of the orebody and country rocks, and the prohibition of surface subsidence. According to the PFS, the Overhand Drift and Filling Method was selected as the primary mining method, which is an underground method used when ore and surrounding rock are moderately to poorly stable, and the orebody is no more than 5 m thick. In this project, it represents about 60% of the mining operations. This method targets a low mining loss rate of 8% and an ore dilution rate of 9%.

Under this mining method, the orebody is divided into panels, each serving as a recovery unit. A panel is typically 100 m long, with a width equal to the ore body's horizontal thickness and a stope height of 30 m. Each stope is split into two sub-levels, 15 m high. Within a sub-level, mining layers are extracted and backfilled in 3 m lifts. The first drift is developed in the orebody and is backfilled using cemented tailings fill. The second drift is driven adjacent to the first drift. This carries on until the ore zone is mined out to its full width, at which time the second cut is started atop of the first cut. The stope relied on the cement and tailings filling to the mined-out areas to maintain the stability of underground mine. The schematic diagram of overhand cut and fill mining is shown in Figure 8–6.

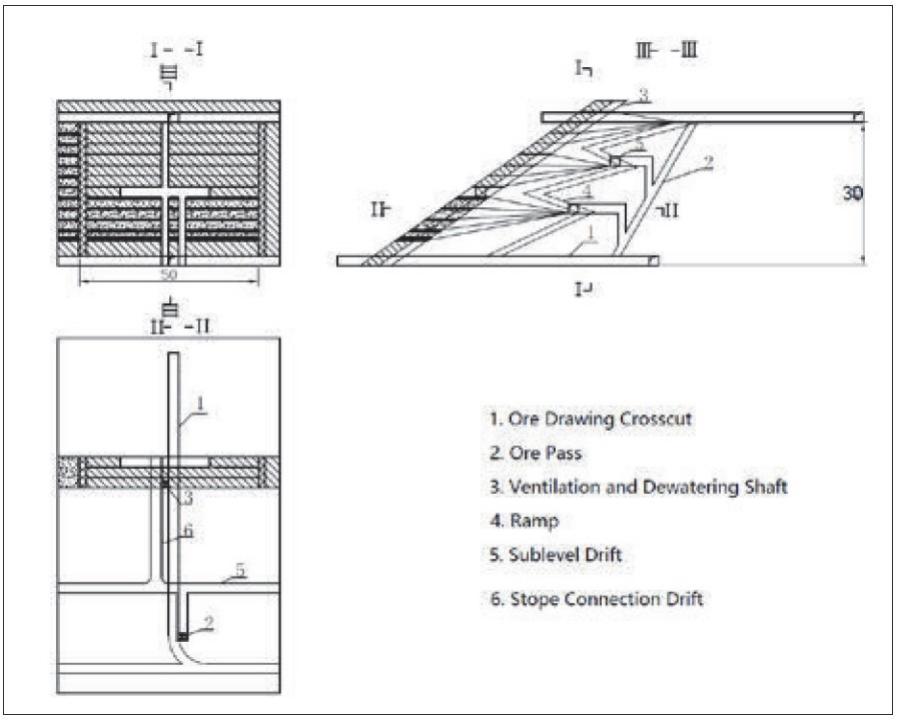


Figure 8–6 Schematic Diagram of Overhand Drift and Fill Mining

8.4.4Stope Optimization

Mineable stope optimization is carried out as part of the strategic mine planning for the underground mine, to determine the optimal size, shape, and location of stopes based on a block model. The designed stopes were then assessed economically to eliminate any uneconomical stopes based on factors such as development and mining costs. The parameters adopted in the stope optimization are summarized in Table 8–8. The optimized stopes are illustrated in Figure 8–7.

Table 8–8 Stope Parameters adopted for the 1118 Area

Parameters	Unit	Quantity
Height	m	15
Sub Stope Height	m	3
Length	m	10
Minimum Width	m	1
Minimum Stope Pillar	m	2
Dilution	m	0.5 each side
COG Ag Equivalent	g/t	85



Figure 8–7 Stope Optimization Result of the 1118 Area

8.4.5Development System

The development system and design was provided by the Yulong, the design was completed with AutoCAD which is a traditional tool in the mines of China. The result was reviewed by BAW, BAW holds the view that while the current tool/method is not as sophisticated as 3D mining software, it has a profound understanding of the design concepts, approaches and methodologies of domestic mining operations. Therefore, BAW deems this tool/method feasible for reserve estimation. At the same time, BAW also advises the mine operator to adopt more advanced methods. The result shown **in Figure 8–8.**

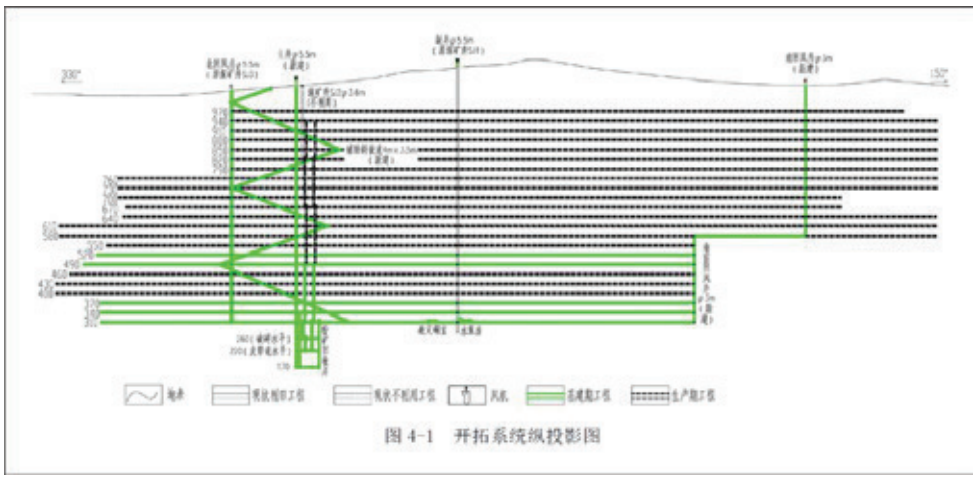


Figure 8–8 The Development System proposed in the PFS

8.4.6 Underground Services

Ventilation

The proposed ventilation system is a two-wing diagonal extraction system. Fresh air enters through the auxiliary shaft and ramp, then flows via main transport and section tunnels to working faces and stopes.

After ventilating these areas, exhaust air exits through personnel raises or stope cutting raises into upper return air tunnels. It then converges in the main return air shafts and is discharged to surface through the North and South shafts, where the main fans are installed at shaft mouths.

Airflow is managed using air doors and adjustable regulators. Air velocity and pressure sensors at key faces and fan rooms enable real-time monitoring. Ventilation quality is routinely inspected, and abandoned tunnels are sealed promptly to prevent leakage.

Backfilling

Stopes are backfilled primarily with waste rock and cemented full tailings to support mining operations. About 60,000 t of waste rock are used annually, with the remainder filled by cemented tailings. The target slurry concentration is ~68%. Cement-to-sand ratios vary by strength requirements:

- 1:4 for ≥5 MPa (8% of fill)
- 1:6 for ≥2 MPa (30% of fill)
- 1:10 for self-standing fill (62% of fill)

The system uses concentrator tailings as aggregate and cement as binder. Key facilities include a φ16 m deep cone thickener, two 300 m^3 cement silos, micro-powder scales for dosing, and paddle- and screw-belt mixers. Slurry pumps deliver thickened tailings to the mixers, with water pumps supplying make-up water.

From the filling station at the main shaft industrial area, the prepared slurry is transported through boreholes to stopes on the 520 m and 340 m levels. Drainage from filled stopes is directed to settlement pits, with clear water pumped to surface tanks and sludge manually removed. Automated controls regulate cement and water addition, ensuring stable concentration and providing data monitoring and visualization.

Mine Drainage and Dewatering

The system manages inflows of 1,457 m^3/d under normal conditions and up to 1,695 m^3/d during peaks, plus ~715 m^3/d from production and filling. A centralized single-stage drainage system is used, with the main pump room located at the 310 m level near the auxiliary shaft bottom.

The pump room houses three MD150–100 × 9 centrifugal pumps (630 kW each). Typically, one pump operates, one is standby, and one is under maintenance; two pumps operate during peak inflows. Water is lifted via two φ194 × 12 seamless steel pipes along the auxiliary shaft. The system includes two sumps at the 310 m level (total effective volume 1,104 m^3) and a 3 × 3 × 10 m sedimentation tank for pre-treatment.

Auxiliary drainage includes two submersible pumps in the auxiliary shaft sump and three centrifugal pumps at the main shaft fine ore recovery level, all discharging into the 310 m drainage ditch.

Sludge is removed mechanically. A sludge chamber near the 310 m sump houses an MQC-15 unit capable of treating 15 m^3/h at ~40% concentration. Dewatered sludge is used for backfilling or transported to surface.

Water Supply

The centralized water supply system supports an underground demand of ~900 m^3/d. A new 800 m^3 production water pool will be built at the auxiliary shaft surface industrial area.

Water is supplied via a φ146 × 8 seamless steel pipeline, with pressure-reducing valves at the auxiliary shaft pithead. Branch lines use φ89 × 4.5 seamless steel pipes. For fire protection, DN65 hydrants with hoses and nozzles are installed every 100 m along pipelines in the auxiliary ramp and other fire-risk areas.

Compressed Air

The proposed centralized compressed air system has a peak demand of 175.42 m^3/min. A new compressor station will be built at the auxiliary shaft surface area, equipped with five air-cooled screw compressors (44.5 m^3/min each). Four will operate, with one on standby.

The main supply line is a $\varphi 273 \times 6.5$ seamless steel pipe laid down the auxiliary shaft, with branch lines of $\varphi 194 \times 6$ pipes to underground levels. Oil-water separators are installed at shaft bottoms to ensure air quality.

8.4.7Mining Equipment

Key underground mining equipment proposed for the 1118 Area is summarized in Table 8–6.

Table 8–9 Key Mining Equipment for the 1118 Area

Equipment	Specifications	Unit	Quantity (Working)	Quantity (Standby)	Quantity (Total)
(I) Excavation Equipment					
Diesel LHD	$2m^3$	Set	2	—	2
Diesel LHD	$2m^3$	Set	2	—	2
Air-leg Rock Drill . . .	YSP45	Set	2	2	4
Air-leg Rock Drill . . .	YT-28	Set	4	4	8
Wet Concrete Spraying Machine	SPT8	Set	2	—	2
Local Fan	FKNo4.5	Set	9	3	12
(II) Reclamation Equipment					
Drilling Jumbo	boomer K111	Set	2	—	2
Air-leg Rock Drill . . .	YGZ-90	Set	5	5	10
Air-leg Rock Drill . . .	YT-28	Set	6	6	12
Electric LHD	$1m^3$	Set	4	2	6
Electric LHD	$2m^3$	Set	5	2	7
Scaler	XMPYT-45/700	Set	2	—	2
Local Fan	FKNo4.5	Set	26	6	32
(III) Haulage Trucks					
Mine Truck	UK-10	Vehicle	6	—	6
(IV) Auxiliary Equipment					
Underground Personnel Carrier	RU-5	Set	4	—	4

8.4.8Production Schedule

The LOM schedule has been developed by BAW, organized on an annual basis with the following assumptions during production scheduling:

1. Only blocks classified as Measured and Indicated Mineral Resources with a metal grade above the cut-off grade were considered as ROM.

2. Blocks classified as Inferred Mineral Resources, unclassified material, or those with a silver equivalent grade below the cut-off grade were designated as waste.

The total LOM is estimated to be 18 years, starting in January 2029 with 3.5 years construction periods, The total mine production schedule is shown in Table 8–10.

Table 8–10 Proposed Production Schedule of the 1118 Area of the Yulong Property

	Unit	Total	2028	2029	2030	2031	2032	2033	2034	2035
Development	km	300	36	37	38	38	38	38	38	36
Mining	kt	8,002	965	996	1,003	1,026	1,014	1,007	1,025	967
Silver Grade	g/t	81.88	93.56	98.11	80.58	86.53	80.52	74.30	71.81	69.91
Lead Grade	%	0.58	0.37	0.37	0.57	0.58	0.49	0.74	0.62	0.88
Zinc Grade	%	1.64	1.45	1.05	1.58	1.31	1.45	2.12	1.58	2.63
Copper Grade	%	0.35	0.20	0.60	0.70	0.51	0.25	0.29	0.13	0.15
Contained Silver	t	655	90	98	81	89	82	75	74	68
Contained Lead	t	46,153	3,527	3,696	5,725	5,954	4,965	7,428	6,388	8,471
Contained Zinc	t	131,398	13,986	10,448	15,829	13,390	14,727	21,387	16,155	25,476
Contained Copper	t	28,296	1,891	5,929	6,991	5,236	2,503	2,955	1,373	1,418

8.5 Combined Production Plan

The Yulong Property is equipped with two processing plants. Specifically, the current processing system has a capacity of 3,400 tpd. Following the upgrading and restructuring of the 2,000 tpd processing circuit, the overall combined processing capacity will reach 2 mtpa.

After fully considering the coordinated operation of mining and processing, the combined production schedule are presented in Table 8–11.

Table 8–11 Combined Production Schedule of the Yulong Property

	Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Huaaobaote	Development	km	184	11.4	12.0	12.2	12.1	11.7	12.0	12.5	12.6	12.2	11.9	11.7	12.6	12.4	12.3	10.8	3.5	[•]	[•]	[•]	[•]	[•]
	Ore Mined	kt	15,700	1,008	1,021	1,043	1,033	997	1,020	1,062	1,073	1,041	1,012	999	1,070	1,053	1,047	924	297	[•]	[•]	[•]	[•]	[•]
	Grade Ag	g/t	116.81	188.16	141.52	128.99	120.44	113.15	112.87	111.68	109.23	103.66	127.63	108.65	82.91	81.28	88	118	94	[•]	[•]	[•]	[•]	[•]
	Grade Pb	%	0.97	1.33	1.10	1.02	0.96	0.87	0.86	0.93	0.94	0.96	1.17	1.05	0.79	0.75	0.78	0.79	0.81	[•]	[•]	[•]	[•]	[•]
	Grade Zn	%	1.57	1.54	1.34	1.60	1.64	1.50	1.47	1.68	1.71	1.65	1.64	1.76	1.57	1.50	1.44	1.38	1.96	[•]	[•]	[•]	[•]	[•]
	Grade Cu	%	0.02	0.005	0.01	0.03	0.07	0.03	0.03	0.02	0.02	0.02	0.04	0.04	0.01	—	—	0.03	0.01	[•]	[•]	[•]	[•]	[•]
	Metal AG	t	1,808	190	145	135	124	113	115	119	117	108	129	109	89	86	92	109	28	[•]	[•]	[•]	[•]	[•]
	Metal Pb	t	149,180	13,415	11,211	10,651	9,924	8,630	8,723	9,878	10,075	10,019	11,842	10,515	8,431	7,946	8,183	7,334	2,403	[•]	[•]	[•]	[•]	[•]
	Metal Zn	t	246,594	15,523	13,650	16,640	16,931	15,007	14,962	17,859	18,385	17,158	16,601	17,603	16,800	15,840	15,042	12,782	5,811	[•]	[•]	[•]	[•]	[•]
	Metal Cu	t	3,730	50	122	271	726	336	352	186	187	218	415	384	124	37	26	266	30	[•]	[•]	[•]	[•]	[•]
	Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Huaaobaote Mountain	Development	km	149	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	14.8	17.1	16.3	15.4	15.5	14.7	14.6	13.1	11.1	10.5	6.0
	Mining	kt	3,128	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	247.2	300.1	300.9	300.2	301.3	301.2	299.8	300.0	298.9	297.6	180.7
	Grade Ag	g/t	70.70	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	85.45	83.52	66.24	65.38	65.76	66.41	70.23	73.38	71.76	67.44	60.90
	Grade Pb	%	0.50	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	0.64	0.79	0.68	0.70	0.70	0.61	0.61	0.61	0.62	0.55	0.51
	Grade Zn	%	0.93	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	1.05	1.35	1.44	1.48	1.46	1.24	0.87	0.99	1.05	1.01	1.17
	Grade Cu	%	0.01	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	0.01	0.02	0.02	0.03	0.03	0.04	0.01	0.00	0.00	0.00	0.00
	Metal Ag	t	221	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	21.1	25.1	19.9	19.6	19.8	20.0	21.1	22.0	21.4	20.1	11.0
	Metal Pb	t	15,722	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	1,585.2	2,370.5	2,050.5	2,095.8	2,118.0	1,840.1	1,820.6	1,840.9	1,843.3	1,633.2	913.3
	Metal Zn	t	29,104	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	2,589.0	4,041.4	4,324.9	4,451.1	4,388.9	3,721.7	2,620.5	2,966.1	3,147.4	3,010.3	2,111.9
	Metal Cu	t	460	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	36.6	49.7	53.6	84.2	104.1	106.7	19.2	6.2	9.1	14.6	4.5
	Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
1118 Area	Development	km	300	[•]	[•]	36	37	38	38	38	38	38	36	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Mining	kt	8,002	[•]	[•]	965	996	1,003	1,026	1,014	1,007	1,025	967	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Grade Ag	g/t	81.88	[•]	[•]	93.56	98.11	80.58	86.53	80.52	74.30	71.81	69.91	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Grade Pb	%	0.58	[•]	[•]	0.37	0.37	0.57	0.58	0.49	0.74	0.62	0.88	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Grade Zn	%	1.64	[•]	[•]	1.45	1.05	1.58	1.31	1.45	2.12	1.58	2.63	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Grade Cu	%	0.35	[•]	[•]	0.20	0.60	0.70	0.51	0.25	0.29	0.13	0.15	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Metal Ag	t	655	[•]	[•]	90	98	81	89	82	75	74	68	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Metal Pb	t	46,153	[•]	[•]	3,527	3,696	5,725	5,954	4,965	7,428	6,388	8,471	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Metal Zn	t	131,398	[•]	[•]	13,986	10,448	15,829	13,390	14,727	21,387	16,155	25,476	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Metal Cu	t	28,296	[•]	[•]	1,891	5,929	6,991	5,236	2,503	2,955	1,373	1,418	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Stockpile

Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Mining	kt	129	43	43	43	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Grade Ag	g/t	135	135.29	135.29	135	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Grade Pb	%	1.15	1.15	1.15	1	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Grade Zn	%	1.71	1.71	1.71	2	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Grade Cu	%	[•]	[•]	[•]	—	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Metal Ag	t	17	6	5.82	6	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Metal Pb	t	1,480	493	493	493	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Metal Zn	t	2,200	733	733	733	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Metal Cu	t	—	[•]	[•]	—	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Total

Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Mining	kt	26,959	1,051	1,064	2,051	2,029	2,000	2,046	2,076	2,080	2,066	1,979	1,246	1,370	1,354	1,347	1,225	598	300	300	299	298	181
Grade Ag	g/t	101	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
Grade Pb	%	0.82	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
Grade Zn	%	1.55	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
Grade Cu	%	0.12	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
Metal Ag	t	2,701	195	151	231	222	194	204	201	192	182	197	130	114	106	112	129	48	21	22	21	20	11
Metal Pb	t	216,925	13,909	11,704	14,671	13,620	14,355	14,677	14,843	17,503	16,407	20,313	12,100	10,801	9,997	10,279	9,452	4,243	1,821	1,841	1,843	1,633	913
Metal Zn	t	417,566	16,257	14,383	31,360	27,379	30,836	28,352	32,586	39,772	33,313	42,077	20,192	20,841	20,165	19,493	17,171	9,533	2,621	2,966	3,147	3,010	2,112
Metal Cu	t	32,514	50	122	2,162	6,655	7,327	5,588	2,689	3,142	1,591	1,833	421	174	91	110	370	137	19	6	9	15	4

9 PROCESSING

9.1 Previous Testwork

The deposit mainly contains two types of ores, silver-lead-zinc polymetallic ore and Copper-tin polymetallic ore which require different processing method to treat. Previous metallurgical testwork and mineralogy studies are summarized in this section.

9.1.1Metallurgical Testwork

Metallurgical testwork conducted previously are summarized as below.

Table 9–1 Summary of Previous Metallurgical Testwork

	Testwork Title & Focus	Institution	Sample Details	Process Highlights	Key Results
2011.07. . .	Metallurgy Test for Silver-Lead-Zinc Polymetallic Ore	Beijing Nonferrous Metals Research Institute	Belt-cut samples (-25mm) 560 kg + 50 kg ore specimens	Standard closed-circuit flotation	Pb conc.: 51.42% Pb, 4.33% Zn, 6123.9 g/t Ag; Pb recovery 88.45%, Ag recovery 84.65%; Zn conc.: 46.03% Zn, Pb 0.65%, Zn recovery 88.18%
2014.03–05.	Processing Flowsheet Test for Polymetallic Ore	Hunan Nonferrous Metals Research Institute	—	Preferential Pb flotation → Zn-S bulk flotation	Pb conc.: 55.46% Pb, 2.35% Zn, 6899.15 g/t Ag; Pb recovery 88.90%, Ag recovery 80.50%; Zn conc.: 45.53% Zn, Pb 0.85%, Ag 384.27 g/t; Zn recovery 88.41%
2017.10–11.	Optimal Processing Flowsheet for Cu-Ag-Sn Polymetallic Ore	Guangzhou Nonferrous Metals Research Institute	4.5 t samples, 6 ore types; blending ratio 1:1:1 (Orebodies 01, 03, 04)	Focus on Sn, Cu, Ag recovery via tin gravity + flotation ("**desliming — S flotation — cassiterite flotation**")	Cu-Ag conc.: 20.33% Cu, 1492.7 g/t Ag, recovery 95.38% Cu, 85.29% Ag; Sn recovery overall 61.69%
2019.07. . .	Metallurgy Test Report (general)	Guosen Mining & Yulong Mining	—	—	—
2019.12. . .	Small-Scale Test Report	Solvay	—	Comparative performance review with No.1 & No.2 plants and past tests	2014 test had highest Ag grade (495.6 g/t) & Pb recovery (88.9%); Current plant excels in Zn recovery (45.69% despite lower grades); Pb conc. consistently >51% Pb; Zn conc. shows higher Pb impurities; Pb recovery stable 88–92%

The 2014 test recorded the highest silver ROM grade at 495.6 g/t Ag and lead recovery at 88.9% Pb. In contrast, the existing plant shows superior zinc recovery at 45.69% Zn, despite lower feed grades of 1.37% Pb and 1.82% Zn, indicating optimized processing for zinc. Lead concentrate purity exceeds 51%, peaking at 57.58% Pb, while zinc concentrates have higher lead impurities, reaching 5.39% Pb, suggesting challenges in zinc separation efficiency. Silver grades fluctuate between 208 and 495.6 g/t, yet lead recovery remains stable at 88–92%, demonstrating robust adaptability to feed variations. The comparison of test reports from Plant No. 1 and Plant No. 2, along with the current production parameters, is presented in Table 9–2 below.

Table 9–2 Key Parameters of Test Results vs Current Production

Parameter	2011 Test	2014 Test	Current
Pb ROM Grade (%)	1.91	3.60	1.37
Zn ROM Grade (%)	4.14	3.56	1.82
Ag ROM Grade (g/t)	240.4	495.6	208
Pb Concentrate (%)	Pb: 51.42%; Zn: 4.33%; Ag: 6123.9 g/t	Pb: 55.46%; Zn: 2.35%; Ag: 6899.15 g/t	Pb: 57.58%; Zn: 5.39%; Ag: 7979 g/t
Pb Recovery (%)	88.45	88.90	91.96
Zn Concentrate (%)	Pb: 0.65%; Zn: 46.03	Pb: 0.85%; Zn: 45.53%; Ag: 384.27 g/t	Pb: 1.10%; Zn: 45.69%; Ag: 550 g/t
Zn Recovery (%)	88.18	88.41	87.72

BAW believes that the metallurgical test results reflect representative sampling and reasonable recovery rates: Pb at 88–92%, Zn at 87–88%, Cu at 95%, Sn at 62%, and Ag at 80–85%. Process optimization is evident in the consistent lead concentrate grades ranging from 51% to 58% Pb and the adaptive reagent schemes tailored for varying ore types. However, there is still room for improvement in zinc separation efficiency, as indicated by the elevated Pb content (0.65–5.39%) found in the zinc concentrates.

9.1.2Mineralogy Studies

Mineralogy studies conducted previously are summarized as below.

Table 9–3 Summary of Previous Mineralogy Studies

Ore Type	Study Date & Institution	Key Mineral Composition	Textural & Grain Features	Processing Considerations
Silver-Lead-Zinc Polymetallic Ore	**Mar 2011** — Beijing General Research Institute of Nonferrous Metals	Pb-Zn dominant; Ag, Sb, S also present. Metallic minerals: galena, sphalerite (mainly marmatite), argentite, pyrite; Gangue: quartz, feldspar, almandine, minor chlorite & dolomite. Sb minerals: jamesonite, pyrargyrite, stibnite.	Sulfide minerals are closely interlocked; some sphalerite severely fractured. Silver occurrence: native Ag + argentite (50.37%), in galena (35.42%), in sphalerite (8.80%).	Fine liberation difficult for Pb-Zn sulfides; fractures in sphalerite may lower concentrate grade & recovery.
	May 2014 — Hunan Nonferrous Metals Research Institute	Silver-bearing Pb-Zn sulfide ore. Metallic minerals: pyrite, pyrrhotite, sphalerite, galena, marcasite, minor arsenopyrite, silver minerals (freibergite, pyrostilpnite), jamesonite. Gangue: quartz, clay minerals, feldspar, carbonates, amphibole.	Structures: disseminated & massive. Grain size: medium-coarse (sphalerite, pyrite, pyrrhotite), medium-fine (galena), fine (silver minerals). Complex mineral intergrowth with inclusions and replacements among sulfides and silver minerals.	Requires fine grinding to liberate Ag minerals; incomplete liberation of arsenopyrite may reduce Pb/Zn concentrate quality due to As contamination.
Copper-Tin Polymetallic Ore	Mar 2018 — BGRIMM Technology Group	Cu recovery minerals: chalcopyrite, tetrahedrite (Ag via isomorphism). Sn recovery: cassiterite. Associated sulfides: arsenopyrite, pyrite.	Sulfides (chalcopyrite, arsenopyrite, pyrite) are coarse-grained and closely intergrown; cassiterite slightly finer-grained; +0.074 mm fraction reaches 75.36%.	Coarse separation possible for sulfides; cassiterite requires slightly finer processing. High As content (6.60%) mainly in arsenopyrite, intergrown with chalcopyrite, poses processing and environmental challenges.

BAW asserts that the silver-lead-zinc and copper-tin polymetallic ores exhibit complex mineralogy, characterized by intricate intergrowths of sulfides and silver minerals. This complexity presents significant challenges in mineral liberation due to fine-grained textures, brittle cassiterite, and a high arsenic content of 6.60%. As a result, optimized grinding-flotation strategies are essential to balance recovery rates with concentrate quality.

9.2 Processing and Metallurgical Facilities

9.2.1Historic Processing Facilities

The mineral processing facility evolved from an initial throughput of 100 tpd in 2002, undergoing phased expansions to 400 tpd in 2004 and 1,400 tpd in 2005. A major system upgrade increased capacity to 3,400 tpd from 2014 to 2018. Modifications to the processing plant were completed between 2021 and 2022; however, operations were ultimately suspended due to unsustainable maintenance costs associated with aging equipment.

9.2.2Processing Overview

Yulong Mining currently operates two mineral processing plants: one with a designated capacity of 2,000 t/d, and another that was retrofitted from an original 1,400 t/d production line. The retrofitted 1,400 t/d line now consistently operates at an actual throughput exceeding 3,400 t/d. Consequently, the company's current combined daily processing capacity reaches approximately 5,600 t/d, equal to an annual processing volume of nearly 2 million tonnes at 360 day per year base.

The operational equipment diagram of the mineral processing plant is shown in Figure 9–1 and Figure 9–2.



Ball Mill



Flotation

Figure 9–1 Operating Equipment (Ball Mill and Flotation)



Thickener



Reagent Box

Figure 9–2 Operating Equipment (Thickener and Reagent Box)

9.2.3Current 3400t/d Operation Line

It is important to note that while the plant operates at 3,400 tpd. All required permits for the 3,400 t/day project have been duly obtained. The company has successively submitted the 1,400 t/day and 2,000 t/day mineral processing technological upgrade projects for approval, relocating the original production capacity from the older production lines to the newly constructed 3,400 t/day mineral processing plant. All these projects have passed the acceptance inspections respectively.

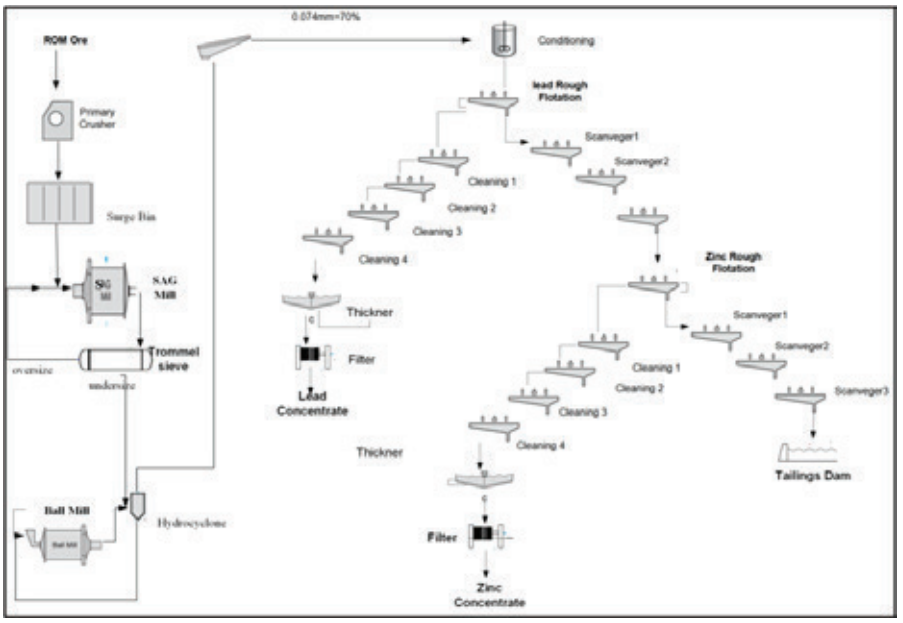


Figure 9–3 Current Processing Flowsheet

1) Processing Flowsheet

Following the technical transformation, significant changes were made to the process flow. The current processing flowsheet is described as follows:

1. Crushing and Grinding Circuit

   The processing plant accommodates a maximum feed size of 250 mm. The crushing-grinding circuit employs a primary crushing (underground) + SAG mill + ball mill process. The primary crusher is designed to produce a product size of 250 mm, with a target grinding fineness of 75% passing 0.074 mm. Given the medium-low hardness and relatively easy grindability of this polymetallic ore, current production achieves high grinding efficiency. As a result, pebble crushing is not implemented; instead, pebbles are returned to the SAG mill for closed-circuit recirculation.

2. Flotation Circuit

   The process utilizes a full preferential flotation flowsheet. The ore, ground to 75% passing 0.074 mm, undergoes:

   - A lead flotation circuit (1 rougher + 3 scavengers + 4 cleaners) to produce lead concentrate.
   - A zinc flotation circuit (processing lead tailings, 1 rougher + 3 scavengers + 4 cleaners) to recover zinc concentrate.
   - The zinc flotation tailings are discharged as final plant tailings. The produced lead and zinc concentrates are sent to the dewatering section, while tailings undergo on-site thickening before being pumped to the tailings storage facility.

3. Dewatering Process

   Due to the fine particle size of the flotation concentrates:

   - Both lead and zinc concentrates undergo two-stage dewatering (thickening + filtration).
   - Final concentrate moisture content is ≤10%.

4. Uncommissioned Copper Flotation System

   The copper and sulfur concentrate production circuits remain unconstructed, as the planned ore body has yet to be mined.

2) Main Equipment

The equipment used in the current processing plant includes a jaw crusher c100 for crushing, a sag mill (5.49 × 3.05 m) and a ball mill (3.81 × 6.71 m) for grinding, and XCFII/KYFII–40 flotation cells. Additionally, the plant features dewatering systems, with special attention given to material handling and reagent preparation.

Table 9–4 Main Equipment used in the Processing Plant

	Model	Unit	Quantity
Jaw Crusher	C100	unit	1
Apron Feeder	1400 × 6000	unit	1
Apron Feeder	1200 × 4500	unit	4
Belt Conveyor	B500	unit	2
Metal Remover	RCY-C100T2	unit	1
SAG	5.49 × 3.05	unit	1
Ball Mill	3.81 × 6.71	unit	1
Linear Screen	SLG1848W	unit	2
Linear Screen	SLG1536W	unit	1
Cyclone Cluster	6 × 500CVX	set	1
Agitator	XB-3500	unit	2
Flotation Cell	XCFII–40	unit	10
Flotation Cell	KYFII–40	unit	16
Flotation Cell	XCFII–16	unit	8
Flotation Cell	KYFII–16	unit	9
Thickener	NZY-18G	unit	1
Thickener	NZY-22G	unit	1
Ceramic Filter	BST-35M^2	unit	1
Ceramic Filter	BST-60M^2	unit	1

The mine-site has an annual water supply capacity of 700,000 m^3, with a daily water recycling volume of 14,400 m^3 and a recycling rate exceeding 92%. It provides 550 m^3 of dewatering water daily, used as supplementary water for production. The tailings yield rate is approximately 95%, resulting in a daily tailings output of about 3,200 tonnes and an annual output of approximately 817,000 t.

9.2.4 2,000 t/d Production Line on Standby

1) Processing Flowsheet

The 2,000 t/d operation utilizes a three-stage crushing, closed-circuit grinding, and differential Pb-Zn flotation circuit with multiple cleaning stages to produce separate lead and zinc concentrates.

1. Crushing

   The 2,000 t/d plant adopts a three-stage, one closed-circuit crushing process with check screening, ultimately reducing the raw ore size from 350 mm to approximately 15 mm.

2. Grinding

   The grinding section employs a one-stage, one closed-circuit process, controlling the grinding fineness to about 60% passing 200 mesh. This ensures sufficient liberation of galena, marmatite, sphalerite, pyrite, and gangue minerals, while maintaining the grinding overflow density at around 30%.

3. Flotation

   The flotation process follows a differential flotation flowsheet, first recovering qualified lead concentrate, followed by zinc recovery from the lead tailings to obtain qualified zinc concentrate powder. Lead flotation includes one roughing, three scavenging, and four cleaning stages. Zinc flotation includes one roughing, three scavenging, and three cleaning stages.

   The concentrate reports to thickeners; the concentrate froth is thickened and then filtered by vacuum filters before being stored in the concentrate warehouse. The tailings are pumped and discharged into the tailings storage facility.

2) Main Equipment

This equipment list as below Table 9–5 for the concentrator is compiled with accurate technical terminology.

Table 9–5 Process Equipment List for the 2,000 t/d Concentrator

No.	Name	Model	Unit	Quantity	Remarks
1. . .	Heavy Apron Feeder	GBZ125–4	Set	1	
2. . .	Jaw Crusher	C100	Set	1	
3. . .	Cone Crusher	GP11F	Set	1	
4. . .	Cone Crusher	GP11S	Set	1	
6. . .	Vibrating Screen	2YAHG1848	Set	1	
7. . .	Wet Grate Type Ball Mill	MQG2736	Set	2	1 Left-hand rotation, 1 Right-hand rotation
8. . .	High Weir Spiral Classifier	F2400	Set	2	1 Left-hand rotation, 1 Right-hand rotation
10 . .	Reagent Agitator Tank	XB1500	Set	7	
11 . .	Ore Agitator Tank	XB3000	Set	4	Lead (Pb): 2 sets Sulfur (S): 2 sets
12 . .	Ore Agitator Tank	XBT3000	Set	2	Lead (Pb): 2 sets
13 . .	Flotation Machine	SF-4	Set	3	
14 . .	Flotation Machine	SF-8	Set	53	Lead (Pb): 20 sets Zinc (Zn): 20 sets Sulfur (S): 13 sets (Idle)
15 . .	Concentrate Pump	4PNJB	Set	6	Lead (Pb): 2 sets (1 Oper. + 1 Standby) Zinc (Zn): 2 sets (1 Oper. + 1 Standby) Sulfur (S): 2 sets (Idle)
16 . .	Recovery Pump	2PNL	Set	3	Lead (Pb): 1 Oper. + 1 Standby Zinc (Zn): 1 Oper. + 1 Standby Sulfur (S): 2 sets (Idle)
17 . .	Thickener	NZS12	Set	3	Lead (Pb): 1 set Zinc (Zn): 1 set Sulfur (S): 1 set
18 . .	Vacuum Filter	GW20	Set	2	For Lead (Pb) filtration
19 . .	Vacuum Filtration System	—	Set	1	For Lead (Pb) filtration
20 . .	Vacuum Filter	GW30	Set	2	Zinc (Zn): 1 set Sulfur (S): 1 set
21 . .	Vacuum Filtration System	—	Set	2	Zinc (Zn): 1 set Sulfur (S): 1 set
22 . .	Tailings Pump	6PNJB	Set	3	

The provided equipment list appears to be designed for the flotation and recovery of Lead (Pb), Zinc (Zn), and Sulfur (S) from the tailings materials. The overall process follows a conventional and crushing capacity is likely in the range of 200–500 tonnes per hour, depending on the ore characteristics and closed-side setting of the crushers.

Grinding and Classification circuit consists of two ball mills (MQG2736) in closed circuit with two spiral classifiers (F2400). The use of two parallel grinding lines, each with a mill and classifier, is a robust design that offers operational flexibility. It allows the plant to run one line for lower throughput or both for maximum capacity. The model MQG2736 (2.7m diameter x 3.6m length) is a substantial mill, and two of them confirm a high-capacity design, likely supporting a flotation circuit requiring a fine grind.

Flotation circuit is complex, designed for sequential Pb, Zn, and S flotation. This is evident from the dedicated agitators and large number of flotation cells (SF-4 and SF-8) assigned to each metal.

3) Reuse of 2,000t/d plant

The company has proposed utilizing the existing idle 2,000 t/d tailings retreatment production line. Through technological upgrades and the addition of new equipment, this line would be adapted to process the polymetallic ore from the 1118 Highland. However, a specific engineering design plan is not yet available.

BAW has reviewed the available mineral processing equipment and flowsheet and concluded that the current production line is only capable of producing lead, zinc, and sulfur concentrates. Significant additional equipment and corresponding infrastructure would be required.

According to a pre-feasibility study report from the Jinjiang Design Institute, a flowsheet for processing the 1118 Highland ore must not only include the existing flotation process for lead, zinc, and sulfur concentrates but must also be expanded to incorporate:

- A flotation circuit for producing a copper-silver concentrate.
- A gravity separation circuit for producing a tin concentrate.

The expanded flowsheet would specifically include:

- Cu-Ag Preferential Flotation. A circuit consisting of one roughing, two scavenging, and three cleaning stages to produce a copper-silver concentrate.
- Tin Gravity Concentration, which comprises two sections:
- Tin Roughing: A process flowsheet of "classification — coarse-grained shaking table concentration — fine-grained shaking table concentration" to produce a rough tin concentrate with a grade >10% Sn and a secondary tin middling concentrate.

- Tin Cleaning: The rough tin concentrate is treated through a "regrinding — flotation desulfurization — shaking table concentration" process to obtain a final tin concentrate with a 40% Sn grade and a secondary tin middling with a 3% Sn grade.

Furthermore, the review identified that the current equipment list is critically deficient for this complex flowsheet. Major missing components include:

- Multiple Specialized Regrinding Circuits, each requiring its own mill, classifier (hydrocyclones or high-frequency screens), and associated pumps.
- A Complex Gravity Separation Circuit, involving over 240 shaking tables and dedicated feed classification systems.
- Appropriate Dewatering Equipment; specifically, ceramic disc filters and larger thickeners for various concentrates, which have been erroneously replaced by incorrect vacuum filters in the original list.
- Pumps and Conveyors, including the numerous slurry pumps, water pumps, belt feeders, and conveyors essential for plant operation, which are absent from the list.

BAW evaluates that processing ore from the 1118 Highland will require substantial capital investment in the aforementioned technical modifications and supporting infrastructure.

9.2.5Reagent Consumption

The annual consumption and unit dosage of reagents used in the processing operation is summarized in Table 9–6. Lime has a unit consumption of 7.48 kg/t, followed by steel balls at 1.43 kg/t. Reagents such as No. 2 oil have minimal usage, at just 0.00024 kg/t.

Table 9–6 Reagent Consumption

No.	Reagent	Annual ROM (tonnes)	Unit Consumption (kg/t)
1	ROM Ore	744,101.79	
2	Zinc Sulfate	128.85	0.173
3	Sodium Sulfite	84.05	0.113
4	Butylamine	5.64	0.008
5	Sulfur Nitrogen	11.25	0.015
6	Copper Sulfate	199.625	0.268
7	Butyl Xanthate	110.395	0.148
8	No. 2 Oil	0.18	0.00024
9	Steel Balls	1,067	1.434
10	lime	5,565.72	7.480
11	Sodium Humate	3.075	0.004
12	CY-1	53.6	0.072

9.2.6Comments

BAW believes that the processing plant's phased expansions and current 3,400 tpd flowsheet, which includes SAG/ball mill grinding and preferential Pb-Zn flotation, demonstrate a technically sound design for polymetallic ore. However, aging equipment and suspended modifications, such as the un-commissioned copper circuit, reveal operational sustainability risks. On a positive note, high water recycling rates (92%) and reagent efficiency — evidenced by lime usage at 7.48 kg/t — reflect optimized resource utilization.

9.3 Recovery Rates and Product Quality

9.3.1Recovery Rates

The two processing plants have a combined processing capacity of 3 ktpd and a throughput of 720 –750 ktpa. Production remains stable in the past three years. The actual performance of the processing plant is summarized in Table 9–7 below.

Table 9–7 Performance Metrics of Various Products

		Unit	2022	2023	2024
ROM (t)		Dry Tonne	716,225	716,852	744,101
Head Grade	Pb	%	1.83	1.48	1.85
	Zn	%	2.82	2.53	2.57
	Ag	g/t	259	262	254
Pb Concentrate Grade. .	Pb	%	52.03	49.23	49.11
	Zn	%	5.26	3.92	3.87
	Ag	g/t	6,757	8,162	6,173
Zn Concentrate Grade. .	Pb	%	1.27	1.25	1.18
	Zn	%	45.6	45.2	45.03
	Ag	g/t	488	487	389
Recovery Rate	Pb	%	90.7	89.8	92.8
	Zn	%	88.7	90.8	89.6
	Ag*Pb	%	83.4	83.7	84.6
	Ag*Zn	%	11.4	9.5	7.8
	Ag*Total	%	93.8	93.2	92.5

The processing plant processed approximately 716,000 to 744,000 t of ore annually from 2022 to 2024, with head grades ranging from 1.48–1.85% Pb, 2.53–2.82% Zn, and 254–262 g/t Ag, maintaining stable throughput despite ore variability.

Lead concentrates achieved grades of 49–52% Pb with 6,173–8,162 g/t Ag, while zinc concentrates consistently maintained 45–45.6% Zn with 388–488 g/t Ag, meeting all commercial specifications.

Recovery rates remained excellent, with 89–93% for Pb and 84–91% for Zn, while silver recoveries closely followed lead at 83–84% via Pb concentrate, resulting in total silver recoveries of 92–94%, demonstrating robust process efficiency.

Table 9–8 Production Metrics of the Processing Plant 2024

	Feed Ore	Lead Concentrate	Zinc Concentrate	Recovery
	(t)	(t)	(t)	(%)
ROM	744,102	25,948	38,075	—
Pb Grade (%)	1.85	49.11	1.18	92.78
Zn Grade (%)	2.57	3.87	45.03	89.61
Ag Grade (g/t)	254	6,173	389	—
Pb Metal (t)	13,734	12,742	450	—
Zn Metal (t)	19,132	1,004	17,145	—
Ag Metal (kg)	189,284	160,185	14,820	—
Yield (%)	100.00	3.49	5.12	—

In 2024, the processing plant achieved excellent recovery rates of 92.78% for lead and 89.61% for zinc, while silver showed a recovery of 84.63% to lead concentrate and an overall silver recovery exceeding 92.46%, highlighting robust metallurgical performance.

Metal distribution data indicates that 3.49% of the feed mass reported to lead concentrate (25,948 t at 49.11% Pb) and 5.12% to zinc concentrate (38,075 t at 45.03% Zn), with tailings accounting for 91.4% of throughput while retaining minimal metal values (0.08% Pb, 0.14% Zn).

9.3.2Production Forecast

The 1118 Area exhibits significantly lower and more inconsistent recovery rates for Ag, Pb, and Zn compared to other sources, with its copper recovery (Cu) also being suboptimal.

Table 9–9 Recovery for various ore sources

Recovery	unit	Huaaobaote	Huaaobaote Mountain	1118 Area	Stockpile
Ag	%	91	75.26	79	91
Pb	%	89	83	67	89
Zn	%	87	84	70	87
Cu	%	0	60	80	0

Based on the production forecast data in Table 9–10 from 2025 to 2046, the following commentary can be made. The data indicate a period of operational starting with 539 kt in 2025H2 to a sustained annual throughput exceeding 2,000 kt from 2028 to 2035. Subsequently, plant feed gradually decreases from 2036 onward, suggesting a transition to lower-tonnage sources or different ore types from the Huaaobaote Mountain deposit and 1118 Area.

Head grades for Ag (silver) show a general declining trend over the two decades, starting around 220.90 g/t in 2025 and falling to approximately 60–70 g/t by 2046. Pb (lead) grades also decline, while Zn (zinc) remains relatively stable. Copper grades are consistently low, confirming its role as a minor by-product.

Copper recovery is notably poor and inconsistent, particularly in the early years. While it improves to around 70–76% between 2028 and 2035, it drops significantly from 2036 onward, falling to 60% or lower by 2042.

Recovered metal production for Pb and Zn peaks around 2030–2035, corresponding to periods of higher throughput and stable grades. The pronounced decline in production after 2041 is directly attributable to reduced plant throughput and lower head grades.

Table 9–10 Processing Production Forecast

Year	Feed ore	Grade				Average Recovery				Recovered Metal			
		Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu
	kt	g/t	%	%	%	%	%	%	%	t	t	t	t
Total	26,959	100.21	0.80	1.55	0.12	87%	84%	82%	70%	2,352	182,269	342,822	22,952
2026	1,051	185.99	1.32	1.55	0.00	91%	89%	87%	[•]	—	177	12,314	14,199
2027	1,064	141.75	1.10	1.35	0.01	91%	89%	87%	[•]	—	137	10,363	12,562
2028	2,051	112.68	0.72	1.53	0.11	86%	83%	79%	70%	199	12,201	24,909	1,513
2029	2,029	109.28	0.67	1.35	0.33	85%	83%	81%	71%	189	11,261	22,104	4,744
2030	2,000	96.91	0.72	1.54	0.37	86%	80%	78%	76%	166	11,475	24,190	5,593
2031	2,046	99.60	0.72	1.39	0.27	86%	80%	79%	75%	174	11,710	22,443	4,189
2032	2,076	96.65	0.71	1.57	0.13	86%	81%	80%	74%	172	12,069	25,910	2,002
2033	2,080	92.22	0.84	1.91	0.15	86%	79%	78%	75%	165	13,894	31,032	2,364
2034	2,066	87.90	0.79	1.61	0.08	95%	88%	85%	70%	172	14,464	28,472	1,120
2035	1,979	99.34	1.03	2.13	0.09	87%	80%	77%	62%	170	16,157	32,335	1,134
2036	1,246	104.42	0.97	1.62	0.03	88%	88%	87%	5%	114	10,623	17,552	22
2037	1,370	83.25	0.79	1.52	0.01	87%	87%	87%	17%	99	9,430	18,071	30
2038	1,354	78.24	0.74	1.49	0.01	88%	87%	87%	35%	93	8,735	17,471	32
2039	1,347	82.86	0.76	1.45	0.01	88%	87%	87%	46%	98	8,983	16,879	51
2040	1,225	105.13	0.77	1.40	0.03	88%	87%	86%	17%	114	8,249	14,852	62
2041	598	80.25	0.71	1.59	0.02	84%	86%	86%	47%	40	3,654	8,203	64
2042	300	70.23	0.61	0.87	0.01	75%	83%	84%	60%	16	1,511	2,201	12
2043	300	73.38	0.61	0.99	0.00	75%	83%	84%	60%	17	1,528	2,492	4
2044	299	71.76	0.62	1.05	0.00	75%	83%	84%	60%	16	1,530	2,644	5
2045	298	67.44	0.55	1.01	0.00	75%	83%	84%	60%	15	1,356	2,529	9
2046	181	60.90	0.51	1.17	0.00	75%	83%	84%	60%	8	758	1,774	3

The operation has demonstrated a strong capability in processing Pb-Zn-Ag ore, maintaining high recoveries even as head grades have declined. The primary operational weakness is the inability to effectively recover copper, which represents a loss of potential revenue. The processing strategy appears optimized for lead and zinc extraction, with copper recovery being a potential area for further investigation or process improvement, if economically justified by the feed grade.

9.3.3Comments

BAW's review of the forecast performance data (2026–2046) indicates that the plant is expected to achieve strong metallurgical performance in Pb, Zn, and Ag recovery, with Pb recovery ranging between 79.39% and 88.54%, Zn between 76.85% and 87.34%, and Ag between 75.26% and 90.57%, despite variability in ore feed grade over time. The operation is projected to consistently produce marketable concentrates.

However, the recovery rates — particularly beyond the initial high-grade years — may be optimistic if head grades decline more severely than anticipated. Actual performance, especially in later years with lower grades, could fall below these projections. Additionally, copper recovery is forecast to remain persistently low and highly variable, often dropping to around 60% in the final years.

This underscores the importance of continued process optimisation to sustain metallurgical performance as feed quality declines, and supports a cautious approach when relying on recovery assumptions under lower-grade conditions.

9.4 Tailings Storage Facility ("TSF")

The mine currently operates at a processing capacity of 3,400 tpd. A tailings backfill ratio of 40% is achieved through a combination of unclassified and classified tailings backfill systems. The facility maintains two tailings storage areas: the original Tailings Dam, which has been properly closed and rehabilitated, and the active Tailings Dam, located in a natural valley 1,000 m northwest of the processing plant, initially covering 29.74 hectares.

The ongoing Tailings Dam heightening and expansion project is being executed in three phases. Phase I, completed in October 2019, raised the main dam elevation to 981 meters and constructed Auxiliary Dams #1 and #2 to the same height. Phase II, completed in November 2021, further elevated all dams to 985 m. The forthcoming Phase III will increase all structures to the final design elevation of 989 m, maintaining a consistent wet deposition discharge method throughout the expansion.

The construction timeline includes Phase I (May 2018-October 2019), which achieved successful environmental approval, and Phase II (July-November 2021). The project footprint has expanded from the original 29.74 hectares to a total of 93.09 hectares, with 63.35 hectares of newly occupied land, all designated for industrial use.

Dam construction utilizes a one-time embankment method, employing impervious roller-compacted earth-rock structures built in three elevation stages (981m, 985m, and 989m). The upstream slopes are protected with 50 mm precast concrete blocks, while downstream slopes are grass-planted. The main dam foundation includes a comprehensive drainage system with graded gravel layers sandwiched between geotextile filters, directing surface runoff to collection ponds. Auxiliary Dam #1 features a 6 m crest width, 14 m height, and 1,088 m axis length; Auxiliary Dam #2 has a 4 m crest width, 7 m height, and 1,016 m length. Both auxiliary dams utilize 1:2.0 upstream and 1:2.5 downstream slopes with 1 m-thick drainage blankets, following the same engineering standards as the main dam.

Table 9–11 Key Metrics of the TSF

	Unit	Value/Description
Tailings Specific Gravity	t/m^3	2.69
Total Tailings Storage	ktpa	421.2
Designed Dry Density	t/m^3	1.544
Tailings Particle Size		–200 mesh: 90%
Storage Method		Wet Stacking
Discharge Method		Upstream Discharge
Discharge Weight Concentration	%	20
Total Capacity	km^3	8,974.1
Effective Capacity	km^3	7,947.3
Total Dam Height	m	19.5
Service Life	years	26.37
Classification		Class 4
Dam Type		Earth-Rock Dam
Crest Elevation	m	989
Crest Width — Main Dam	m	6
Crest Width — Auxiliary Dam #1	m	6
Crest Width — Auxiliary Dam #2	m	4
Dam Height — Main Dam	m	19.5
Dam Height — Auxiliary Dams	m	14
Upstream Slope Ratio		1:2
Downstream Slope Ratio		1:2.5

The TSF design dates back to the original 2011 configuration by Shandong Jinjian Engineering, featuring a dam height of 6.2 meters and a capacity of 960,000 m^3 for 5.1 years of service life. This was substantially upgraded in the 2017 design by Changsha Mining Research Institute, resulting in a final elevation of 989 meters, a height of 19.5 meters, and a total capacity of 9,934,100 m^3 (7,995,300 m^3 effective). This redesign represented a 14-meter height increase and an 8,974,100 m^3 capacity expansion, extending the service life to 26.37 years.

As of the 2024 completion, all three phases have achieved target elevations near 989.0 m. The current structural dimensions include a 19.5-m main dam, an 11.2-m Auxiliary Dam #1, and a 9.7-m Auxiliary Dam #2, accumulating approximately 3,780,000 m^3 of stored tailings. The estimated remaining service capacity is about 16.8 years at current deposition rates.

BAW believes that the TSF demonstrates robust engineering design and regulatory compliance, providing a 26-year service life at current deposition rates. However, long-term monitoring remains essential due to the facility's 93.09-hectare footprint and wet stacking methodology.

9.5 Comments on Processing

The ore exhibits complex polymetallic mineralization (Pb-Zn-Ag with Cu-Sn), necessitating tailored grinding and flotation circuits. Historical operations have shown strong metallurgical performance, with Pb/Zn recoveries exceeding 89% and Ag recoveries over 92%, alongside consistent concentrate quality. However, declining future head grades may challenge recovery sustainability without process optimization. The phased plant expansions, currently at 3,400 tpd, reflect a scalable design.

The engineering design of the TSF ensures regulatory compliance and a 26-year service life, with 40% backfill reducing surface deposition. Nonetheless, the 93-hectare footprint and reliance on upstream discharge require rigorous long-term stability monitoring, especially as the facility approaches its final elevation of 989 meters.

The 2025–2030 forecast projects stable recoveries despite declining grades which may be optimistic without operational adjustments. However, strategic resources of Cu and Sn remain undeveloped, limiting revenue diversification.

10 PERMITTING, ENVIRONMENTAL, HEALTH AND SAFETY

10.1 Operational Licenses and Permits

10.1.1 Business License

Details of the business license for the Yulong Property issued by the State Administration for Industry and Commerce are presented in Table 10–1 below.

Table 10–1 Details of the Business License for the Yulong Property

Property	Business License No	Issue Date	Permitted Activities
Inner Mongolia Yulong Mining Company Ltd . . .	911525007361470050	April 2022	Mining, processing, and sale of lead, zinc, silver and its products; exploration of solid mineral

10.1.2 Land Use Permit

Details of the land use permit for the Yulong Property issued by the Ministry of Natural Resources are presented in Table 10–2 below.

Table 10–2 Details of the Land Use Permit for the Yulong Property

No.	Land Use	License ID	Area (m^2)	Issued Date
1. . .	Office area	2007–7662	1367.40	January 2007
2. . .	Mining area	2008–8186	579,400	January 2008
3. . .	Mining area	2010–14987	53,542.84	December 2010
4. . .	Mining area	2010–14994	144,121.53	December 2010
5. . .	Tailing storage	2012–21859	297,437	October 2012
6. . .	Mine shaft reconstruction	2016–31122	311,544.90	June 2016

*10.1.3 **Mining Licenses***

The Yulong property has 3 mining licenses. Details of the mining licenses for the Yulong Property issued by the Ministry of Natural Resources are presented in Table 10–3 below, Table 10–4 below, Table 10–5 below.

Table 10–3 Details of the Mining Licenses for the Yulong Property

License Holder	Inner Mongolia Yulong Mining Company Ltd
Name of Property	Inner Mongolia Yulong Xi Ujimqin Qi Huaaobao Lead-Zinc-Silver Property
License Type	Mining
License ID	C1500002011024210112496
Area (km^2)	1.7093
Elevation (m)	400–1030
Permitted Production Capacity	1000 ktpa
Type of Commodities	Lead, Zinc, Silver
Mining Method	Underground
Valid Period	November 2012 to November 2037

Table 10–4 Details of the Mining Licenses for the Yulong Property

License Holder	Inner Mongolia Yulong Mining Company Ltd
Name of Property	Inner Mongolia Yulong Xi Ujimqin Qi Huaaobaote Mountain Lead-Zinc-Silver Property
License Type	Mining
License ID	C1500002012054210125299
Area (km^2)	1.0269
Elevation (m)	473–1030
Permitted Production Capacity	300 ktpa
Type of Commodities	Lead, Zinc, Silver
Mining Method	Underground
Valid Period	May 2023 to May 2038

Table 10–5 Details of the Mining Licenses for the Yulong Property

License Holder	Inner Mongolia Yulong Mining Company Ltd
Name of Property	Inner Mongolia Yulong Xi Ujimqin Qi Bayanwenduri Silver Poly-Metal Property
License Type	Mining
License ID	C1525002024094210157402
Area (km^2)	3.4821
Elevation (m)	135–1011
Permitted Production Capacity	990 ktpa
Type of Commodities	Lead, Zinc, Silver, Copper
Mining Method	Underground
Valid Period	September 2024 to September 2052

10.1.4 Exploration License

Details of the exploration licenses for the Yulong Property issued by the Ministry of Natural Resources are presented in Table 10–6 below.

Table 10–6 Details of the Exploration Licenses for the Yulong Property

No.	Name of Property	License ID	Area (km^2)	Valid Period
1. .	Inner Mongolia Xi Ujimqin Qi General Exploration of Under 400m Sector I	T1525002022054050056825	1.68	May 2022 to May 2027
2. .	Inner Mongolia Xi Ujimqin Qi General Exploration of Under 400m Sector II	T1525002022054050056826	0.05	May 2022 to May 2027
3. .	Huaaobaote Te Mining Area 1118 Highland Lead-Zinc Mine	T15250020091230100037416	11.9746	November 2024 to November 2029
4. .	Huaaobaote 1038 Pb-Zn Exploration Area	T15250020080430100006893	1.51	January 21, 2024 to January 20, 2029
5. .	Huaaobaote Nanshan Pb-Zn Exploration Area	T15250020080430100006891	2.42	January 21, 2024 to January 20, 2029
6. .	Huaaobaote Ag-Pb-Zn Periphery (II) Exploration Area	T15250020091140100036050	21.7583	November 9, 2024 to November 8, 2029

10.1.5 Safety Production Permit

Details of the Safety Production Permits for the Yulong Property issued by the Ministry of Emergency Management are presented in Table 10–7 below.

Table 10–7 Details of the Safety Production Permits for the Yulong Property

No.	License Holder	License ID	Type	Mining Method	Valid Period
1 . . .	Inner Mongolia Yulong Mining Company Ltd	(Meng) FMSP (2024) 001822	Pb, Zn, Ag	Underground, Tailing	June 2024 to June 2027
2 . . .	Inner Mongolia Yulong Mining Company Ltd	(Meng) FMSP (2025) 006987	Tailing	Tailings storage operation	April 2025 to April 2028

10.1.6 Waste Discharge Permits

Details of the Waste Discharge Permit for the Yulong Property issued by the Ministry of Ecology and Environment are presented in Table 10–8 below.

Table 10–8 Details of the Waste Discharge Permit for the Yulong Property

License Holder	Inner Mongolia Yulong Mining Company Ltd
License Type	Boiler Mining and Processing of Lead and Zinc
License ID	91152500736147005001T
Valid Period	September 2022 to September 2027

10.2 Environmental Management

10.2.1 Ecological Impact

The Yulong Property area is situated in Bayanhubuga Village, Bayanhua Town, Xi Ujimqin Banner. Geographically, it falls within the western slope of the southern segment of the Greater Khingan Range, characterized by hilly terrain. The property experiences a mid-temperate semi-arid continental climate, featuring cold winters and hot, humid summers with significant annual temperature fluctuations. This region serves as a transitional zone from meadow grassland to typical grassland.

Suitable forages for artificial sowing in this area include Elymus dahuricus, Agropyron mongolicum, Leymus chinensis, among others. Tree species found here consist of Ulmus pumila, Populus, and Caragana korshinskii. Greening tree species encompass Picea asperata, Pinus sylvestris var. mongolica, Syringa oblata, and more. The vegetation coverage is estimated to be around 30%.

The property is classified as a key prevention area for soil erosion in the Inner Mongolia Autonomous Region. It does not intersect with soil and water conservation sensitive zones such as water source protection areas, nature reserves, water function zones, and scenic spots. The region where the property is situated experiences mild erosion, primarily characterized by wind erosion with seasonal water erosion as a supplementary factor.

*10.2.2 **Solid Waste***

In the Yulong Property, there are currently two waste rock storage facilities in operation: the No. 3 waste rock yard and the No. 4 waste rock yard. The No. 2 waste rock yard has been decommissioned and is undergoing vegetation rehabilitation. The No. 3 waste rock yard was transformed from the existing No. 1 tailings pond and covers an area of approximately 14 hectares. Waste rock generated is stockpiled in the former No. 1 tailings pond, which is enclosed by a wire fence. On the other hand, the No. 4 waste rock yard is situated in the open space east of the No. 5 auxiliary shaft site. Waste rock is hoisted to the surface and then transferred to the waste rock storage facility using dump trucks via road transport.

To promptly manage goafs, mitigate safety risks, and satisfy the requirements of gravity flow filling, the mine has established two filling stations that employ a combined process of tailings cemented filling and waste rock backfilling. In recent years, this method has effectively filled goafs, helping to control displacement of the overlying rock strata and regulate ground stress.

Regarding domestic waste management, waste from residential areas is collected in designated bins and regularly transported by garbage trucks to landfills for proper disposal. This systematic approach ensures compliance with waste management regulations and standards.

*10.2.3 **Water Conservation***

In the Yulong Property, groundwater serves as the water source for domestic use, extracted from a well located near the mining site. The property utilizes the existing domestic water supply system for this purpose. Treated domestic sewage is repurposed for activities like road dust removal, sprinkling, and greening, and is not discharged externally.

For production operations, mine dewatering water is utilized, drawing from the original production water supply system. Post-treatment, a portion of the underground gushing water is allocated for underground rock drilling and mineral processing. The mine achieves a 100% water reuse rate, with no discharge outside the site.

A drainage channel on the northern side of the industrial area directs rainwater to a collection well near the old tailings pond, from where it is pumped to the processing plant for integrated utilization.

The water conservation design at the property adheres to the stringent requirements established by relevant government agencies, ensuring the property's environmental compliance and commitment to sustainable water management practices.

10.2.4 Soil Conservation

During the operational period, soil impacts primarily include vegetation destruction, surface subsidence, and soil erosion. To mitigate these impacts, ecological restoration and governance measures are planned, including land reclamation, site leveling, and stabilizing slopes. These interventions aim to restore the soil quality and ecosystem balance to meet regulatory requirements and ensure sustainable land use.

10.2.5 Tailing Storage Facility

In accordance with the requirements of the mining and processing methods, the tailings generated by the concentrator are prioritized for underground filling. All tailings discharged from the concentrator are transported to the deep cone thickener of the filling station. During filling, the tailings thickened by the deep cone thickener are delivered to the underground filling site by the thickener underflow pump. When there is no filling operation, the tailings thickened by the thickener are diluted with water and then transported under pressure to the Huaaobaote Te Mountain ore segment for filling or to the tailings pond for storage.

The clarified water in the tailings pond is fully returned to the concentrator through the backwater system for reuse.

In line with mining and processing requirements, tailings generated by the concentrator are primarily designated for underground backfilling. All tailings are first directed to the deep cone thickener at the filling station, with the excess discharged directly to the tailings storage facility. During backfilling operations, the underflow pump of the deep cone thickener delivers the thickened tailings to the underground stopes. When no backfilling is taking place, all tailings are pumped through pipelines to the tailings storage facility for deposition. The clarified water from the tailings pond is fully recirculated to the concentrator via the return water system for reuse.

10.2.6 Rehabilitation

Reclamation work at the mine site encompasses the restoration of temporarily used land during infrastructure construction and the reclamation of various industrial areas post the mine's operational life. Once land occupation concludes, the site undergoes leveling and is then blanketed with humus soil. Following this, vegetation restoration efforts commence. Plant selection for reclamation aligns with the geology of the area and local climate conditions. Greening initiatives extend to the road shoulder within the industrial zone and adjacent to structures.

In consideration of the region's ecological characteristics, an ecological restoration and land reclamation blueprint has been devised. Following a principle of simultaneous advancement and management, a blend of engineering and biological strategies is embraced to swiftly execute comprehensive ecological restoration across industrial zones and other sectors. Emphasis is placed on safeguarding surface structures, agricultural land, roadways, rivers, water management structures, and other features within the mining area.

The rehabilitation plan formulated in 2024 proposed a total budget of RMB78,846,900, to be allocated across three distinct phases:

- Phase 1 (2024–2028): RMB3,617,700
- Phase 2 (2029–2033): RMB3,523,500
- Phase 3 (2034–2046): RMB71,975,700

10.3 Occupational Health and Safety

The mine management places a high value on the health and safety of all personnel. In response to the occupational hazard characteristics present at the mine, effective preventive measures have been implemented to combat pollution factors like dust and noise, as well as risks related to fire, explosions, natural disasters, and other unsafe conditions.

The mine management implements advanced and rational production techniques, employing secure and dependable equipment to enhance mechanization during production. This approach aims to minimize or eradicate unsafe elements that may pose risks to human health. These practices not only adhere to labor safety and hygiene regulations but also prioritize the protection and well-being of workers on-site.

At the mine site, there are 22 full-time staff dedicated to labour safety and occupational health management, and part-time personnel for labour safety and occupational health are assigned to each production department.

It is noteworthy that the Yulong Property has maintained a commendable safety record, with no reported on-site injuries or fatalities over the past three years. This achievement underscores the commitment to stringent safety protocols and the effective implementation of safety measures.

Table 10–9 Details of Injuries and Fatalities for the Yulong Property from 2022 to 2024

	2024	2023	2022
No. of Work-Related Fatalities	0	0	0
Rate of Work-Related Fatalities	0	0	0
No. of Injuries at Work	0	0	0
Lost Days due to Injury at Work	0	0	0

10.4 Social and Community Contributions

Social responsibility and community building are integral components of the Yulong Property's culture. Since 2022, the property has allocated over RMB3.4 million towards its charity and community support initiatives. These endeavors encompass various facets such as education donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.

The Yulong Property has been recognized and honored by both the local community and governmental bodies for its commitment to community development and its substantial financial contributions. The accolades received serve as a testament to the Yulong Property's dedication to making a positive impact on the community and fostering social welfare.

11 ECONOMIC ANALYSIS

11.1 Introduction

Considering the economic viability of the reserve estimated in this CPR resulted from the latest mine plan and production schedule, BAW performed an economic analysis for the Yulong Property to assess the economic viability with respect to the Ore Reserves estimated throughout the LOM.

Determination of the economic viability involves the sum of discounted annual free cash flow projected from the start year till the end of the LOM. The revenue is based on the production of metal. The operating costs are based on the actual production records. The estimates of sustaining capital expenditures have been developed specifically for the operation. The economic analysis uses the Probable and Proved Ore Reserves only as described in the section of Ore Reserve Estimation of this CPR.

The economic analysis presented here is on a 100%-equity basis that shows the basic economics of the projects and do no incorporate financing items such as interest paid and loan principal paid back. The analysis also does not incorporate any losses carried forward for tax purposes and any refund of valued-added taxes previously or currently paid.

It should be emphasized that the results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Forward-looking statements in this section include statements with respect to the future price of commodities, the timing and amount of estimated future production, costs of production, capital expenditures, results of the permitting process, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and taxation, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

Additional risk may derive from actual results of changes in parameters as plans continue to be modified, possible variations in ore reserves, grade or recovery rates, failure of processing and mining equipment, accidents, labour disputes and other risks of the mining industry, and potential delays in obtaining additional governmental approvals.

11.2 Revenue

Annual revenue is determined by applying estimated metal prices to the estimated annual payable metal for each operating year. Metal prices have been applied to all LOM production without hedging. The revenue is the gross value of payable metal products sold before transportation charges.

Our economic analysis adopted the recent forecasted metal prices. Given the long-term uncertainty of price associated with commodities, the selling prices were assumed to be stationary and no price growth was factored into the revenue projection. The selling prices of finished products applied in the valuation are tabulated as below (Table 11–1):

Table 11–1 Forecasted Silver Prices

Silver USD/oz	2026E	2027E	2028E	2029E	Long Term
Barclays	36.0	33.0			28.0
Berenberg	36.0	35.5	33.0	25.0	
BMO Capital	31.5	31.0	31.0	31.0	27.0
BoA — Merrill Lynch	42.7	40.0	35.7	31.3	27.0
Canaccord	31.3	32.0			33.3
CIBC	42.0	38.0			
Citi	36.8				25.0
Cormark	32.0				
Deutsche Bank	33.0				32.0
Goldman Sachs	38.0	39.0			32.0
Hannam	28.0	26.0			26.0
Haywood	37.5	35.0	35		
HSBC	29.5	28.3			
Intesa	33.0	34.0			
JP Morgan	33.4	34.4			
Liberum	30.1	27.7	26.2	25.8	22.9
Macquarie	33.0	30.0	28.0	29.0	
Morgan Stanley	39.0	34.0	35.0	31.0	28.0
National bank of Canada	37.0	35.5	33.5	31.0	29.0
Raymond James	34.0				30.0
RBC	36.8	34.0	32.0	31.0	30.0
BNP Exane	32.0	31.0			25.0
Scotiabank	33.0	30.0	28.0		28.0
TD Securities	38.0				31.0
UBS	39.3	36.2	33.1	31.0	27.0
Average	34.9	33.2	31.9	29.6	28.3

Table 11–2 Forecasted Lead Prices

Lead USc/lb	2026E	2027E	2028E	2029E	Long Term
Barclays	91	91	91	91	
Berenberg	92	101	107	114	121
BMO Capital	77	79	82	82	75
BoA — Merrill Lynch	80	80			95
Canaccord	95	96			
CIBC	91				91
Citi	91	96	101		92
Cormark	100	100			
Deutsche Bank	104	107			
Goldman Sachs					110
Hannam	95	100	100	96	71
Haywood	85	83	85	86	78
HSBC	93	98	101	102	
Intesa	91	95	107	111	102
JP Morgan	90	90	90	90	85
Liberum	95	95	95	90	90
Macquarie	94				94
Morgan Stanley	100	103			93
National bank of Canada	95	95	100		110
Raymond James	98	105	105	107	96
Average	92	95	97	97	94

Table 11–3 Forecasted Zinc Prices

Zinc USc/lb	2026E	2027E	2028E	2029E	Long Term
Barclays	120	120			130
Berenberg	127	129	132	132	
BMO Capital	124	127	127	127	121
BoA — Merrill Lynch	130	113	121	129	137
BNP Exane	127	127			113
Canaccord	120	120			120
CIBC	119	120			
Citi	122				122
Deutsche Bank	125				118
Goldman Sachs	136	147			145
Haywood	125	125			
HSBC	126	125	130	135	122
Intesa	147	150			
Jefferies	135	140	140	135	100
JP Morgan	128	131			
Liberum	111	109	110	110	102
Macquarie	111	122	127	136	
Morgan Stanley	128	132	132	132	135
National bank of Canada	120	120	120	120	115

Zinc USc/lb	2026E	2027E	2028E	2029E	Long Term
TD Securities	120	125	120		120
Raymond James	110				110
RBC	120	120	120	120	120
Scotiabank	125	125	130		130
UBS	120	130	134	134	118
Average	124	127	126	128	121

Table 11–4 Forecasted Copper Prices

Copper USc/lb	2026E	2027E	2028E	2029E	Long Term
BoA — Merrill Lynch	462	544	517	489	462
Barclays	450	490			500
Berenberg	442	442	454		
BMO Capital	444	443	460	475	431
BNP Exane	465	499			408
Canaccord	450	450			450
CIBC	475	400			
Citi	454				454
Deutsche Bank	445				454
Goldman Sachs	454	488			457
HSBC	405				355
Intesa	458	476			
Haywood	440	450			
JP Morgan	461	473			450
Jefferies	475	500	550	600	425
Liberum	365	311	314	315	291
Macquarie	414	442	499	544	
Morgan Stanley	438	445	447	454	483
National bank of Canada	440	475	475	450	420
TD Securities	440	475	450		425
Raymond James	425				425
RBC	450	500	500	500	400
Scotiabank	450	450	475		500
Societe Generale	522				
Wolfe	421				
UBS	468	500	525	550	500
Average	447	463	472	486	436

11.3 Capital Expenditure

Capital Expenditure ("**CAPEX**") generally comprises Development and Expansion CAPEX, Sustaining CAPEX, Rehabilitation CAPEX and Exploration CAPEX. BAW was given to understand that the mine management prepared a projection of Development and Expansion CAPEX for further mine development, Sustaining CAPEX for mining equipment and support facilities based on the results of a number of feasibility studies and Rehabilitation CAPEX for proposed rehabilitation program and environmental work. Exploration CAPEX, estimated by the management, generally includes the costs of surface drilling, underground drilling, sampling, sample prep and geochemical analysis. BAW considers that the overall CAPEX budgeting practice is reasonable and conformable with the industry practice.

The rehabilitation plan formulated in 2024 proposed a total budget of RMB78,846,900, to be allocated across three distinct phases:

- Phase 1 (2024–2028): RMB3,617,700
- Phase 2 (2029–2033): RMB3,523,500
- Phase 3 (2034–2046): RMB71,975,700

The CAPEX projected for the Yulong Property is summarized Table 11–2 for the period from 2025 till the end of LOM.

Table 11–5 Projected CAPEX for the Yulong Property (RMB in million)

Year	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Sustaining CAPEX	36.9	36.4	84.3	80.0	775.0
Development and Expansion CAPEX. . .	120.0	120.0	120.0	120.0	0.0
Rehabilitation CAPEX .	0.7	1.5	1.5	3.0	49.7
Exploration CAPEX . . .	30.2	18.4	1.8	3.9	0.0
Total.	170.1	176.8	220.2	217.3	824.7

11.4 Operating Expenditure

Operating Expenditure ("**OPEX**") can be classified into operating cash costs and total production costs. The operating cash costs generally include mining costs, processing costs, SG&A costs, selling costs, environmental protection costs, taxes, resource compensation levy, interests on loans and other cash cost items. The total production costs comprise the operating cash costs, depreciation/amortization costs and other non-cash cost items. These costs are expressed in RMB.

Based on the information provided by the management, the forecasted operating cash costs and production costs for the Yulong Property for the period from 2026 till the end of the LOM are summarized in Table 11–6 and Table 11–7 below.

Table 11–6 Operating Unit Cash Costs for the Yulong Property

Operating Cash Costs	Unit	2022	2023	2024	2025	2026	2027	2028	2029	2030 — End of LOM (Accumulated)
Total Mining Costs	RMB/t ore	244.2	264.7	241.2	292.4	250.1	250.1	250.1	250.1	250.1
Total Processing Costs	RMB/t ore	57.1	63.1	56.7	63.5	59.0	59.0	59.0	59.0	59.0
Total Selling, General & Admin (G&A) Costs	RMB/t ore	49.4	58.7	70.4	58.4	113.8	94.8	81.2	85.8	71.8
Total Operating Cash Costs	RMB/t ore	350.7	386.5	368.3	414.3	422.9	403.9	390.3	394.9	380.9

Table 11–7 Total Operating Cash Costs for the Yulong Property (RMB in Million)

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Workforce Employment	75.02	70.74	127.35	131.82	125.1	123.63	120.66	124.93	115.86	122.96	73.54
Consumables	53.88	55.68	108.31	109.76	107.68	109.72	110.88	111.48	109.9	106.49	66.66
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	39.01
On and off-site administration	121.34	124.27	240.05	243.7	238.4	242.27	244.12	246.05	241.36	235.63	146.93
Environmental protection and monitoring	24.26	21.51	36.45	38.39	35.45	34.1	32.22	34.29	29.97	34.66	19.89
Transportation of workforce	0.04	0.04	0.06	0.07	0.06	0.06	0.06	0.06	0.05	0.06	0.04
Product marketing and transport	6.09	5.4	9.15	9.64	8.9	8.56	8.09	8.61	7.52	8.70	4.99
Non-income taxes, royalties and other governmental charges	307.54	271.98	437.33	401.98	366.63	369.6	380.59	402.93	365.64	423.47	249.77
Contingency allowances	93.74	98.26	193.26	195.27	192.44	196.87	199.83	200.17	198.84	190.47	119.94

Item	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Workforce Employment	73.30	70.55	71.19	69.95	31.83	14.05	14.39	14.36	13.93	8.36
Consumables	72.52	71.48	71.22	65.31	31.65	15.67	15.71	15.66	15.55	9.43
Fuel, electricity, water and other services	42.50	41.90	41.74	38.23	18.55	9.20	9.22	9.19	9.13	5.54
On and off-site administration	158.75	156.18	155.76	143.60	69.24	34.00	34.15	34.03	33.74	20.45
Environmental protection and monitoring	18.12	16.97	17.38	18.39	7.82	2.97	3.14	3.14	2.94	1.74
Transportation of workforce	0.03	0.03	0.03	0.03	0.01	0.01	0.01	0.01	0.01	0.00
Product marketing and transport	4.55	4.26	4.36	4.62	1.96	0.75	0.79	0.79	0.74	0.44
Non-income taxes, royalties and other governmental charges	230.54	216.87	221.68	230.64	98.89	37.86	40.18	40.18	37.60	22.28
Contingency allowances	131.86	130.31	129.66	117.93	57.57	28.86	28.87	28.77	28.64	17.39

11.5 Taxation

BAW understands that the application for the favourable corporate income tax rate was not initiated yet and therefore, the ordinary corporate income tax rate of 10% is used throughout the rest of the LOM in our economic analysis.

11.6 Discounted Cashflow Projection

In order to assess the overall economic feasibility of the Yulong Property, the Discounted Cashflow ("**DCF**") method is adopted to estimate the Net Present Value ("**NPV**"). The DCF method begins by estimating the annual cash flows that are expected to generate over a defined projection period. The expected free cash flow for each year is calculated as *Net Operating Profit After Tax + Depreciation — Change in Net Working Capital — Capital Expenditure*. These projected cash flows are then discounted to their present value using an appropriate discount rate which reflects the cost of capital and risk. Finally, the sum of these present values at the end of the projection period provides an estimate of the NPV of the Ore Reserves estimated.

Weighted Average Cost of Capital ("**WACC**") is adopted as the basis for determining the discount rate, representing the average rate of return expected to pay the capital providers through both equity and debt holders. It is calculated by weighting the cost of equity and the after-tax cost of debt according to the proportion of the capital structure.

Based on the revenue, CAPEX, operating cash costs, taxes and government charges described in previous sections together with the abovementioned discount rate, the NPV for the Yulong Property is estimated to be RMB10,267,000,000 at a discount rate of 6% for the base case. It is demonstrated that the Ore Reserves presented in this CPR are justified with economic viability.

11.7 Sensitivity Analysis

A sensitivity analysis was run for various changes of the base case parameters, including metal price, OPEX and CAPEX at a discount rate of 6%. The resulted changes of after-tax NPV are summarized in Table 11–4 and plotted in Figure 11–2 below.

Table 11–8 Sensitivity Analysis of After-Tax NPV (RMB in million)

Parameters	–15%	–10%	–5%	Base Case	5%	10%	15%
Gold Price	7,678	8,541	9,404	10,267	11,130	11,993	12,856
OPEX	11,334	10,978	10,623	10,267	9,911	9,556	9,200
CAPEX	10,469	10,402	10,334	10,267	10,200	10,132	10,065

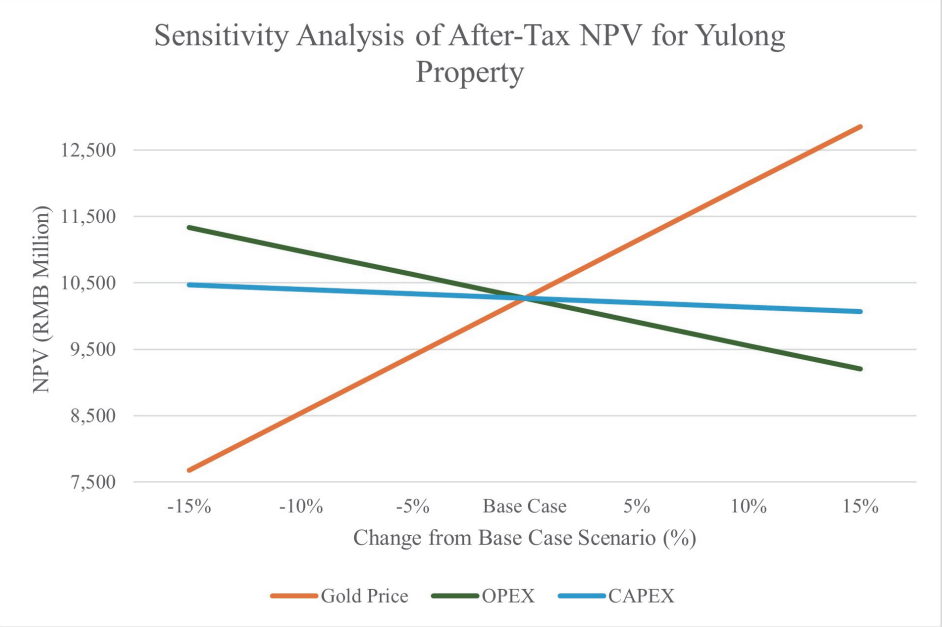


Figure 11–1 Sensitivity Analysis of After-Tax NPV for the Yulong Property

Similar to the majority of mining projects in the world, the cashflow projection and the NPV estimate are the most sensitive to commodity prices. The Yulong Property is no exception as demonstrated in the above table and chart.

11.8 Key Metrics

The Key metrics of the Yulong Property are tabulated as below

Table 11–9 Key Metrics of the Yulong Property

Metrics	Unit	Value
Total Resources	t	73.67 Mt @ 0.86% Pb, 1.68% Zn, 107 g/t Ag,0.19% Cu Silver ~7,860 t; Lead ~636Kt; Zinc ~1,241kt; Copper ~138kt
Total Reserves	t	26.96 Mt @ 0.80% Pb, 1.55% Zn, 100 g/t Ag,0.12% Cu Silver ~2,701 t; Lead ~217kt; Zinc ~417.6kt; Copper ~32.5kt
LOM.	years	21
Mining Production Capacity	mtpa	2
Processing Recovery . . .	%	87 (silver), 84 (lead), 82 (zinc)
NPV	RMB million	10,267

12 RISK ASSESSMENT

The mining industry is traditionally and inherently a high-risk business compared to other industries globally. The risk is an accumulated risk due to factors such as the nature of the orebodies, grade variations, natural disasters, geotechnical and hydrological risk, environmental, community, health and safety and water supply.

BAW's risk identification and assessment process focused on areas where there is perceived technical risk to the operation and exploration projects, including resources, reserves, operation, environmental, community, health and safety, particularly where the risk factor could materially impact the projected production and hence cashflow generated by the operation. The assessment is necessarily subjective and qualitative. Risk has been classified as low, moderate, or high based on the following definitions:

- High Risk: the factor poses an immediate danger of a failure, which if uncorrected, could have a material impact (> 15%) on the project cash flow and performance and could potentially lead to project failure.

- Moderate Risk: the factor, if uncorrected, could have a significant impact (> 10%) on the project cash flow and performance unless mitigated by some corrective action.

- Low Risk: the factor, if uncorrected, could have little or no effect on project cash flow and performance.

Risk mitigation measures are recommended for each risk in order to reduce the risk's probability and/or impact to an acceptable or practical level.

BAW summarized the risk factors in Table 12–1 below:

Table 12–1 Risks Factors in association with the Yulong Property

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.
Resources	Low	The earliest drilling and exploration program were carried out in the 1990s. Further supplemental exploration programs were subsequently undertaken. In addition, the mining operation has been ongoing in the region for years. 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 . . .	Low to Moderate	Extraction is planned to be carried out in the way of Avoca mining, Cut and Fill mining and Shrinkage mining which are common mining methods adopted in the mining industry. BAW is of the opinion that this mining method reasonable and appropriate for this type of underground deposit. Mine planning and production scheduling for the future have been carried out appropriately and properly.	The mine management can allocate more financial and human resources to further improve its operation management and skillsets of mining operation to achieve a higher mining recovery.
Geotechnical and Hydrological Study.	Low	During actual production, no major geotechnical or hydrogeological risks have been reported. This positive safety record reflects existing practices, but continuous vigilance is paramount, necessitating the strengthening of relevant research and management efforts to proactively control any potential risks that may arise	The mining methods have all been upgraded to incorporate backfilling, which is more conducive to maintaining surrounding rock stability and reducing potential risks.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Production Targets . .	Low to 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. Variation of the mining dilution factor from time to time may cause variation in mining recovery and processing recovery factors, resulting in variation in quantity of the finished products. The processing plant has historically demonstrated strong metallurgical performance.	Implementation of advanced production scheduling to address the issue of production short fall when mining activities are expected to approach fault zones. A more coordinated production scheduling may be necessary in order to achieve maintain the production target when mining activities proceed to those relatively lower grade zone.
Processing	Moderate	Reduced metal output and profitability as Pb/Zn grades drop from 1.29% to 0.69% and 2.30% to 1.70% over 2025–2030. Lost revenue opportunity and underutilization of full resource potential may affect long-term mine life and economic returns.	Optimize grinding and flotation reagents; consider blending with higher-grade ore if available; implement process control systems to maintain recovery. Conduct feasibility study on Cu-Sn ore processing; secure market offtake agreements; plan phased expansion to include copper flotation circuit.
Infrastructure.	Low	The mine-site is generally located in the flat grassland. Road access is generally in good condition. Water supply is generally sufficient but could be a problem during dry seasons. Electricity is generally sufficient for production.	Construction of small-scale reservoir will reduce the risk of water shortage.
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. The mine-site is not located in an environmentally sensitive area and is expected to have a minimal adverse impact on the environment.	Additional capital shall be budgeted to satisfy the latest regulatory environmental requirements.

Risk Factors	Level	Potential Impact	Methods of Mitigation
Occupational Health and Safety	Low	Realizing the importance to improve its production safety record and therefore, the mine management has been placing emphasize and allocating resources to ensure its planned operation is conducted in accordance with the national safety regulations. 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. Their endeavors encompass various facets, including educational donations, local education enhancement programs, disaster relief and epidemic assistance, support for vulnerable minority groups, targeted poverty alleviation to aid rural revitalization, and other assistance projects.	Additional capital shall be budgeted to satisfy the latest regulatory requirements and further engagement with the local community in various aspects.
Community	Low	Potential miscommunication with minority groups may lead to conflicts with local residents.	Ensure community support funding meets local needs; conduct research to avoid unnecessary charity projects.

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14 APPENDIX A — EXPLORATION AND MINING LICENSES

Huaaobaote Ag-Pb Mining Area



中华人民共和国

采矿许可证

(副本)

证号:C1500002011024210112496

采矿权人:内蒙古玉龙矿业股份有限公司

地　　址:内蒙古自治区西乌珠穆沁旗

矿山名称:内蒙古玉龙矿业股份有限公司西乌珠穆沁旗花敖包特银铅矿

经济类型:股份有限公司

开采矿种:银矿、铅矿 锌矿

开采方式:地下开采

生产规模:100万吨/年

矿区面积:1.7093平方公里

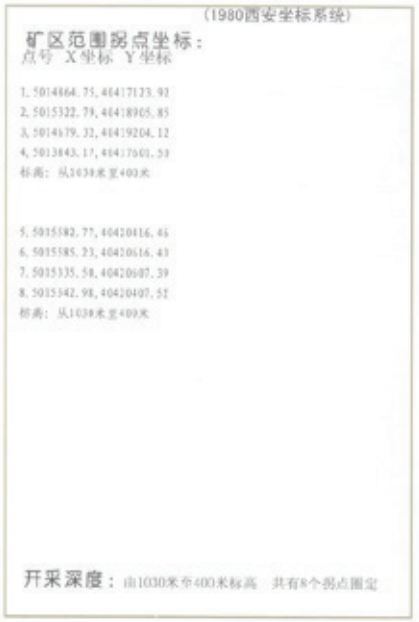
有效期限:贰拾伍年 自2012年11月11日至2037年11月11日

发证机关

(采矿登记专用章)

二〇一二年十一月十九日

中华人民共和国国土资源部印制



(1980西安坐标系统)

矿区范围拐点坐标:

点号 X坐标 Y坐标

1. 5014864.75, 40417123.93
2. 5015322.79, 40418905.85
3. 5014679.32, 40419204.12
4. 5013643.17, 40417603.53

标高: 从1030米至400米

5. 5015582.77, 40420416.45
6. 5015585.23, 40420616.43
7. 5015335.58, 40420607.39
8. 5015342.98, 40420407.51

标高: 从1030米至400米

开采深度: 由1030米至400米标高 共有8个拐点圈定

Huaaobaote Mountain Pb-Zn-Ag Mining Area



中华人民共和国

采矿许可证

(副本)

证号:C1500002012054210125299

采矿权人:内蒙古玉龙矿业股份有限公司

地　　址:内蒙古自治区锡林郭勒盟西乌珠穆沁旗

矿山名称:内蒙古玉龙矿业股份有限公司西乌珠穆沁旗花敖包特山矿段铅锌银矿

经济类型:股份有限公司

开采矿种:银矿、铅、锌

开采方式:地下开采

生产规模:30万吨/年

矿区面积:1.0269平方公里

有效期限:壹拾伍 自2023年5月11日至2038年5月16日年

发证机关

(采矿登记专用章)

二〇二三年七月十九日

中华人民共和国自然资源部印制



矿区范围拐点坐标: (2000国家大地坐标系)

点号 X坐标 Y坐标

1. 5014614.4495, 20569852.3098
2. 5014952.4498, 20569842.9018
3. 5014384.4492, 20569714.3024
4. 5013508.4650, 20569950.9018
5. 5013910.4605, 20569934.9093

标高: 从1350.0000米至473.3000米

6. 5013998.4134, 20569134.9041
7. 5013780.4118, 20568888.9545
8. 5013764.4203, 20568858.9549
9. 5013764.4206, 20568734.9545

标高: 从949.0000米至876.3000米

1. 井巷工程标高至地表。

开采深度:由1030米至473米标高 共有9个拐点圈定

Bayan Wenduri Ag-Polymetallic Mining License



中华人民共和国

采 矿 许 可 证

（正本）

证号：C1525002024094210157402

采矿权人：内蒙古玉龙矿业股份有限公司

地　　址：内蒙古自治区西乌珠穆沁旗

矿山名称：内蒙古玉龙矿业股份有限公司巴彦温都日矿区银多金属矿

经济类型：股份有限公司

有效期限：贰拾捌年　自2024年9月14日　至2052年9月14日

开采矿种：银矿、锌、铜、铅

开采方式：地下开采

生产规模：99万吨/年

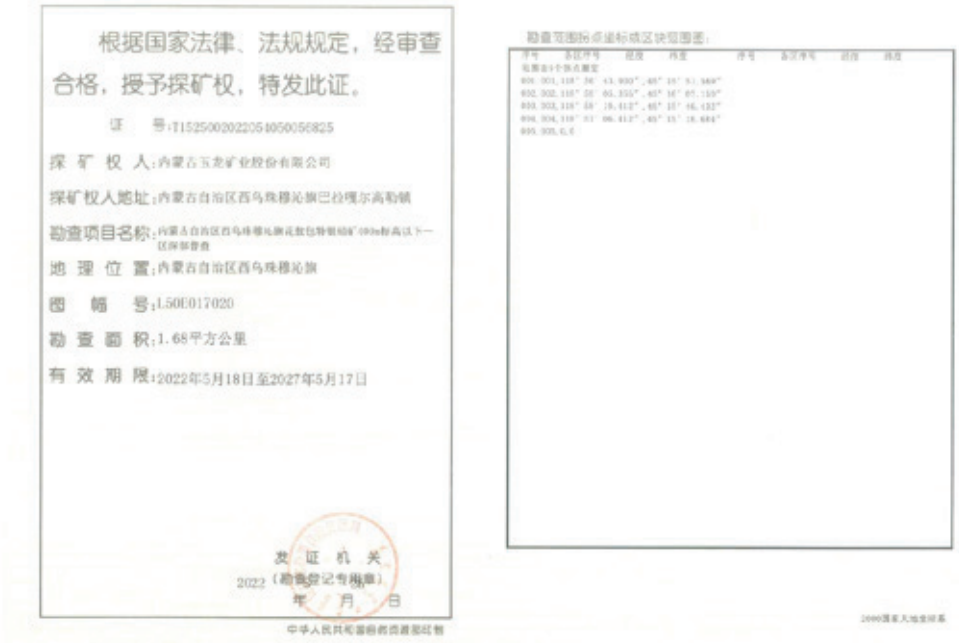
矿区面积：3.6821平方公里

矿区范围：（见副本）

二〇二四年九月十四日

中华人民共和国自然资源部印制

Huaaobaote Ag-Pb Below 400 m Exploration Area No.1



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T1525000202205050056825

探 矿 权 人：内蒙古玉龙矿业股份有限公司

探矿权人地址：内蒙古自治区西乌珠穆沁旗巴拉嘎尔高勒镇

勘查项目名称：内蒙古自治区西乌珠穆沁旗花敖包特银铅矿400m标高以下一区探矿普查

地 理 位 置：内蒙古自治区西乌珠穆沁旗

图　　幅　号：L50E017020

勘 查 面 积：1.68平方公里

有 效 期 限：2022年5月18日至2027年5月17日

发 证 机 关

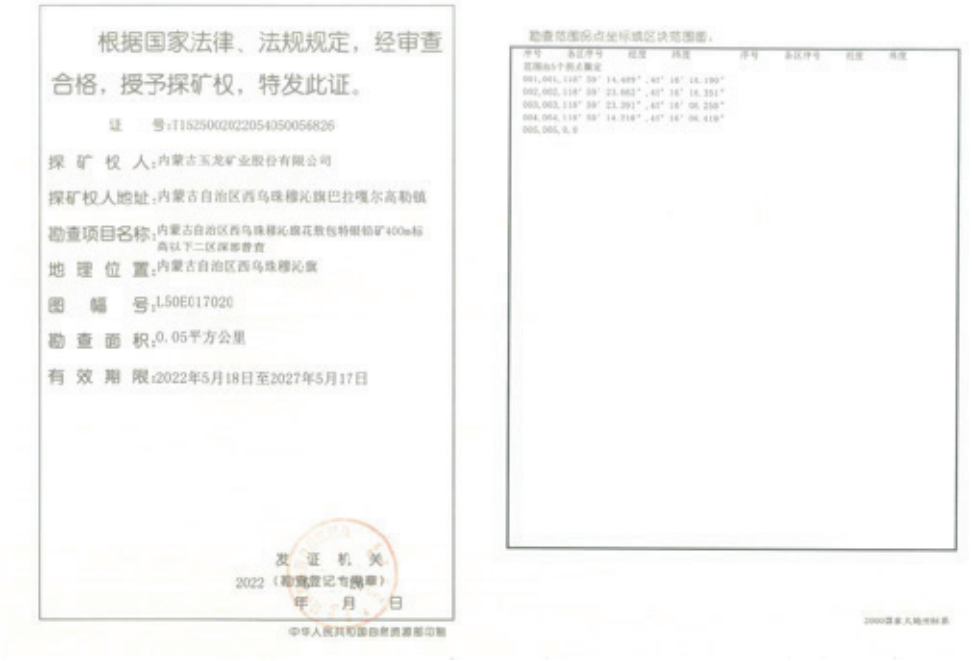
2022（勘查登记专用章）

年　月　日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

Huaaobaote Ag-Pb Below 400 m Exploration Area No.2


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T1525002022054050056826

探 矿 权 人：内蒙古玉龙矿业股份有限公司

探矿权人地址：内蒙古自治区西乌珠穆沁旗巴拉嘎尔高勒镇

勘查项目名称：内蒙古自治区西乌珠穆沁旗花敖包特银铅矿400m标高以下二区深部普查

地 理 位 置：内蒙古自治区西乌珠穆沁旗

图　　幅　号：L50E017020

勘 查 面 积：0.05平方公里

有 效 期 限：2022年5月18日至2027年5月17日

发 证 机 关

2022（勘查登记专用章）

年　月　日

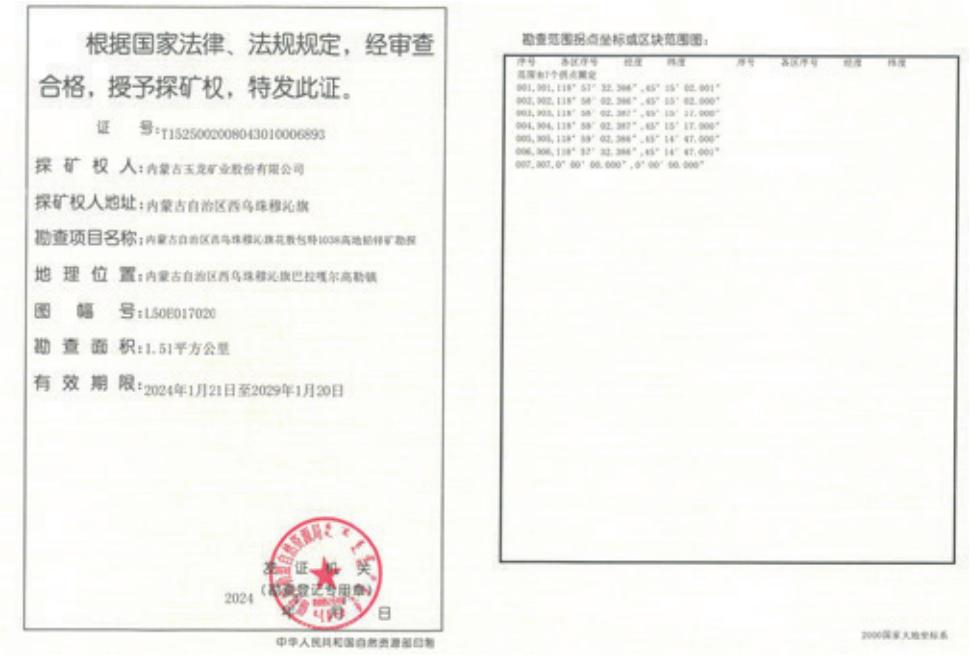
中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

序号	各区序号	经度	纬度	序号	各区序号	经度	纬度
范围由5个拐点圈定							
001, 001,	118° 59' 14.659"	,	45° 16' 16.190"				
002, 002,	118° 59' 23.662"	,	45° 16' 16.351"				
003, 003,	118° 59' 23.391"	,	45° 16' 06.258"				
004, 004,	118° 59' 14.718"	,	45° 16' 06.419"				
005, 005, 0, 0							

2000国家大地坐标系

Huaaobaote 1038 Pb-Zn Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T1525002008043010006893

探 矿 权 人：内蒙古玉龙矿业股份有限公司

探矿权人地址：内蒙古自治区西乌珠穆沁旗

勘查项目名称：内蒙古自治区西乌珠穆沁旗花敖包特1038高地铅锌矿勘探

地 理 位 置：内蒙古自治区西乌珠穆沁旗巴拉嘎尔高勒镇

图　　幅　号：L50E017020

勘 查 面 积：1.51平方公里

有 效 期 限：2024年1月21日至2029年1月20日

发 证 机 关

2024（勘查登记专用章）

年　月　日

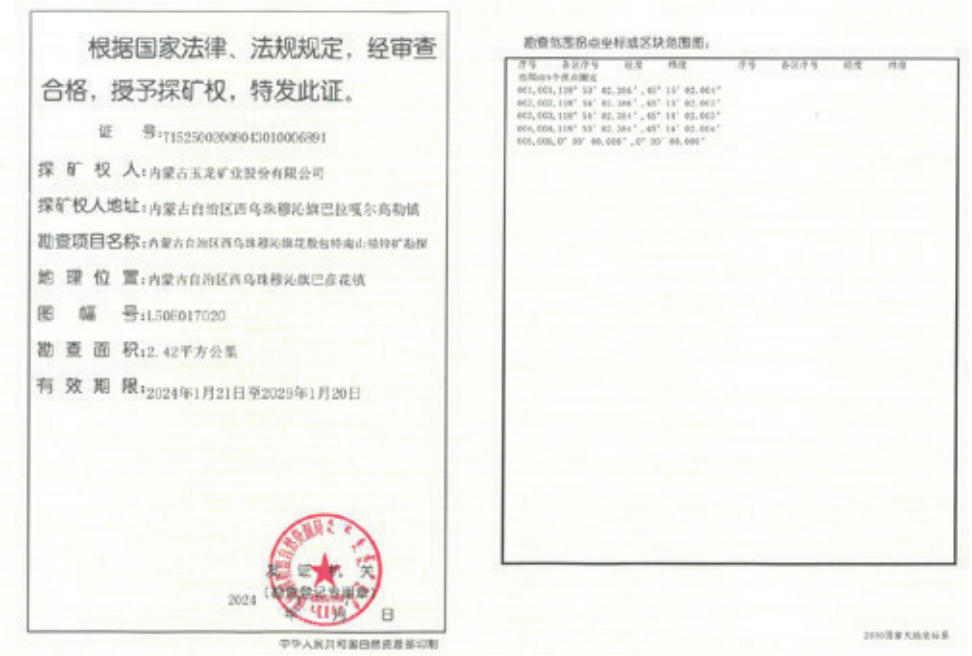
中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

序号	各区序号	经度	纬度	序号	各区序号	经度	纬度
范围由7个拐点圈定							
001, 001,	118° 57' 32.386"	,	45° 15' 02.001"				
002, 002,	118° 58' 02.386"	,	45° 15' 02.000"				
003, 003,	118° 58' 02.387"	,	45° 15' 17.000"				
004, 004,	118° 58' 02.387"	,	45° 15' 17.000"				
005, 005,	118° 58' 02.386"	,	45° 14' 47.000"				
006, 006,	118° 57' 32.386"	,	45° 14' 47.001"				
007, 007,	0° 00' 00.000"	,	0° 00' 00.000"				

2000国家大地坐标系

Huaaobaote Nanshan Pb-Zn Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号:T1525002009043010006891

探 矿 权 人:内蒙古玉龙矿业股份有限公司

探矿权人地址:内蒙古自治区西乌珠穆沁旗巴拉嘎尔高勒镇

勘查项目名称:内蒙古自治区西乌珠穆沁旗花股包特庙山铅锌矿勘探

地 理 位 置:内蒙古自治区西乌珠穆沁旗巴彦花镇

图　幅　号:L50E017020

勘 查 面 积:2.42平方公里

有 效 期 限:2024年1月21日至2029年1月20日

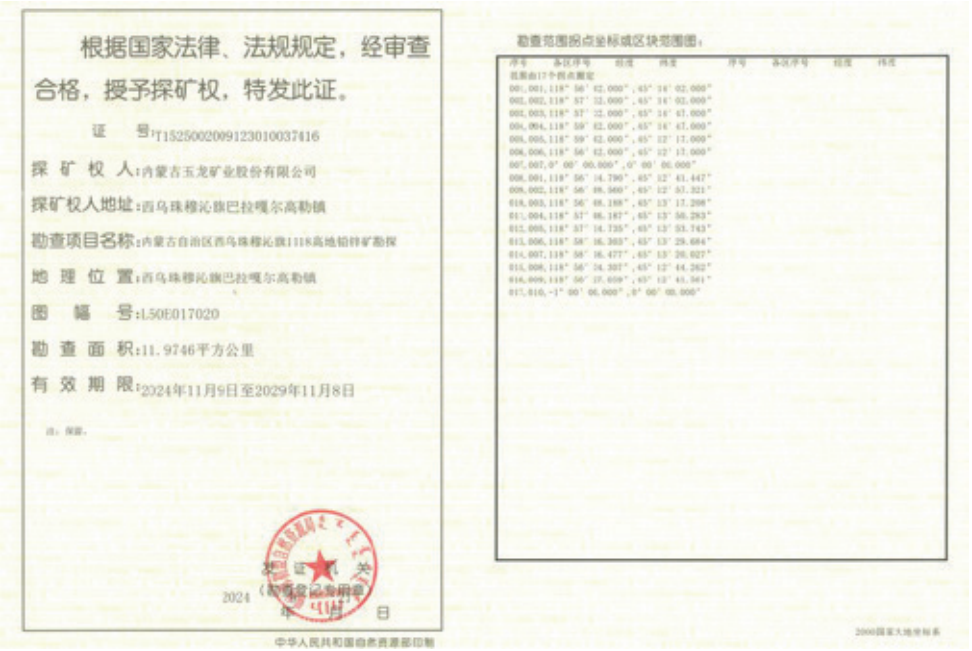
发证机关（勘查登记专用章）

2024 年 1月 19 日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

1118 Highland Pb-Zn Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号:T1525002009123010037416

探 矿 权 人:内蒙古玉龙矿业股份有限公司

探矿权人地址:西乌珠穆沁旗巴拉嘎尔高勒镇

勘查项目名称:内蒙古自治区西乌珠穆沁旗1118高地铅锌矿勘探

地 理 位 置:西乌珠穆沁旗巴拉嘎尔高勒镇

图　幅　号:L50E017020

勘 查 面 积:11.9746平方公里

有 效 期 限:2024年11月9日至2029年11月8日

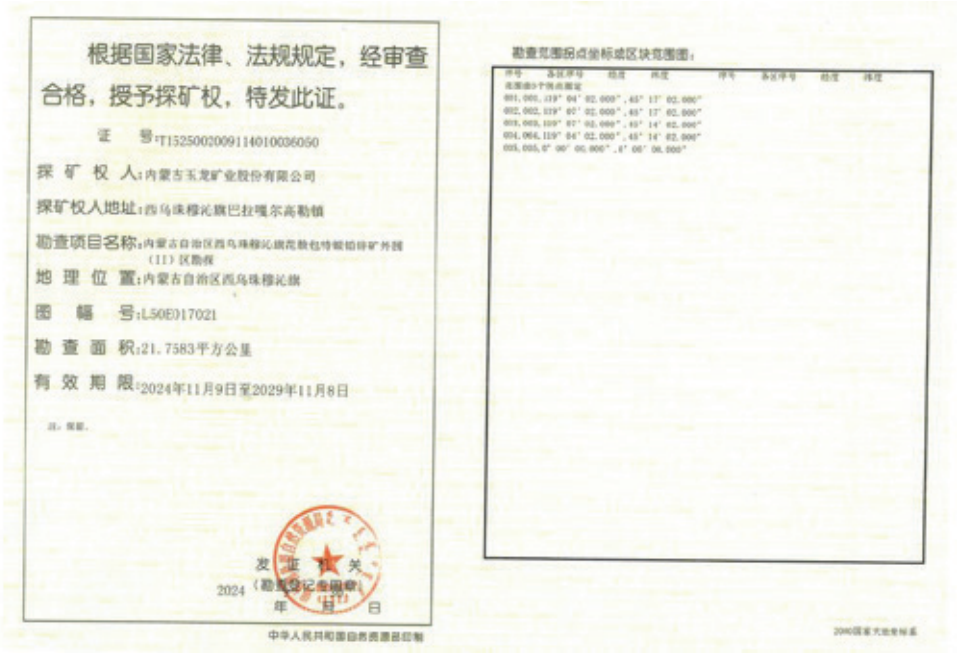
发证机关（勘查登记专用章）

2024 年 11月 8 日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

Huaaobaote Ag-Pb-Zn Periphery (II) Exploration Area


根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　号：T1525002009114010036050

探 矿 权 人：内蒙古玉龙矿业股份有限公司

探矿权人地址：西乌珠穆沁旗巴拉嘎尔高勒镇

勘查项目名称：内蒙古自治区西乌珠穆沁旗花敖包特银铅锌矿外围（II）区勘探

地 理 位 置：内蒙古自治区西乌珠穆沁旗

图　幅　号：L50E017021

勘 查 面 积：21.7583平方公里

有 效 期 限：2024年11月9日至2029年11月8日

发证机关

2024年11月9日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

15 APPENDIX B — JORC CODE TABLE 1

JORC Code, 2012 Edition — Table 1 Report

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques.	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *The trench, tunnel and diamond drill core samples were collected.* • *Sample representivity was ensured by defined intervals and standard preparation (crushing, homogenisation, splitting). Survey instruments for collar and down-hole deviation were calibrated. QA/QC included internal (coarse duplicates) and external checks, showing acceptable precision for Pb, Zn, and Ag (e.g., 88.2% Pb, 97.2% Zn, 89.6% Ag within 20% HARD for internal checks). Accredited laboratories were used for external checks. Sample validity was maintained through sealed bags and supervised dispatch. BAW recommended routine CRM/blank insertion and duplicates at fixed rates for improved accuracy and contamination monitoring.* • *Mineralisation is primarily an Ag-Pb-Zn polymetallic system (with Cu, Sn, Au), showing good continuity. A 40 g/t silver-equivalent grade shell model was used for estimation, with AgEq calculated from metal prices and metallurgical recoveries. Analytical procedures included AAS, EDTA titration, XRF for Pb/Zn, and fire-assay for Ag. Grade capping was applied to mitigate high-grade outliers. BAW's independent data verification, including re-assay of 64 quarter-core samples, confirmed significant mineralisation and good reproducibility, supporting the assay database.* • *Exploration and sampling generally followed industry standard practices and PRC national exploration standards, aligning with JORC Code 2012. This included standard diamond drilling, channel sampling, multi-stage sample preparation, and industry-standard analytical techniques for polymetallic deposits. QA/QC procedures were also standard. The deposit type is common, and the disclosed information is sufficient, without unusual commodities or inherent sampling problems requiring further detail.*

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Drilling primarily utilized diamond drill rigs for both surface and underground exploration. Standard core diameters were HQ and NQ, with limited AQ-diameter core used in restricted underground sites. Core was longitudinally split for sampling, retaining half for reference. Down-hole deviation surveys were performed using inclinometer tools (e.g., CX-6B, S42) at 50m to 100m intervals. Core recovery typically ranged from 85%–95%, with ≥90% achieved in sample intervals. Core orientation methods were not specified in the provided source.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Core recovery is routinely recorded during logging, with 85–95% of intervals achieving ≥90% recovery, reconciled against drill depths and verified in core boxes.* • *HQ/NQ core is standard, split by diamond saw; broken core is selectively split and fines homogenised; whole AQ core submitted where insufficient recovery; sampling intervals defined by lithology, alteration, structure and mineralisation.* • *No systematic relationship between recovery and grade was observed; selective splitting and homogenisation of fines minimise potential bias from preferential loss or gain.*

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *Core and chip samples were comprehensively logged for geological (lithology, alteration, mineralogy) and geotechnical parameters. This detailed logging is both qualitative and quantitative, supporting Mineral Resource estimation, mining, and metallurgical studies in alignment with PRC and JORC Code 2012 standards. Logging for trenches and underground channels permitted geological assessment. Random checks against original geological logs confirmed consistency with observed mineralisation.* • *Logging is both qualitative and quantitative in nature, covering descriptive geological features (lithology, alteration, mineralogy) and measurable geotechnical parameters.* • *A total length of 566,672.91 meters of drill core, trench, and channel samples was collected and logged across the various concessions. This figure represents the total meterage of collected exploration samples that underwent logging.*

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Diamond drill core was longitudinally split by a diamond saw. One half was taken for analysis, with the residual half retained for reference. In cases of insufficient recovery or broken core not suitable for sawing, entire AQ-diameter core or selectively picked fragments were submitted.* • *Non-core channel samples were cut using a diamond saw and extracted with a steel chisel. For all sample types, the entire sample was low-temperature oven-dried before crushing. After homogenisation, the dried material was riffle split into primary and duplicate samples.* • *Sample preparation involved low-temperature oven-drying, crushing to < 5mm then < 1mm, homogenisation, riffle splitting (primary & duplicate), and pulverisation in a rod mill to 75m (-200 mesh), followed by a final pulp split. These procedures were found to follow accepted industry standards and PRC exploration standards. The fine pulverisation is appropriate given the complex, fine-grained mineralogy of the polymetallic ores.* • *Quality control included internal checks (coarse duplicates) collected via riffle splitting of crushed material. The final pulverised pulp was also split for an assay aliquot and a retained pulp duplicate. BAW recommended enhancements such as routine insertion of blind pulp duplicates, field duplicates, and coarse duplicates at fixed insertion rates to monitor sampling and preparation stages.* • *Representivity was ensured by defining sample intervals based on recovery, lithology, alteration, structure, and mineralisation. Core was longitudinally split, with homogenisation of fines for broken core. Standard sample preparation (drying, crushing, homogenisation, riffle splitting, pulverisation) aimed to homogenise samples. Internal coarse duplicates showed acceptable precision for Pb, Zn, Ag (e.g., 88.2% Pb, 97.2% Zn, 89.6% Ag within 20% HARD envelope). External check assays (205 samples) also confirmed acceptable precision (e.g., 98.5% Pb, 98.5% Zn, 100% Ag within 20% HARD envelope). BAW's independent re-assay of 64 quarter-core samples found no material discrepancies or systematic bias, providing confidence in the assay database.*

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *Assay work was performed by the Yulong Laboratory (mine-site), Inner Mongolia No. 10 Geological and Mineral Exploration and Development Institute Laboratory, and other external facilities.* o *Lead (Pb) & Zinc (Zn): Low to moderate grades were analysed by Atomic Absorption Spectrometry (AAS) after HCl-HNO_3 digestion. High grades used EDTA complexometric titration (HCl, HNO_3, H_2SO_4 digestion). Extremely high grades were analysed by X-ray Fluorescence (XRF). AAS and titration are considered partial digestions given the acid treatments, while XRF can be total depending on the preparation.* o *Silver (Ag): Determined by fire-assay pre-concentration, where Ag is collected in a lead button, then weighed on a high-precision balance after lead oxidation. This is a total recovery method. No. 10 Laboratory measured Ag by acid digestion followed by AAS, which is a partial technique.* o *Quality & Appropriateness: The methods are industry-standard for polymetallic ores. The range of techniques (AAS, titration, XRF, fire assay) is appropriate for varying metal concentrations encountered. BAW found the Yulong Laboratory's protocols consistent with industry standards.* • *The provided sources mention the use of RTK/GPS receivers and total-station instruments (specifically, Hi-Target V30 and HD5800G GPS-RTK units, South NTS-325 total stations, and Leica TS06-plus total stations) for surface and underground surveys. Down-hole deviation was measured with inclinometer tools (e.g., CX-6B and S42 instruments) at 50m to 100m intervals. All these instruments met the required precision tolerances. No specific details are provided regarding handheld XRF instruments, spectrometers, or their operational parameters (reading times, calibration factors, derivation) in the sources [N/A]. XRF is mentioned as an analytical technique for extremely high-grade Pb and Zn samples, but not as a handheld field tool.*

Criteria	JORC Code explanation	Commentary
		• *Yulong Mining's QA/QC program aligns with PRC exploration standards, using internal and external check samples.* o *Standards & Blanks: Limited in-house CRMs were prepared, but not routinely used. Blank samples were only inserted in 2017. BAW recommended routine insertion of CRMs and blanks for accuracy and contamination monitoring.* o *Duplicates: Internal coarse duplicates (355 samples since 2022) showed acceptable precision for Pb (88.2%), Zn (97.2%), and Ag (89.6%) within a 20% HARD envelope. External check assays (205 samples) also confirmed acceptable precision (Pb 98.5%, Zn 98.5%, Ag 100% within 20% HARD).* o *External Verification (Accuracy): BAW's independent re-assay of 64 quarter-core samples at an external lab (ALS/CTI Guangzhou) found no material discrepancies or systematic bias, providing confidence in the assay database.*

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Independent verification was performed by BAW Mineral Partners. During the site visit between June 30 and July 2, 2025, BAW personnel randomly checked drillhole collar locations and inspected core storage facilities against original geological logs, finding consistency. Crucially, BAW collected 64 quarter-core samples and submitted them to ALS/CTI (Guangzhou) for independent re-assaying. These re-assay results confirmed significant mineralisation and good reproducibility, with no material discrepancies or systematic bias identified compared to the original database, thus providing confidence in the assay data.* • *No use of twinned holes.* • *Documentation: Primary data (lithology, alteration, mineralogy, geotechnical parameters) were comprehensively logged from core and channel samples. Drill collar coordinates and down-hole deviation were surveyed and recorded. All exploration followed PRC national standards for systematic documentation.* • *Data Entry/Verification: Geological databases were compiled by the Client and validated by BAW, including quality checks for accuracy and completeness. Inconsistencies were reviewed with the data manager.* • *Data Storage: Recovered core was physically stored in sequential boxes with depths marked. Since 2021, all core has been transferred to a purpose-built warehouse, re-boxed in plastic, and relabelled for durable storage. Electronic databases were used for drilling and assay data. Sample security measures (sealed bags, supervised dispatch) protected data integrity from collection to lab.*

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Surface and underground surveys were conducted by Yulong Mining personnel and independent contractors using RTK/GPS receivers (Hi-Target V30, HD5800G) and total-station instruments (South NTS-325, Leica TS06-plus). All instruments meet precision tolerances required for mineral resource evaluation and mine development. Drillhole collars were surveyed with total stations, and down-hole deviation was measured with inclinometer tools (e.g., CX-6B, S42 instruments) at 50m (inclined) to 100m (vertical) intervals, with additional readings at key geological contacts and end-of-hole. BAW's independent verification of randomly selected drillhole collar locations using handheld GPS confirmed consistency with database records.* • *Early survey control networks used the Beijing 1954 and Xi'an 1980 coordinate systems. Subsequent and current surveys, including drillhole collar coordinates, are referenced to the Chinese Geodetic Coordinate System 2000 (CGCS 2000), ensuring consistency with current national standards. Mining and exploration license vertex coordinates are provided in both Xi'an 1980 and CGCS2000.* • *BAW utilized topographic data in the CGCS2000 coordinate system, current as of December 2025, to construct a digital terrain model (DTM). This DTM served as the reference surface for geological modelling and subsequent Mineral Resources estimation, indicating its quality and adequacy for these purposes. The Yulong Property itself is situated in hilly-and-mountainous terrain, with surface elevations ranging from 960m to 1,118m.*

Criteria	JORC Code explanation	Commentary
Data spacing and distribution .	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Drillhole spacing is nominally 50 × 50 m, relaxed to 100 × 100 m or locally 200 × 200 m depending on ore-body geometry and grade continuity. Channel sampling in trenches and underground headings uses a standard spacing of 1 m (maximum 1.5 m; locally 2–3 m in cross-cuts.* • *BAW believes the drilling campaign and geological database adequately support Mineral Resource classification according to JORC Code 2012. The mineralisation exhibits substantial strike and dip continuity. Variogram studies confirmed grade continuity consistent with geological interpretations, providing adequate confidence for estimation strategy. Resource classification (Measured, Indicated, Inferred) is based on drilling density (e.g., Measured blocks are within 50m of at least three drillholes) and geological confidence. This approach ensures appropriate confidence levels for public reporting.* • *Sample compositing has been applied. Raw assays were composited to fixed downhole intervals of 1.5m or 1.0m (depending on concession), with shorter intervals merged to ensure uniform sample lengths for resource estimation. This was done to reflect mineralised thickness, minimum mineable width, block size, and sampling distribution. The 40 g/t silver-equivalent grade shell was regenerated based on the composited dataset.*

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *The Yulong deposit is a structurally controlled polymetallic Ag-Pb-Zn system, with mineralisation occurring in NW-, NE-, and N-S trending faults and ore shoots, often dipping steeply (60–80° SE/W). While the specific orientation of drill holes relative to these mineralised structures is not explicitly detailed in the sources [N/A], underground cross-cut adits are oriented roughly perpendicular to strike to determine thickness and grade, implying channel sampling within these would achieve unbiased intersection of those structures. BAW's independent verification, including re-assay of 64 quarter-core samples, confirmed no material discrepancies or systematic bias in the assay database, providing confidence in its reliability. Variogram studies also confirmed grade continuity consistent with geological interpretations, supporting the estimation strategy.* • *The relationship between drilling orientation and mineralised structures is not explicitly assessed for sampling bias in the provided sources [N/A]. However, the general conclusion from BAW's independent data verification is that "no material discrepancies or systematic bias" were identified in the assay database. This overarching finding, based on field checks and independent re-assaying, suggests that any potential sampling bias due to drilling orientation was either not present or not deemed significant enough to materially impact the overall data reliability for Mineral Resource estimation.*

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• *Sample security measures were implemented to safeguard the validity and integrity of all exploration samples from collection to laboratory. These practices, reviewed by BAW during its site visit, included: Sealed sample bags; Tamper-evident packaging; Sequential logging; Supervised dispatch from the collection point to the laboratory; Recovered core was placed in boxes and transported to a logging facility, with depths marked and recovery reconciled sequentially.* • *Since 2021, all core has been stored on racking in a purpose-built warehouse, with historical boxes re-housed in plastic and relabelled with durable markers for long-term secure storage.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *BAW conducted an independent audit of Yulong Property's sampling techniques and data, confirming reliability, acceptable precision, and no systematic bias, while also providing recommendations for improvement.*

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *Not applicable.*
Exploration done bbvg y other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Not applicable.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ◦ *easting and northing of the drill hole collar*
	  ◦ *elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar*
	  ◦ *dip and azimuth of the hole*
	  ◦ *down hole length and interception depth*
	  ◦ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• *Not applicable.*

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Not applicable.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Not applicable.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Not applicable.*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Not applicable*

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• *The original data have been compiled into an exploration report adhering to Chinese standards, featuring the relevant plan and profile maps and tables. BAW has finished organizing, validating, and establishing the database.* • *The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *The technical team from BAW, the Competent Person, conducted a site visit to the Yulong Property between June 30 and July 2, 2025.*

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *BAW has high confidence in the geological interpretation, stating that the geological modeling accurately reflects current information. The Yulong Property is a well-understood, structurally controlled Ag-Pb-Zn polymetallic system. Mineralisation shows substantial strike and dip continuity, with drilling confirming thick, continuous zones. While multiple mineralised bodies remain open at depth and along strike, indicating exploration upside, the deposit type and controls are well-established. The massive geological database adequately supports resource classification.* • *Geological databases were compiled from drilling, survey, and assay data. A 40 g/t silver-equivalent grade shell model, based on forecast metal prices and metallurgical recoveries, served as a primary constraint. Oxide and sulphide zones were interpreted from historic logging, with the transition zone excluded. Mineralisation domains were defined based on ore characteristics and structural controls. Bulk density values were derived from test results and spatial distribution. Grade capping was applied to composited assay data to mitigate high-grade outliers, using statistical tools and 3D spatial checks.* • *The sources do not explicitly discuss alternative geological interpretations and their material effect on Mineral Resource estimation [N/A]. BAW's independent data verification found no material discrepancies or systematic bias in the assay database, implying the adopted interpretation is robust. While different interpolation methods (IDW vs. OK) were compared, this related to grade estimation, not fundamental geological interpretation.* • *Geology is fundamental to the estimation process. It guides the construction of mineralisation wireframes and geological domains. The structurally controlled nature of mineralisation dictates its spatial distribution and forms the basis for the silver-equivalent grade shell model used as a primary constraint. Oxide and sulphide zones and specific mineralisation styles define estimation domains. Variogram studies, confirming grade continuity consistent with geological interpretations, guide interpolation search strategies. Resource classification directly reflects confidence in geological interpretation and grade continuity.*

Criteria	JORC Code explanation	Commentary
		• *Regional and subsidiary fault zones (Meilaosite, F1, F8, F13, F14) are the primary factors controlling both geological and grade continuity, acting as conduits for ore-fluid migration and emplacement. Lithology, particularly the Lower Permian Shoushangou Formation and its structural contacts with ultramafics, also influences continuity. Mineralisation often occurs in ore shoots within these structures, contributing to continuity. The deposit type (vein-type hydrothermal system) inherently suggests continuity along structures. While mineralisation shows good continuity, it remains open at depth and along strike, with potential for new blind orebodies at fault intersections and intrusive contacts, indicating areas where continuity is less constrained.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques.	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Estimation utilized Ordinary Kriging (OK) and Inverse Distance Weighting (IDW). Domaining was based on lithology, structure, assays, and a 40 g/t silver-equivalent (AgEq) grade shell. Grade capping was systematically applied to extreme values (e.g., Ag: 530–820 g/t) using statistical and spatial checks to mitigate outlier bias. Interpolation parameters included three passes with search ellipses guided by variogram ranges, considering minimum/maximum composites per block/drillhole. Extrapolation distances were defined by these search ranges (e.g., up to 250m for Pass III).* • *Previous estimates (2002–2023) were prepared under PRC frameworks; BAW updated JORC-compliant estimates in late 2024. Check estimates included BAW's independent re-assay of 64 quarter-core samples, finding no material discrepancies. Model validation used visual inspection, global statistics, and IDW vs. OK comparison. Mine production records informed cut-off grades, and the estimate accounts for mining depletion as of December 31, 2025.* • *By-products are lead (Pb), zinc (Zn), copper (Cu), tin (Sn), and gold (Au). Silver equivalent (AgEq) grade calculations directly incorporated forecast metal prices and metallurgical recoveries for Ag, Pb, Zn, and Cu. Assumed metallurgical recoveries, based on testwork and production, are generally strong for Pb (88–93%), Zn (87–91%), and Ag (92–94%), but lower and variable for Cu.* • *Deleterious elements include high arsenic (6.60%) content, mainly in arsenopyrite, posing processing and environmental challenges. Bulk density values were assigned by lithology and oxidation state, derived from measured data.* • *Parent block size was 10 m (E) x 10 m (N) x 2 m (V), with sub-blocks of 5 m (E) x 5 m (N) x 0.5 m (V). Average drillhole spacing was nominally 50x50m (up to 200x200m). Search ellipses were spherical, based on variogram ranges (e.g., 3.2–45m for Pass I, 12.8–250m for Pass III), divided into eight sectors (max 4, min 2 points).*

Criteria	JORC Code explanation	Commentary
		• *Mineral Resources were evaluated for "Reasonable Prospects for Eventual Economic Extraction" (RPEEE) under underground mining. An underground break-even cut-off grade (BCOG) of 65.0 g/t AgEq was used for Mineral Resources, and 85 g/t AgEq for Ore Reserves. Mineable stope shapes for Ore Reserves were generated using Stope Optimizer software or similar optimization, excluding Inferred Resources. This implicitly assumes planned mining methods.* • *The Yulong Property is a polymetallic Ag-Pb-Zn system with associated Cu, Sn, Au. The AgEq calculation combines values for Ag, Pb, Zn, Cu, implicitly assuming their co-occurrence and co-processing for economic valuation. Mineralogy studies note "complex mineral intergrowth" between sulfides and silver minerals.* • *Geological interpretation fundamentally guided mineralisation wireframes and domains (lithology, alteration, structure, mineralisation). The structurally controlled nature defined spatial distribution. A 40 g/t AgEq grade shell was a primary constraint. Oxide/sulphide zones influenced domaining. Variogram studies confirmed grade continuity consistent with geological interpretations, guiding interpolation search. Resource classification reflected confidence in the geological interpretation.* • *Grade capping was used to address extreme high-grade values. The basis was to mitigate potential bias from outliers in log-normal distributions and improve estimate reliability. It was applied domain-by-domain to composited data, using statistical tools (histograms, log-probability plots) and 3D spatial checks to determine thresholds, effectively reducing Coefficients of Variation (CVs).* • *Model validation was comprehensive, including visual inspection comparing drillhole assays to the block model. Global statistics and comparison of IDW and OK methods were performed. Swath plots for Ag, Pb, Zn, Cu showed good alignment between block models and composites in orthogonal directions. No actual reconciliation data was presented for validation; however, BAW recommended strengthening geological data collection during mining to support future reconciliation.*

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Mineral Resource tonnages are estimated on a dry basis. This is supported by the explicit use of dry bulk density values for tonnage calculation. The sample preparation procedure for all samples begins with low-temperature oven-drying of the entire sample, ensuring moisture removal before subsequent weighing and analysis. Production records also consistently report Run-of-Mine (ROM) ore in dry tonnes.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *The basis for the adopted cut-off grade in Mineral Resource estimation is the reasonable prospects for eventual economic extraction (RPEEE), which was primarily established by evaluating blocks for potential underground extraction. This assessment applied an underground break-even cut-off grade of 65.0 g/t AgEq.*
Mining factors or assumptions.	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *For Mineral Resource estimation, the "reasonable prospects for eventual economic extraction" (RPEEE) were primarily established by evaluating blocks for potential underground extraction, applying an underground break-even cut-off grade of 65.0 g/t AgEq. More detailed parameters regarding mining methods, minimum dimensions, and dilution are rigorously defined later during Ore Reserve estimation through stope optimization.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *The current metallurgical performance (Pb/Zn recoveries >89%, Ag >92%) is well-documented through historical plant data, providing a strong foundation for Mineral Resource reporting. However, assumptions regarding the amenability of untested ore types (e.g., Cu-Sn resources) lack rigorous testwork, potentially overestimating recoveries if mineralogy or liberation challenges differ from the existing Pb-Zn-Ag ore.* • *While the preferential flotation process is proven for Pb-Zn-Ag mineralization, the absence of comprehensive metallurgical studies on lower-grade or complex ore (e.g., high-arsenic Cu-Sn) introduces uncertainty).*

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Waste rocks generated during mining and infrastructure development, are primarily utilized for underground stope backfilling, which helps control goaf subsidence and reduces surface disposal. Additionally, it is repurposed for on-site needs such as road construction and industrial site leveling. Any surplus waste rock is stored in designated surface dumps, including repurposed former tailings ponds or dedicated yards, with no hazardous pollutant issues, as the concentrations of harmful substances meet relevant standards.* • *Tailings generated from the polymetallic ore processing, which employs preferential Pb-Zn flotation, are prioritized for underground cemented filling. Unused tailings undergo thickening through deep cone thickeners and are stored in the active TSF, which has a total capacity of approximately 8.97 million m^3 and a service life of 26.37 years. The TSF features fully recycled clarified water returned to the concentrator for zero discharge, along with multi-phase expansion and anti-seepage measures, such as geomembrane lining, to ensure environmental safety.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *The relationship between SG value and different ore types and Au grade are analysed by BAW, there is no obvious correlation was found between SG and grade, and the average value was used for resource estimation, see the report for details.*

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *The classification of Mineral Resources at the Yulong Property adheres to the JORC Code 2012 and industry best practices, integrating geological continuity, drilling density, data quality, variogram performance, and estimation confidence. BAW adopted a classification strategy that reflects confidence in geological interpretation and grade continuity, supported by drilling spatial configuration and three-pass estimation results.* • *The appropriate account has been taken of all relevant factors.* • *The Mineral Resource estimate appropriately reflects BAW's (the Competent Person's) view of the Yulong deposit. BAW explicitly states its belief that the CPR "adequately and appropriately describes the technical aspects of the mining properties, our analysis and view". Furthermore, BAW is "satisfied that the geological modeling accurately reflects the current geological information and knowledge" and that the "classification approach ensures that the confidence levels assigned to each resource category are appropriate and consistent with the underlying data and geological understanding". The overall conclusion is that the Yulong Property is a "large-scale Ag-Pb-Zn polymetallic deposit with reliable JORC (2012)-compliant Mineral Resource and Ore Reserve estimates". This strong statement of confidence, backed by extensive independent verification and review of all relevant factors, confirms that the results align with the Competent Person's assessment.*
Audits or reviews.	• *The results of any audits or reviews of Mineral Resource estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *Drillhole spacing distance was used as the basis for classification.* • *BAW considers that blocks estimated with an average drillhole spacing of less than 40 m can be classified in the Indicated category within the meaning of the JORC CODE Standards for Mineral Resources and Mineral Reserves.* • *Blocks excluded by Indicated category and within the mineralized domains should be appropriately classified in the Inferred category because the confidence in the estimate is insufficient to allow for the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.*

15.4 Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• *The Mineral Resource estimate for the Yulong Property conducted by BAW. This estimation process included database compilation, geological modelling, data conditioning (compositing and grade capping), and block modelling with grade interpolation primarily using Ordinary Kriging (OK) and sometimes Inverse Distance Weighting (IDW2). A 40 g/t silver-equivalent grade shell was developed as the primary constraint for estimation and reporting. Resource classification was based on geological continuity, drilling density, data quality, and estimation confidence.* • *All of the Ore Reserves reported are included within the Mineral Resources.*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• *The technical team from BAW, the Competent Person, conducted a site visit to the Yulong Property between June 30 and July 2, 2025.*

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• *Main technical studies are available to review:* • ***Huaaobaote*** • *Feasibility Study Report for the Phase II Technical Renovation Project of Inner Mongolia Yulong Mining Co., Ltd. Xiwuzhumuqin Banner Huaaobaotete Silver-Lead-Zinc Mine, Hebei Xinye Engineering Technology Co., Ltd. June 2010.* • *Preliminary Design for Underground Mining Engineering of Phase II Technical Renovation of Huaaobaotete Silver-Lead-Zinc Mine's First, Second, and Third Mining Areas, Hebei Xinye Engineering Technology Co., Ltd. October 2010.* • *Laboratory Test Summary of Full Tailings Structured Fluid Cemented Filling and Design Specification for Filling System Construction, Changsha Mining Research Institute Co., Ltd. December 2013.* • *Feasibility Study Report for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Hunan Metallurgical Planning and Design Institute and Changsha Mining Research Institute Co., Ltd. January 2014.* • *Preliminary Design for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Changsha Mining Research Institute Co., Ltd. May 2014.* • *Optimized Supplementary Preliminary Design for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine (Original Third Mining Area), Changsha Mining Research Institute Co., Ltd. July 2015.* • *Preliminary Design (Amendment) for the Technical Renovation Project of Xiwuzhumuqin Banner Huaaobaotete Silver-Lead Mine, Changsha Mining Research Institute Co., Ltd. June 2018.* • *Preliminary Design (Amendment) for Phase II Engineering of Huaaobaotete Silver-Lead Mine Technical Renovation Project, Changsha Mining Research Institute Co., Ltd. 2021.*

Criteria	JORC Code explanation	Commentary
		• ***Huaaoaboate Mountain***
		• *Mineral Resources Development and Utilization Plan for Lead-Zinc-Silver Mine in Huaaobaote Te Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd., JinJian Engineering Design Co., Ltd., June 2023.*
		• *Feasibility Study for Lead-Zinc-Silver Mine in HuaaobaoteTe Mountain Ore Section, Xi Ujimqin Banner, Inner Mongolia Yulong Mining Co., Ltd., ShanJin Design & Consulting Co., Ltd.*
		• ***1118 Area***
		• *Preliminary Design (Amendment) for Phase II Engineering of Huaaobaotete Silver-Lead Mine Technical Renovation Project, Changsha Mining Research Institute Co., Ltd. 2021* *Pre-feasibility Study Report on the Construction Project of Zinc Polymetallic Ore at 1118 Highland of Inner Mongolia Yulong Mining Co., Ltd, Jinjian Engineering Design Co., Ltd. July 2025*
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• *Table 7–2 listed the parameters used in estimation of the COG for Underground Mining of Dachaidan Property.* • *The cut-off grade for operating mines is set at 85 g/t AgEq, based on actual operational data and plans derived from technical studies. Development projects, zinc, and copper, using specific forecast metal prices (e.g., USD25.00/oz for silver in Ore Reserves) and metallurgical recoveries.*

Criteria	JORC Code explanation	Commentary

Mining factors or assumptions.	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).*
	• *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.*
	• *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.*
	• *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*
	• *The mining dilution factors used.*
	• *The mining recovery factors used.*
	• *Any minimum mining widths used.*
	• *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*
	• *The infrastructure requirements of the selected mining methods.*
		• *The conversion of Mineral Resources to Ore Reserves for the Yulong Property was undertaken in conformity with the JORC Code 2012 requirements. BAW reviewed several technical studies prepared for the property, including Feasibility Study Reports and Mineral Resources Development and Utilization Plans, which were considered akin to Pre-Feasibility Study (PFS) level and suitable for supporting Ore Reserve estimation. The process involved examining the Mineral Resource block model, reviewing mining study reports, optimizing mineable stope shapes, and auditing mine design and development. Mineable stope shapes for underground Ore Reserves were generated using the Stope Optimizer by BAW.*
		• *The Yulong Property comprises an operating mine (Huaaobaote) and two development projects (Huaaobaote Mountain and 1118 Area).*
		  • *Huaaobaote Mine: Employs Sublevel Open Stoping with Delayed Backfill and Shrinkage Stoping with Subsequent Filling. These methods are considered appropriate, with shrinkage stoping being adjustable to improve dilution and recovery rates, control stope collapse, and promote safer production. Access is facilitated by a unified system with a main skip shaft for ore hoisting and cage-equipped shafts for other transport.*
		  • *Huaaobaote Mountain: Uses Shrinkage Stoping with Delayed Fill Mining (for ore bodies ≤5m thick, ~70% of operations) and Sublevel Open Stoping with Delayed Fill Mining (for ore bodies 5m-15m thick, ~20% of operations, and > 15m thick, ~10% of operations). The methods are selected based on orebody thickness, dip, and stability, with a prohibition on surface subsidence. Access is via a vertical shaft system, including a 1# Main Shaft for hoisting and air intake, a 1# Return Air Shaft, and a 2# Fresh Air Intake Shaft.*

Criteria	JORC Code explanation	Commentary
		• *1118 Area: The primary method is Overhand Drift and Filling Method, used where ore and surrounding rock are moderately to poorly stable, and the orebody is no more than 5m thick (~60% of operations). Access to the underground workings involves an auxiliary shaft and ramp.* • *Geotechnical Conditions:* • *Huaaobaote: Host rock is primarily hard, generally stable, with Rock Quality Designation (RQD) values from 75% to 90%. Stability can be reduced in weathered or fractured zones, requiring additional support.* • *Huaaobaote Mountain: Engineering geological conditions are simple, with layered rock formations. Blocky hard serpentinite is stable, while metamorphosed volcanic clastic rocks improve in quality with depth (RQD 85–90% in slightly weathered zones). Ore and surrounding rock are classified as "hard" (mostly >60 MPa).* • *1118 Area: Characterized by medium complexity. Blocky hard rock has good to fair quality (average RQD 75.89%), but highly fractured bedrock (RQD 0–47%) exhibits poor integrity. Stability is influenced by structural planes and weathering* • *Stope Sizes:* • *Huaaobaote: Stopes are typically 30–60m long, with widths corresponding to ore body thickness, and sublevel heights of 30 or 40m. Stope optimization parameters include heights of 12m (Sublevel) and 2m (Shrinkage), and lengths of 3m for both.* • *Huaaobaote Mountain: Shrinkage stopes are 50m long, 50m high, with an 8m bottom pillar. Sublevel open stoping uses 50m block length, 50m level height, and 13m sublevel height with an 8m bottom pillar. Optimization parameters specify heights of 15m (Sublevel) and 2m (Shrinkage), and lengths of 5m (Sublevel) and 3m (Shrinkage).*

Criteria	JORC Code explanation	Commentary

		• *1118 Area: Panels are typically 100m long, with width equal to ore body thickness, and a stope height of 30m, divided into two 15m sub-levels, mined in 3m lifts. Optimization parameters are Height 15m (Sub Stope Height 3m) and Length 10m.*
		• *The primary economic parameters were the cut-off grades. For all three mines, 85 g/t AgEq was established.*
		• *Mining Dilution Factors Used:*
		  • *Generally, a dilution of 0.5 m is applied to each side of the stope.*
		  • *Huaaobaote: 0.4 m each side for both Sublevel Open Stoping and Shrinkage Stoping.*
		  • *Huaaobaote Mountain: Shrinkage Stoping has a 9% dilution rate, Sublevel Open Stoping a 13% dilution rate, with a comprehensive dilution rate of 9.8% for the concession. Stope optimization used 0.3 m each side.*
		  • *1118 Area: Overhand Drift and Filling has a 9% dilution rate. Stope optimization used 0.5 m each side.*
		• *Mining Recovery Factors Used:*
		  • *Generally, a mining recovery of 90% was used for Ore Reserves.*
		  • *Huaaobaote Mountain: Shrinkage Stoping has a 12% loss rate, and Sublevel Open Stoping has a 13% loss rate. The concession aims for an overall recovery rate of 87.5%.*
		  • *1118 Area: Overhand Drift and Filling method targets a low mining loss rate of 8%.*
		• *A minimum mining width of 1 m was applied in stope optimization for all concessions.*
		• *The metal grade from Inferred Resources was not used to generate the mineable stope shapes and was not included as part of Ore Reserves. For production scheduling purposes, Inferred Mineral Resources were designated as waste. The report does not detail a sensitivity analysis for including Inferred Resources, as they are explicitly excluded from the Ore Reserve estimate.*

Criteria	JORC Code explanation	Commentary

		• *Infrastructure Requirements of the Selected Mining Methods:*
		  • *Huaaobaote: Features a partitioned ventilation system, a relay drainage system with pump houses, surface air compressor stations for compressed air, and a transportation system including a main skip shaft, auxiliary shafts, mid-level rail motor cars, and battery-powered locomotives.*
		  • *Huaaobaote Mountain: Requires a mechanical extraction ventilation system, a cemented tailings and waste rock backfilling system, a centralized water supply system using treated mine drainage, and a power supply system with emergency backup via a diesel generator.*
		  • *1118 Area: Designed with a two-wing diagonal extraction ventilation system, backfilling using waste rock and cemented full tailings, a centralized single-stage drainage system, a new production water pool for water supply, and a new compressor station for compressed air.*

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• *The current preferential Pb-Zn flotation process is well-tested and appropriate for the dominant sulfide mineralization (galena, sphalerite, and argentite), as demonstrated by stable plant performance (Pb/Zn recoveries >89%, Ag >92%). However, the proposed process for unmined Cu-Sn ore — assumed to follow conventional flotation — locks in untested assumptions, particularly for tetrahedrite (Cu-Sb-As-Ag) and cassiterite recovery.* • *Metallurgical domaining has been empirically validated for Pb-Zn-Ag ore through historical plant data, but Cu-Sn domains rely on limited lab-scale tests or analogues. The representativeness of testwork is adequate for active production zones but insufficient for:* • *Deleterious elements (e.g., 6.60% As in Cu ore, requiring depressant strategies),* • *Non-sulfide silver carriers (e.g., freibergite), and Fine-grained cassiterite (risk of overgrinding).* • *Bulk or pilot-scale tests are notably absent for Cu-Sn.* • *Reserve estimates for Pb-Zn-Ag appear robust, with concentrate grades (Pb ~49–52%, Zn ~45%) consistently meeting market specifications. However, Cu-Sn reserves lack mineralogical verification.*
Environmental.	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• *Seven EIA reports have been completed and approved for the Yulong Property, covering the current main production facilities, the expanded processing plant and the expanded TSF, technical upgrade, and expanded mining area.*

Criteria	JORC Code explanation	Commentary
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• *The Yulong Property benefits from well-established infrastructure, including easy road access to major provincial and national highways, with regional railheads and an airport also accessible. Water supply from six wells is generally sufficient, achieving 100% production water reuse and over 92% recycling, though dry season shortages are noted as a minor risk. Reliable power is secured through a 35 kV substation with dual 110 kV feeds and diesel generators for backup. The site features existing processing plants (including a repurposable 2,000 t/d facility) and has land use permits for mining and tailings storage. Local labour availability is also indicated by the regional economy.*

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• *The mine site has been in steady production for years. The projected CAPEX were derived from the technical studies aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM. BAW considers the overall CAPEX budgeting practice reasonable and consistent with industry standards.* • *The operating costs were estimated based on the actual costs aligned with the planned production schedule, mining capacity and processing capacity throughout the LOM.* • *The operating costs are classified into operating cash costs and total production costs, which include mining, processing, SG&A, selling, environmental protection costs, taxes, and depreciation/amortization. These costs, expressed in USD, are based on information provided by the management and are summarized for various periods.* • *Working capital was estimated based on the historic financials provided by the management, taking into account the necessary receivables, inventories and payables required for operations. This practice ensures that the project maintains adequate liquidity to support its operational needs.* • *Transportation charges were included in the administration costs.* • *No metallurgical allowances were made for the deleterious elements which were not identified.* • *Corporate income tax, along with various government charges and levies, has been considered accordingly.*
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.* • *The currency exchange rate of USD to RMB is used for conversion for RMB pricing demonstration.*

Criteria	JORC Code explanation	Commentary
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• *No special market assessment was conducted. The mine-site has been in steady production for years. A good relationship with the markets is generally in place.*
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• *The discount rate adopted for the NPV assessment is derived from the Weighted Average Cost of Capital (WACC). A positive NPV was reported, suggesting the project's economic viability.* • *A sensitivity analysis of NPV was conducted to assess the impact of changes in CAPEX, OPEX, and metal prices, using a fixed discount rate. The results indicate that the NPV is most sensitive to fluctuations in metal prices, highlighting the significance of this factor in the overall economic evaluation of the project.* • *The metal prices used for our NPV assessment were derived from consensus forecasts prepared by several reputable financial institutions. This approach ensures that the price estimates are based on a comprehensive analysis of market trends and expert opinions.*

Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• *Since 2022, the mine management has invested over RMB3.4 million in social and community initiatives. These efforts include education donations, disaster and epidemic relief, support for vulnerable minority groups, and targeted poverty alleviation aimed at rural revitalization, earning recognition from local communities and government authorities.* • *Additionally, the property has maintained an excellent occupational health and safety record, with no fatalities or injuries reported from 2022 to 2024. It has also implemented ecological rehabilitation measures, with a total budget of RMB78.85 million planned for 2024 to 2046. These initiatives contribute to sustainable local development while avoiding major adverse social impacts.*
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• *The mine management team has thoroughly identified material naturally occurring risks such as hydrogeological challenges and geotechnical stability issues, which are detailed in technical assessments for each mining area. They have prepared for these risks by developing and implementing specific mitigation strategies, including comprehensive drainage systems and ground support measures.* • *While specific marketing agreements are not extensively detailed, the client ensures all operational licenses are in good standing through verification by their legal counsel. The client has also proactively managed financial risks related to market commodity prices by conducting economic analyses and budgeting capital expenditures based on various feasibility studies.* • *The Yulong Property maintains all critical governmental agreements and approvals, including essential licenses, which are reported by the client to be in good standing and valid for extended periods. Furthermore, the client has undertaken necessary technical studies, such as a pre-feasibility study for the 1118 Area, to plan for future technical upgrades and capital investments, demonstrating comprehensive preparation for project viability without material unresolved third-party contingencies.*

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• *Measured Mineral Resources in the mine designs are classified as Proved Ore Reserves. Indicated Mineral Resources in the mine designs are classified as Probable Ore Reserves.* • *The classification of Ore Reserves appropriately reflects the Competent Person's view of the deposits.* • *There is no Measured Mineral Resources classified as Probable Ore Reserves.*
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• *The Ore Reserves estimate has been peer reviewed internally and is in line with current industry standards.*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The Ore Reserve estimate is categorized into Proved and Probable Reserves, reflecting increasing levels of geological confidence and the degree of confidence in the Modifying Factors.* • *Ore Reserve estimation involved reviewing the Mineral Resource block model and applying various Modifying Factors, including mine planning, historical production data, processing, infrastructure, economic, marketing, legal, environmental, social, and governmental factors. Technical studies prepared for the property were reviewed, which are considered suitable for supporting Ore Reserve estimation.* • *The Ore Reserve estimates are provided globally for the Yulong Property (27.42 Mt total) and locally for individual concessions, with specific tonnages for Proved and Probable categories directly feeding into the economic analysis. The documentation details the estimation procedures, including block modeling and Ordinary Kriging, and outlines key assumptions for Modifying Factors like a cut-off grade of 85 g/t AgEq, 90% mining recovery, and 10% mining dilution.* • *The Ore Reserve estimate incorporates results from the 2023–2024 production-exploration program and relies on actual operational data and technical studies for cut-off grade analysis. Detailed historic production data (2022–2024) is summarized for processing plant performance, and BAW recommends ongoing production reconciliation through routine data collection to refine geological and depletion models.*

15.5 Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• *Not applicable — no diamonds or other gemstones are present or being reported.*
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• *Not applicable.*
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• *Not applicable.*
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used, type of process for micro diamonds and accreditation.*	• *Not applicable.*
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• *Not applicable.*
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• *Not applicable.*
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• *Not applicable.*

Criteria	JORC Code explanation	Commentary
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* *o diamonds quantities by appropriate screen size per facies or depth.* *o details of parcel valued.* *o number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	• *Not applicable.*
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• *Not applicable.*
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• *Not applicable.*

16 APPENDIX C — COMPLIANCE WITH CHAPTER 18

Chapter 18				Sections in BAW's CPR
18.01	**DEFINITIONS AND INTERPRETATION**			Appendix E
18.02–18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must: —			
	(1)	establish that it has the right to participate actively in the exploration for and/or extraction of Natural Resources, either: —		Ch. 1, Sect. 3
		(a)	through control over a majority (by value) of the assets in which it has invested together with adequate rights over the exploration for and/or extraction of Natural Resources; or	Ch. 1, Sect. 2
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the Exchange), which gives it sufficient influence in decisions over the exploration for and/or extraction of the Natural Resources;	
	(2)	establish that it has at least a portfolio of: —		Ch. 6, Sect. 15
		(a)	Indicated Resources; or	
		(b)	Contingent Resources, identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs including the costs associated with: —		Ch. 11, Sect. 4
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note: A Mineral Company must: • set out the components of cash operating costs separately by category; • explain the reason for any departure from the list of items to be included under cash operating costs; and • discuss any material cost items that should be highlighted to investors.		

Chapter 18				Sections in BAW's CPR
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for 125% of the group's present requirements, that is for at least the next 12 months, which must include: —		Ch. 11, Sect. 3–5
		(a)	general, administrative and operating costs;	Ch. 11, Sect. 4
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	Ch. 11, Sect. 3
		Note: Capital expenditures do not need to be included in working capital requirements. Where they are financed out of borrowings, relevant interest and loan repayments must be included.		
	(5)	ensure that its working capital statement in the listing document under Listing Rule 8.21A states it has sufficient available working capital for 125% of the group's present requirements, that is for at least 12 months from the date of its listing document.		Ch 11, Only for reference
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			Not applicable
	Note: A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.			
18.05–18.08	**CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS**			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document: —			
	(1)	a Competent Person's Report;		Whole CPR
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		Part 1 Ch 1, Sect 10
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		Ch 1, Sect 3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		Ch 12

Chapter 18				Sections in BAW's CPR
	(6)	if relevant and material to the Mineral Company's business operations, information on the following: —		Ch 10
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06–18.08	**Additional disclosure requirements that apply to certain new applicant Mineral Companies**			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			Ch 11, Sect 4
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			Not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09–18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS**			**Not applicable**
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must: —			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		

Chapter 18			Sections in BAW's CPR
	(2)	produce a Competent Person's Report, which must form part of the relevant circular, on the Resources and/or Reserves being acquired or disposed of as part of the Relevant Notifiable Transaction;	
		Note: The Exchange may dispense with the requirement for a Competent Person's Report on disposals where shareholders have sufficient information on the assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must form part of the relevant circular, on the Mineral or Petroleum Assets being acquired as part of the Relevant Notifiable Transaction; and	
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets being acquired.	
	Note: Material liabilities that remain with the issuer on a disposal must also be discussed.		
18.10–18.11	**Requirements that apply to listed issuers**		
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.		
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated as a Mineral Company.		
18.12–18.13	**Requirements that apply to Mineral Companies and listed issuers**		
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer has available a previously published Competent Person's Report or Valuation Report (or equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the report is no more than six months old. The issuer must provide this document and a no material change statement in the listing document or circular for the Relevant Notifiable Transaction.		
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent Evaluator for their material to be included in the form and context in which it appears in a listing document or circular for the Relevant Notifiable Transaction, whether or not such person or firm is retained by the listing applicant or the issuer.		
18.14–18.17	**CONTINUING OBLIGATIONS**		**Not applicable**
18.14	**Disclosure in reports**		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.		

Chapter 18			Sections in BAW's CPR
18.15–18.17	**Publication of Resources and Reserves**		**Not applicable**
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement.		
18.18–18.27	**STATEMENTS ON RESOURCES AND/OR RESERVES**		
18.18	**Presentation of data**		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.		Ch 6 Sect 15 and Ch 7 Sect 6
18.19	**Basis of evidence**		
18.19	All statements referring to Resources and/or Reserves: —		Ch 6 Sect 15 and Ch 7 Sect 6
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	Not applicable
18.20	**Petroleum Competent Persons' Reports**		**Not applicable**
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or extraction of Petroleum Resources and Reserves must include the information set out in Appendix 25.		
18.21–18.22	**Competent Person**		
18.21	A Competent Person must: —		Part 1, Ch 1 Sect 3 Team
	(1)	have a minimum of five years' experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;	

Chapter 18			Sections in BAW's CPR
	(2)	be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management and advisers. Specifically the Competent Person retained must: —		Part 1, Ch 1 Sect 7 Team
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's Report;	
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and	
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer. Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.	
18.23	**Additional requirements of Competent Evaluators**		**Not applicable**
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator must: —		
	(1)	have at least ten years relevant and recent general mining or Petroleum experience (as appropriate);	
	(2)	have at least five years relevant and recent experience in the assessment and/or valuation of Mineral or Petroleum Assets or securities (as appropriate); and	
	(3)	hold all necessary licences.	
	Note: A Competent Person's Report or Valuation Report may be performed by the same Competent Person provided he or she is also a Competent Evaluator.		
18.24	**Scope of Competent Persons' Reports and Valuation Reports**		
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard as modified by this Chapter, and must: —		Part 1 Ch Sect 3 Ch 6 Sect 2 and Ch 7 Sect 1
	(1)	be addressed to the Mineral Company or listed issuer;	Ch 1

Chapter 18				Sections in BAW's CPR
	(2)	have an effective date (being the date when the contents of the Competent Person's Report or Valuation Report are valid) less than six months before the date of publishing the listing document or circular relating to a Relevant Notifiable Transaction required under the Listing Rules; and		Effective Date: December 31, 2025; CPR Date: February 28, 2026
	(3)	set out what Reporting Standard has been used in preparing the Competent Person's Report or Valuation Report, and explain any departure from the relevant Reporting Standard.		
18.25–18.26	**Disclaimers and Indemnities**			Disclaimer section
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections or topics outside their scope of expertise in which the Competent Person or Competent Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the report in its entirety.			Part 1 Ch 1 Sect 8–9
18.26	The Competent Person or Competent Evaluator must prominently disclose in the Competent Person's Report or Valuation Report the nature and details of all indemnities provided by the issuer. Indemnities for reliance placed on information provided by issuers and third party experts (for information outside the Competent Person's or Competent Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence are generally unacceptable.			Ch 1 Sect 8
18.27	**Obligations of sponsor**			**Not applicable**
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must ensure that any Competent Person or Competent Evaluator meets the requirements of this Chapter.			
18.28–18.34	**REPORTING STANDARD**			
18.28–18.30	**Mineral reporting standard**			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either: —			
	(1)	under:		
		(a)	the JORC Code;	Ch 6 Sect 2 and Ch 7 Sect 1
		(b)	NI 43–101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		Not applicable
	Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18				Sections in BAW's CPR
18.30	A Mineral Company must ensure that: —			
	(1)	any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		Ch 7 Sect 3
	(2)	estimates of mineral Reserves and mineral Resources are disclosed separately;		Ch 6, Sect 15 and Ch 7 Sect 6
	(3)	Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;		Ch 7, Sect 2 and 6
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves: —		Ch 11
		(a)	the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and	
		(b)	if a contract for future prices of mineral Reserves exists, the contract price is used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.		Ch 11 Sect 7
18.31–18.33	**Petroleum reporting standard**			**Not applicable**
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves either: —			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.		
	Note: A Reporting Standard applied to specific assets must be used consistently.			

Chapter 18			Sections in BAW's CPR
18.33	A Mineral Company must ensure that: —		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in PRMS). Where the probabilistic method is used, the underlying confidence levels applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are disclosed, they are presented on a post-tax basis at varying discount rates (including a reflection of the weighted average cost of capital or minimum acceptable rate of return that applies to the entity at the time of evaluation) or a fixed discount rate of 10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and principal assumptions (including prices, costs, exchange rates and effective date) and the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a forecast price as a base case or using a constant price as a base case. The bases for the forecast case must be disclosed. The constant price is defined as the unweighted arithmetic average of the closing price on the first day of each month within the 12 months before the end of the reporting period, unless prices are defined by contractual arrangements. The basis on which the forecast price is considered reasonable must be disclosed and Mineral Companies must comply with rule 18.30;	
		Note: In the forecast case under PRMS, the economic evaluation underlying the investment decision is based on the entity's reasonable forecast of future conditions, including costs and prices, which will exist during the life of the project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are disclosed, relevant risk factors are clearly stated;	
		Note: Under PRMS, wherever the volume of a Contingent Resource is stated, risk is expressed as the chance that the accumulation will be commercially developed and graduate to the reserves class. Wherever the volume of a Prospective Resource is stated, risk is expressed as the chance that a potential accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without discount or using a discount rate, it is prominently disclosed that the estimated values disclosed do not represent fair market value.	

Chapter 18			Sections in BAW's CPR
18.34	**Mineral or Petroleum Asset Valuation Reports**		**Not applicable**
18.34	A Mineral Company must ensure that: —		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate, having regard to the nature of the valuation and the development status of the Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the Competent Evaluator comments on how the valuations compare and on the reason for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in rule 18.23.	

17 APPENDIX D — CHAPTER 2.6 OF THE GUIDE FOR NEW LISTING APPLICANTS

Item	Description	Section in BAW's CPR
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	Ch 6, 7, 8 and 11
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	n/a
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Ch 9
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	Ch 1
(v).	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	Ch 7 and 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("**NPV**"), and the basis on which the discount rates are considered appropriate;	Ch 11
(vii). . . .	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/ Resources, cost forecasts and other data relating to the mines/oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	n/a
(viii) . . .	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	Ch 12

18 APPENDIX E — GLOSSARY AND DEFINITIONS

Competent Person (CP)	A "Competent Person" means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.
Element	Chemical symbols used in this report Al — Aluminium Au — Gold Ag — Silver As — Arsenic Ba — Barium Cu — Copper Fe — Iron K — Potassium Mg — Magnesium Mn — Manganese Na — Sodium O — Oxygen Pb — Lead S — Sulphur Si — Silicon Sr — Strontium Ti — Titanium Zn — Zinc
Exploration Target/Results.	includes data and information generated by exploration programmes that may be of use to investors. The reporting of such information is common in the early stages of exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves
In-situ	means rock or mineralisation in place in the ground

Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Mineral Resource	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge

Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity
Metallurgy/Washing	Physical and/or chemical separation of constituents of interest from a larger mass of material. Methods employed to prepare a final marketable product from material as mined. Examples include screening, flotation, magnetic separation, leaching, washing, roasting etc.
Ore Reserve	is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
Open-pit	means open cut mining which is mining from a pit open to surface and usually carried out by stripping of overburden materials
Ore	is the portion of a reserve from which a metal or valuable mineral can be extracted profitably under current or immediately foreseeable economic conditions

Probable Ore Reserve	A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proved Ore Reserve	A "Proved Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Regolith	is a geological term for a cover of soil and rock fragments overlying bedrock
Resource	A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
Strip Ratio	refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
UG	means underground mining which is an opening in the earth accessed via shafts, declines or adits below the land surface to extract minerals
Yuan	stands for the currency of People's Republic of China

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of relevant tax provisions is based on current legislation and practice, without taking into account anticipated changes or amendments to relevant laws and policies, and does not constitute any form of advice or recommendation. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon the laws and relevant interpretations in effect as of the Latest Practicable Date. All laws and related interpretations are subject to change and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital gains and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the following discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

THE PRC TAXATION

A. Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was promulgated on September 10, 1980, most recently amended on August 31, 2018 and implemented on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was promulgated on January 28, 1994, most recently amended on December 18, 2018 and implemented on January 1, 2019 (hereinafter collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) (Cai Shui [2015] No. 101) promulgated on September 7, 2015 and implemented on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering and the stock market for more than 1 year, the dividend shall be temporarily exempted from individual income tax. Where an individual obtains shares of a listed company from the public offering and the stock market, if the holding period is within 1 month (inclusive), the dividend and bonus income shall be included in the taxable income in full; where the

holding period is between 1 month and 1 year (inclusive), 50% of the dividend income shall be included in the taxable income. All such income shall be subject to personal income tax at a uniform rate of 20%.

Pursuant to Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) issued and implemented by the State Administration of Taxation on June 28, 2011, for domestic non-foreign-invested enterprises issuing shares in Hong Kong, its overseas individual shareholders may enjoy relevant preferential tax treatment in accordance with the tax agreement between the PRC and its country of residence, and the tax agreement between the PRC and Hong Kong (or Macao). Domestic non-foreign-invested enterprises that issue shares in Hong Kong generally are subject to withhold personal income tax at 10% of dividends and profits without application. If the individual receiving dividends is a resident of an agreement country with a tax rate of less than 10%, the withholding agent shall apply for the relevant preferential treatment in accordance with the provisions and shall refund overpayment of tax after approval by the competent tax authority. If the individual is a resident of an agreement country with a tax rate higher than 10% but lower than 20%, the withholding agent shall withhold personal income tax at the agreement effective rate when paying dividends and bonuses, and no application is required in such cases. If the individual receiving dividends is a resident of a country without a tax agreement with the PRC or other circumstances exist, the withholding agent shall withhold personal income tax at the rate of 20% when paying dividends.

According to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Income Tax (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Income Tax**") signed on August 21, 2006 and effective on December 8, 2006, the PRC government may impose tax on dividends payable by a PRC company to a Hong Kong resident (including a natural person and a legal entity), but such tax amount shall not exceed 10% of the gross amount of dividends payable, and in the case where a Hong Kong resident holds a 25% or more of the equity interest in a PRC company, such tax amount shall not exceed 5% of the gross amount of dividends payable by the PRC company. Pursuant to the Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (the "**Fifth Protocol**") with respect to Income Tax signed by the STA on July 19, 2019 and effective on December 6, 2019, such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得税若干政策問題的通知》), which was issued by the MOF and the SAT on 13 May 1994 and came into effect on the same date, the incomes gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempt from individual income tax for the time being.

Enterprise Investors

In accordance with the provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) issued on March 16, 2007, most recently amended on December 29, 2018 and implemented on the same day and the Implementation Provisions of the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) issued on December 6, 2007, most recently amended on December 6, 2024, and implemented on January 20, 2025 (hereinafter referred to as the "Enterprise Income Tax Law"), resident enterprises shall pay enterprise income tax on their income sourced from both inside and outside China. The rate of corporate income tax shall be 25%. A non-resident enterprise is generally subject to a 10% corporate income tax on PRC-sourced income (including dividends received from a PRC resident enterprise who issued shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding taxes may be reduced or waived under applicable treaties for the avoidance of double taxation.

Pursuant to the provisions of the Circular of the State Administration of Taxation on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家税務總局關於關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued by the SAT on November 6, 2008, a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes. In addition, pursuant to the provisions of the Response to Questions on Levying Corporate Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》), which was issued by the SAT and came into effect on July 24, 2009, any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》), which was signed on August 21, 2006 and came into effect on December 8, 2006, the PRC Government may levy taxes on the dividends paid by a

PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. Pursuant to the provisions of the Fifth Protocol (《第五議定書》), such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》) adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

B. Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業税改徵增值税試點的通知》), which was promulgated by the Ministry of Finance and the STA on March 23, 2016 and was last revised on April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. This Notice also provides that transfer of financial products, including transfer of the

ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in Appendix III to the Notice of the Ministry of Finance and the State Taxation Administration on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》) (namely, the Regulations on the Transition Policy Relating to the Pilot Plan for Levying Value Added Tax in Lieu of Business Tax《營業税改徵增值税試點過渡政策的規定》). According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, typically 12% of the actual VAT payable (if applicable).

Income tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) promulgated and implemented by the MOF and the STA on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. In the latest amendments to the IIT Law, the STA has not explicitly stated whether income derived from the transfer of shares in listed companies by individuals will continue to be temporarily exempt from personal income tax.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家税務總局關於繼續有效的個人所得税優惠政策目錄的公告》) issued and implemented by the MOF and the STA on December 29, 2018, the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) will remain effective.

Furthermore, the Notice of the State Administration of Taxation on Issues Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2009] No. 167) (關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知(財税[2009]167號)) jointly issued by the Ministry of Finance, STA and China Securities Regulatory Commission on December

31, 2009 and implemented on January 1, 2010 stipulates that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from the individual income tax, provided that it excludes the relevant restricted shares as defined in the Supplementary Notice Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2010] No. 70) (關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知(財税[2010]70號)) jointly issued and implemented on 10 November 2010 by the same departments. As at the Latest Practicable Date, the aforementioned provisions did not specify whether to impose the individual income tax on the income from the transfer of shares of PRC-resident enterprise listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid. Such tax may be reduced or exempted pursuant to relevant tax treaties or arrangements on avoidance of double taxation.

C. Stamp Duty

Pursuant to the Stamp Tax Law of the of the PRC (《中華人民共和國印花税法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, the PRC stamp duty shall be applicable to the entities and individuals who conclude taxable documents and engage in securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and the entities and individuals who conclude taxable vouchers outside the territory of the PRC and use them within the territory of the PRC. Accordingly, the requirements of the PRC stamp duty law shall not apply to the purchase and disposal of H Shares by non-PRC investors outside of the PRC.

D. Estate Duty

No estate duty is levied in the PRC under the PRC laws.

PRC FOREIGN EXCHANGE MANAGEMENT

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange controls and cannot be entirely converted into foreign currency freely. The SAFE, under the authority of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, most recently updated on August 1, 2008 and implemented on August 5, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange administrative authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that a material misbalance occur or may occur in the international revenue and expenditure, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and administrative measures on international revenue and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996, removed other restrictions on convertibility of foreign exchange under current items, while imposes restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of the resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guofa [2014] No. 50) which was issued and implemented by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the repatriation and settlement of the proceeds raised from the overseas listing of the foreign shares into Renminbi domestic accounts.

According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be repatriated to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a special account with a local bank for overseas listing of local enterprises to handle corresponding capital exchange and transfer for its business for its initial public offering (or enhancement) or repurchase.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which came into effect on June 1, 2015 and was revised on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the SAFE on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) issued by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

Pursuant to the Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) issued by the SAFE on January 18, 2017 and implemented on the same day, it is to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading, allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization, allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones, and

adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas ending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

Pursuant to the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) promulgated by the SAFE on October 23, 2019, the restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises have been cancelled. Meanwhile, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenue under capital accounts, such as capital funds, foreign debt offering proceeds and remitted foreign listing proceeds for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current administrative regulations for use of revenue from capital accounts.

According to the Circular of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020 and became effective on the same day, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

A. PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, laws of special administrative regions, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法》(2023年修訂)) (the "**Legislation Law**"), the National People's Congress of the People's Republic of China (the "**NPC**") and the Standing Committee of the NPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC can authorise the Standing Committee of the NPC to formulate relevant laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws. The People's Congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The People's Congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilisation development, historical and cultural protection and grassroots governance based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the People's Congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The autonomous regulations and separate regulations of autonomous areas will become enforceable after being reported to and approved by the Standing Committee of the NPC. The autonomous regulations and separate regulations of autonomous prefectures and autonomous counties will become enforceable after being reported to and approved by the standing committees of the People's Congresses of the relevant provinces, autonomous regions or municipalities directly under the central government.

The ministries and commissions of the State Council, PBOC, the State Audit Administration as well as the other organs endowed with administrative functions directly under the State Council and the organs prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The People's Governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations, separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the People's Governments of the provinces or autonomous regions is greater than that of the rules enacted by the People's Governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the People's Congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The People's Congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The People's Governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the People's Governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the specific application of laws and decrees in a court trial shall be interpreted by the Supreme People's Court, and issues related to the specific application of laws and decrees in the procuratorial work shall be interpreted by the Supreme People's Procuratorate. If there are differences in principle in the interpretation of the Supreme People's Court and the Supreme People's Procuratorate, they shall be submitted to the Standing Committee of the

NPC for interpretation or decision. Issues related to laws and decrees other than those mentioned above shall be interpreted by the State Council and the competent authorities. At the regional level, the power to give interpretations of the local laws is vested in the regional legislative and administrative organs which promulgate such laws.

B. THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organisation of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) amended by the Standing Committee of the NPC on October 26, 2018 and effective on January 1, 2019, the PRC judicial system is made up of the Supreme People's Court, the local People's Courts at all levels, the military courts and other special People's Courts.

The local People's Courts are composed of the basic People's Courts, the higher People's Courts, and the intermediate People's Courts. The basic People's Courts may establish civil, criminal, and economic tribunals and several People's Tribunals based on locality, population, and cases. The tribunals of the intermediate People's Courts are similar to those of the basic People's Courts, where other special tribunals may be established when necessary. The aforesaid two levels of People's Courts are subject to the supervision of the People's Courts at the higher level. The Supreme People's Court is the highest judicial organ in the PRC and supervises the judicial work of local People's Courts at all levels and special People's Courts. The Supreme People's Procuratorate has the power to supervise the judgements and rulings of the People's Courts at all levels that have become legally binding, and the Higher People's Procuratorate has the power to supervise the judgements and rulings of the People's Courts at lower levels that have become legally binding.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**PRC Civil Procedure Law**"), which was promulgated on April 9, 1991, last amended on September 1, 2023 and implemented on January 1, 2024, stipulates the filing of civil lawsuits, the jurisdiction of the People's Courts, the procedures that need to be followed in conducting civil lawsuits, and the various procedures for the execution of civil judgements or awards. All parties filing a civil lawsuit in the PRC must abide by the PRC Civil Procedure Law. Civil cases are generally heard in the court where the defendant is located. In a civil lawsuit, both parties to a contract may agree in a written contract to choose the jurisdiction of the People's Court at the place where the defendant is domiciled, the place where the contract is performed, the place where the contract is signed, the place where the plaintiff is domiciled, and the place where the subject matter is located, but the provisions on hierarchical jurisdiction and exclusive jurisdiction shall not be violated. The judgement and ruling of the People's Court of second instance shall be the judgement and ruling of final instance. If the parties concerned are dissatisfied with the first-instance judgement or ruling of the local People's Court, they have the right to appeal. The People's Procuratorate may lodge a protest with the People's Court at the next higher level in accordance with the procedures prescribed by law. If the parties concerned do not appeal and the People's Procuratorate does not file a protest within the prescribed time limit, the judgement or ruling of the People's Court shall be final. The second-instance judgements or rulings of the Intermediate People's Court, the Higher People's Court and the Supreme People's Court, as well as the

first-instance judgements or rulings of the Supreme People's Court are final judgements and rulings. However, the Supreme People's Court shall have the power to bring to trial or direct the lower People's Courts to retry the judgements, rulings, and conciliations of the local People's Courts at all levels that have entered into force, and the higher People's Courts shall have the power to bring to trial or direct the lower People's Courts to retry the judgements, rulings, and conciliations of the People's Courts at all levels that have entered into force if it discovers that there is an error in the judgement, ruling, or conciliation. If the presiding judge of a People's Court at any level finds that there is an error in a judgement, ruling or conciliation that has entered into force and considers that it should be retried, he or she shall submit it to the trial committee of the People's Court at the same level for discussion and decision.

Foreigners, stateless persons, foreign enterprises and organisations have the same litigation rights and obligations as Chinese citizens, legal persons and other organisations when filing lawsuits and responding to lawsuits in Chinese courts. Where a foreign court imposes restrictions on the civil litigation rights of a Chinese citizen or enterprise, the Chinese courts shall apply the principle of reciprocity with respect to the civil litigation rights of that citizen or enterprise. Foreigners, stateless persons, foreign enterprises and organisations that are suing or responding to lawsuits in Chinese courts and need to appoint lawyers to represent them in litigation must appoint Chinese lawyers. In accordance with international treaties concluded or acceded to by the People's Republic of China, or in accordance with the principle of reciprocity, the People's Courts and foreign courts may request each other to serve documents, investigate and collect evidence, and conduct other litigation activities on their behalf. The parties must fulfil any legally effective civil judgement or ruling. If one party to a civil lawsuit refuses to comply with the judgement or ruling made by the People's Court or the award made by a Chinese arbitration tribunal, the other party may apply to the People's Court for enforcement within 2 years (it may also apply for postponement of enforcement or revocation). If one party fails to perform the judgement within the prescribed time limit granted by the court for execution approval, the court may enforce the judgement against the other party upon application.

If a party applies for enforcement of a legally effective judgement or written order made by the People's Court, and the opposite party or its property is not within the territory of the People's Republic of China, the applicant may directly apply for recognition and enforcement to the foreign court which has jurisdiction. If the PRC concludes or participates in an international treaty stipulating recognition and enforcement with a relevant foreign country, or if the judgement or ruling complies with the court's review based on the principle of reciprocity, the People's Court may also recognise and enforce it in accordance with the enforcement procedures of the PRC. Any violation of the basic principles of the PRC laws or national sovereignty, security, or social and public interests will not be recognised or enforced.

C. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

On August 31, 1994, the Standing Committee of the NPC enacted the Arbitration Law of the People's Republic of China (the "**PRC Arbitration Law**"), which came into effect on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017, respectively, with the latest revision taking effect on January 1, 2018.

The PRC Arbitration Law applies to, among other things, economic disputes involving foreign parties where the parties have entered into a written agreement to submit the matter for arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that before the promulgation of arbitration rules by the China Arbitration Association, the arbitration committee may formulate provisional regulations for arbitration in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. If the parties have reached an arbitration agreement and one party sues the People's Court, the People's Court shall not accept the case, unless the arbitration agreement is invalid.

According to the PRC Arbitration Law and the PRC Civil Procedure Law, arbitration is a one-award, one-final system, which is binding on all parties to the arbitration. If one of the parties fails to comply with the arbitration award, the other party to the award may apply to the People's Court to enforce the arbitration decision. However, if the People's Court forms a collegial panel to review and verify that the arbitration procedure is illegal (including but not limited to where the constitution of the arbitral tribunal or the arbitral proceedings are not in accordance with the statutory procedure, where the arbitral committee is not empowered to arbitrate or where the matter to be decided is outside the scope of the arbitration agreement), the People's Court may rule not to implement the arbitration decision made by the arbitration committee.

When a party requests the enforcement of an arbitral award issued by a Chinese foreign-related arbitration institution, if the person subject to enforcement or his property is not within the territory of the PRC, the party shall apply directly to a foreign court with jurisdiction for recognition and enforcement. Similarly, arbitral awards made by foreign arbitral institutions may be recognised and enforced by Chinese courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by the PRC.

On December 2, 1986, the Standing Committee of the NPC passed a resolution that the PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("**New York Convention**") adopted on June 10, 1958. The New York Convention stipulates that all arbitral awards made by another state party are recognised and enforced by each state party, but that each state reserves the right to refuse recognition and enforcement in certain circumstances, including where recognition or enforcement would be contrary to the public policy of that state. The Standing Committee of the NPC declared at the time of the PRC's accession to the Convention that: (i) the PRC would apply the Convention only to the recognition and enforcement of arbitral awards made in the territory of another contracting state on the basis of the principle of reciprocity; and (ii) the New York Convention would apply only to disputes arising out of what are considered to be contractual or non-contractual commercial legal relationships under the PRC law.

Agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The arrangement is made in accordance with the spirit of the New York Convention. According to the arrangement, awards made by mainland arbitration institutions in accordance with the PRC Arbitration Law can be enforced in Hong Kong, and awards made by Hong Kong arbitration institutions in accordance with the Hong Kong Special Administrative Region Arbitration Ordinance can also be enforced in mainland China. Enforcement of an award made by a Hong Kong arbitral institution in the PRC may be refused if a PRC court determines that enforcement of the award in the PRC would be contrary to the public interest of the PRC society, or if a Hong Kong Special Administrative Region (HKSAR) court determines that enforcement of the arbitral award in the HKSAR would be contrary to the public policy of the HKSAR. The Supreme People's Court promulgated the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the "**Supplementary Arrangement**") on November 26, 2020. Under the Supplementary Arrangement, before or after accepting an application for enforcement of an arbitral award, the court concerned may, upon application and in accordance with the law of the place where the arbitral award is to be enforced, take measures of preservation or enforcement.

D. JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgements in Civil and Commercial Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated on January 25, 2024 and implemented on January 29, 2024 by the Supreme People's Court, mutual recognition and enforcement of effective judgments in civil and commercial cases between the courts of the Mainland and of the Hong Kong Special Administrative Region, as well as the mutual recognition and enforcement of effective judgments on civil compensation in criminal cases, could be governed by this arrangement. Applications for the recognition and enforcement of judgments under this arrangement shall be submitted as follows: (1) in the Mainland, applications shall be made to the Intermediate People's Court at the domicile of the applicant or the domicile or location of property of the respondent; (2) In the Hong Kong Special Administrative Region, applications shall be made to the High Court. Applicants shall submit their applications with one of the People's Courts specified in sub-paragraph (1) above. Where applications are submitted to two or more People's Courts having jurisdiction, the People's Court that first accepts the case shall have jurisdiction.

Therefore, parties may apply to the People's Courts of the PRC or the High Court of the Hong Kong Special Administrative Region for the recognition and enforcement of final judgments rendered in the PRC or in Hong Kong that meet the aforementioned conditions.

E. SECURITIES LAW AND REGULATIONS OF THE PRC

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities- related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated and implemented on April 22, 1993 deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations mainly deal with the issue, subscription, trading and declaration of dividends and other matters of distributions of domestic listed and foreign invested shares, as well as disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**PRC Securities Law**") was promulgated on December 29, 1998 and implemented on July 1, 1999. Since then it had been amended on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019 respectively. The PRC Securities Law (as amened on December 28, 2019) took effect on March 1, 2020. The law is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, as well as the duties and responsibilities of securities exchanges, securities companies and the State Council's securities regulatory authorities.

The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that every domestic enterprise shall comply with the relevant provisions of the State Council in order to list its shares overseas. Currently, the issue and trading of foreign issued shares (including the Shares) are mainly governed by the regulations and rules promulgated by the State Council and the CSRC.

F. THE PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES

The Company Law of the People's Republic of China (the "**PRC Company Law**") was passed by the Fifth Session of the Standing Committee of the NPC on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively. The latest amendment to the PRC Company Law was duly implemented on July 1, 2024.

The Overseas Listing Trial Measures together with the 5 application guidelines for the regulatory rules promulgated by the CSRC on February 17, 2023 became effective on March 31, 2023 and are applicable to the offshore issuance and listing of securities of companies located in the PRC.

The Guidelines on Articles of Association of Listed Companies (the "**Guidelines**") issued by the CSRC on December 16, 1997, which was last amended on December 15, 2023 and became effective on the same date, provide guidance on the articles of association of companies. Therefore, the contents stipulated in the Guidelines have been included in our Company's Articles of Association, the summary of which is set out in the section "Appendix VI — Summary of Articles of Association" of this document.

The following is a summary of the principal provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines applicable to our Company.

A. General

A joint stock limited company refers to an enterprise legal person incorporated in the PRC under the Company Law of the People's Republic of China, who independently possesses its own property as a legal entity and enjoys the rights to such property, with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

B. Incorporation

A joint stock limited company may be established by promotion or stock floatation. For establishing a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, more than half of whom shall have their domiciles

within the territory of the PRC. The registered capital of a joint stock limited company shall be the total share capital of the issued shares as registered with the company registration authority.

Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. If a joint stock limited company is to be established by means of stock floatation, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. However, where laws and administrative regulations provide otherwise, such provisions shall prevail.

The promoters shall pay the subscription monies in full for the shares they have subscribed for before the company is incorporated. If a promoter fails to pay for the shares he has subscribed to, or if the actual value of non-monetary assets contributed as capital is significantly less than that of the subscribed shares, the other promoters shall bear joint responsibility for the deficiency in contribution.

Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company.

The board of directors shall, within 30 days after the end of the establishment meeting of a company, authorise a representative to file an application for registration of establishment with the company registration authority.

C. Share Capital

According to the PRC Company Law, the promoters may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

Shares shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank *pari passu*. Shares of the same class in the same issue shall be issued at the same price and on same conditions. The same price shall be paid for each share subscribed for by a subscriber.

Under the Overseas Listing Trial Measures, when a domestic enterprise goes public (through an initial public offering) on a stock exchange overseas, it shall file the application documents for overseas issuance and listing with the CSRC for record within 3 working days after submission of such application documents for issuance and listing. A domestic enterprise who issues shares and goes public overseas may raise funds and pay dividends in foreign currency or Renminbi.

D. Increase in Share Capital

According to the PRC Company Law, where a company issues new shares, the shareholders' meeting shall pass resolutions on the following matters: the class and amount of the new stocks; the issuing price of the new stocks; the beginning and ending dates for the issuance of the new stocks; the class and amount of the new stocks to be issued to the original shareholders; in the case of issuance of no-par value shares, the amount of proceeds from the new shares issued to be credited as registered capital.

After the share capital is raised by a company making offering of shares, an announcement shall be made.

E. Reduction of Share Capital

When a company needs to reduce its registered capital: it shall prepare a balance sheet and an inventory of property. The company shall notify its creditors within 10 days from the date on which a resolution to reduce the registered capital should have been passed in a shareholders' meeting, and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. The company's creditors have the right to demand the company to settle the debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the notice has not been received.

F. Repurchase of Shares

According to the Company Law of the People's Republic of China, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorised by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within 6 months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within 3 years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading shall be adopted publicly.

The company shall not accept the shares of the company as the subject matter of the pledge.

G. Transfer of Shares

According to the Company Law of the People's Republic of China, shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. For transfer of unregistered shares, the transfer shall be effective immediately after the delivery of such shares from the shareholder to the transferee.

No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's meeting or 5 days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law of the People's Republic of China, shares issued prior to the public issuance of shares shall not be transferred within 1 year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares of our Company they hold within 1 year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor

within 6 months after their resignation from their positions with the company. The Articles of Association may impose other restrictions on the transfer of our Company's shares held by its directors, supervisors, and senior management.

H. Shareholders

Under the Company Law of the People's Republic of China and the Guidelines, the rights of holders of ordinary shares of a joint stock limited company include:

(i) to receive dividends and other distributions according to the number of shares held;

(ii) to attend the shareholders' meeting in person or by proxy and exercise the right to vote on the number of shares held;

(iii) to supervise, forward suggestions on or question our Company's operations;

(iv) transfer, donate or pledge its shares in accordance with applicable laws and regulations and the company's Articles of Association;

(v) to inspect the company's Articles of Association, register of shareholders, counterfoil of creditor's rights, minutes of shareholders' meeting, resolutions of the board of directors, resolutions of the supervisory board and financial and accounting reports;

(vi) to acquire the remaining assets of the company in proportion to its shareholding at the time of termination or liquidation;

(vii) any shareholder who has a different view on a resolution on the merger or division of our Company made by a shareholders' meeting has the right to require our Company to acquire its shares; and

(viii) any other shareholder's rights specified in the laws, regulations and company's Articles of Association.

The obligations of the shareholders include to abide by the Articles of Association of the company, to pay the subscription amount for the subscribed shares, to bear the debts and liabilities of the company to the extent of the subscription amount agreed by the shareholders for the subscribed shares, not to abuse the rights of the shareholders to damage the interests of the company or other shareholders of the company, and not to abuse the independent status and limited liability of the company as a legal person to damage the interests of the creditors of the company, and any other shareholder's obligations under the company's Articles of Association.

I. Shareholders' Meetings

The shareholders' meeting is the authority of the company, which shall exercise its functions and powers according to the PRC Company Law. The shareholders' meeting may exercise the following functions and powers:

(i) electing and replacing directors and supervisors and deciding on their remunerations;

(ii) deliberating on and approving the reports of the board of directors;

(iii) deliberating on and approving the reports of the board of supervisors;

(iv) deliberating on and approving the plans for profit distribution and making up losses of the company;

(v) making resolutions on the increase or decrease of the registered capital of the company;

(vi) making resolutions on the issuance of corporate bonds;

(vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;

(viii) amending the articles of association; and

(ix) other functions and powers as prescribed in the articles of association.

According to the PRC Company Law, an annual shareholders' meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders' meeting shall be held within 2 months:

(i) where the number of directors is less than two thirds of the number as provided for by law or the articles of association;

(ii) where the total unrecovered losses of the company reach one third of the total share capital of the company;

(iii) where the shareholders who separately or aggregately hold 10% or more of the company's shares so request;

(iv) where the board of directors deems it necessary;

(v) where the board of supervisors so proposes; or

(vi) other circumstances as provided for in the articles of association.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors. If the board of directors is unable or fails to perform the duties of convening the shareholders' meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or aggregately hold 10% or more of the shares of the company for 90 or more consecutive days may convene and preside over the meeting by themselves.

According to the PRC Company Law, the time and place of the meeting and the matters to be deliberated shall be notified to each shareholder 20 days before a shareholders' meeting is held. For an interim shareholders' meeting, a notice shall be served 15 days in advance. For issuance of bearer shares, the time and place of the meeting and the matters to be deliberated shall be announced 30 days before the meeting. The shareholders who separately or aggregately hold 1% or more of the shares of the company may, 10 days before a shareholders' meeting is held, submit an interim proposal in writing to the board of directors. The interim proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall, within 2 days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders' meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the articles of association or fails to fall into the scope of functions of the shareholders' meeting. A company that offers shares to the public shall make the notices provided for in the preceding two paragraphs by way of announcement.

According to the PRC Company Law, a shareholder who attends the shareholders' meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

The shareholders' meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the articles of association or the resolutions of the shareholders' meeting. When the shareholders' meeting elects the directors or supervisors, each shareholder is entitled to one vote per share, multiplied by the number of candidates and uses them all for one candidate for director or supervisor.

According to the PRC Company Law, a resolution made at the shareholders' meeting must be adopted by more than half of the voting rights held by the shareholders who attend the meeting. However, a resolution made at the shareholders' meeting on merger, split-up, dissolution, increasing or reducing the registered capital, change of the corporate form or modifying the articles of association shall be adopted by two thirds or more of the voting rights held by the shareholders who attend the meeting. Where the PRC Company Law and the company's articles of association provide that the transfer or acquisition of significant assets or the provision of external

guarantees by the company and the other matters must be approved by way of resolution of the shareholders' meeting, the board of directors shall convene a shareholders' meeting promptly to vote on such matters by shareholders' meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' general meeting, and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and proxy forms.

J. Board of Directors

Under the PRC Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee comprising directors on the board of directors, which shall exercise the powers and functions of the supervisory committee as provided for in the Company Law, and shall not have a supervisory board or supervisors. The audit committee shall consist of three or more members, and a majority of the members shall not hold positions other than director in the company, and shall not have any relationship with the company that may affect their independent and objective judgement. Employee representatives of the company's board of directors may be members of the Audit Committee.

The term of office of directors shall be prescribed by the company's articles of association, and each term of office shall not exceed 3 years. A director may be re-elected upon expiry of his/her term of office. If a director is not re-elected in time upon expiration of his/her term of office, or if a director resigns during his/her term of office and as a result the number of members of the board of directors is less than a quorum, the original director shall continue to perform his/her duties as a director in accordance with the provisions of the laws, administrative regulations, and the company's articles of association until a duly re-elected director assumes his/her duties as a director of the company.

Under the PRC Company Law, the board of directors may exercise its powers:

(i) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;

(ii) to implement the resolutions passed by the shareholders at the shareholders' general meetings;

(iii) to decide on the company's operational plans and investment proposals;

(iv) to formulate the company's profit distribution proposals and loss recovery proposals;

(v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;

(vii) to decide on the setup of the company's internal management organs;

(viii) to appoint or dismiss the company's managers and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;

(ix) to formulate the company's basic management system; and

(x) to exercise any other authority stipulated in the articles of association.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. An extraordinary board meeting may be proposed to be convened by shareholders representing one-tenth or more of the voting rights, one-third or more of the directors or the supervisory board. The chairman of the board of directors shall convene and preside over a meeting of the board of directors within 10 days from the receipt of such proposal. The board of directors may otherwise determine the means and the period of notice for convening an extraordinary board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorisation.

The directors shall be liable for the resolutions of the board. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the shareholders' general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company: (i) a person who is unable or has limited ability to undertake any civil liabilities; (ii) a person who has been convicted of an offense of corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes, in each case where less than 5 years have elapsed since the date of completion of the sentence, or where less than 2 years have lapsed from the date of the completion of the probationary period if having been given probation; (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of

such company or enterprise, where less than 3 years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (iv) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally liable, where less than 3 years have elapsed since the date of such revocation or closure; and (v) a person who has been classified by a People's Court as a dishonest judgement debtor as a result of failing to settle a large amount of overdue debts. If a company violates the provisions of the preceding paragraph in electing or appointing a director, the election or appointment shall be invalid. If any of the circumstances listed in the preceding paragraph occurs during a director's term of office, our Company shall terminate his or her duties.

Under the PRC Company Law, the board shall appoint a chairman and may appoint a vice chairman.

The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

K. Supervisory Board

Under the PRC Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory board, in place of a supervisory board or supervisors. Otherwise, a joint stock limited company shall have a supervisory board composed of not less than three members. The supervisory board shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or other manners of democratic election.

Each term of office of a supervisor is 3 years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

Directors and senior management members shall not act concurrently as supervisors.

The supervisory board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory board shall be elected by more than half of all the supervisors. Where the chairman of the supervisory board is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman of the supervisory board. Where the vice chairman of the supervisory board is incapable of performing, or is not performing his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the supervisory board meetings.

Each term of office of a supervisor is 3 years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

The supervisory board of the company shall be convened at least once every 6 months. Under the PRC Company Law, a resolution of the supervisory board shall be passed by more than half of all supervisors.

The supervisory board may exercise its powers:

(i) to review the company's financial affairs;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of the shareholders' general meetings;

(iii) when the acts of a director or a senior management personnel are detrimental to the company's interests, to require the director and senior management to correct those acts;

(iv) to propose the convening of extraordinary shareholders' general meetings;

(v) to submit proposals to the shareholders' general meetings;

(vi) to bring legal actions against directors and senior management personnel pursuant to the relevant provisions of the PRC Company Law;

(vii) to request directors and senior management to submit reports regarding the performance of their duties; and

(viii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

L. Manager and Senior Management

According to the PRC Company Law, senior management refers to managers, deputy managers, financial officers, secretaries to the board of a company and other personnel as stipulated in the articles of association.

A company shall have a manager, who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorisation of the board of directors. The manager shall attend the meetings of the board of directors.

M. Obligations of Directors, Supervisors and Senior Management

According to the PRC Company Law, directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. Directors, supervisors and senior management shall assume the obligation of diligence to the company, and exercise the reasonable care that shall be generally possessed by a manager, in the best interests of the company in performing their duties.

No director, supervisor or senior management may have any of the following acts:

(i) embezzling the property or misappropriating the funds of the company;

(ii) depositing the funds of the company into an account opened in his/her own name or in the name of any other individual;

(iii) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(iv) taking commissions from the transactions between the company and any other person into his/her own pocket;

(v) unlawfully disclosing the confidential information of the company;

(vi) other acts in violation of the obligation of loyalty to the company.

Where any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association.

No director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

(i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association;

(ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

The income derived by directors, supervisors, and senior management in violation of the Company Law shall belong to the company.

The directors, supervisors, and senior management who are required to attend the shareholders' meeting shall so attend and answer shareholders' inquiries.

Where any director, supervisor or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, he/she shall be liable for compensation. The shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the People's Court. If a supervisor violates a law, administrative regulations or breaches the Articles of association in performing its company duties, thereby causing the company to sustain a loss, the aforesaid shareholders may request in writing the board of directors to initiate proceedings in the People's Court. If the board of supervisors or the board of directors refuses to initiate proceedings after receipt of the written request from the shareholders as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days from the date of receipt of the request, or if the circumstances are urgent and failure to promptly initiate proceedings would cause irreparable harm to the company's interests, the shareholders mentioned in the preceding paragraph have the right, in the interests of the company, to directly initiate proceedings in the People's Court in their own name. If a third party infringes on the lawful rights and interests of the company, thereby causing the company to sustain a loss, the shareholders as mentioned in the preceding paragraph may initiate proceedings in the People's Court pursuant to the aforesaid provisions. Where the directors, supervisors or senior management of a wholly-owned subsidiary of the company violate the provisions of laws, administrative regulations or the Articles of association during the performance of their duties and cause losses to the company, or if any third parties infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the company and cause losses, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request the board of supervisors or board of directors of the wholly-owned subsidiary to initiate proceedings in the People's Court in writing or directly initiate proceedings in the People's Court in its own name in accordance with the provisions.

If a director or senior officer violates the laws, administrative regulations or breaches the Articles of association, thereby harming the interests of shareholders, such shareholders may institute initiate proceedings in the People's Court.

N. Finance and Accounting

Under the PRC Company Law, the company shall establish its own financial and accounting systems in accordance with the laws, administrative regulations and the regulations of the Ministry of Finance of the State Council. Our Company shall prepare a financial report at the end of each financial year, which shall be audited by a public accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the Ministry of Finance of the State Council.

A company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' annual general meeting. A joint stock limited company of which the shares are publicly issued must publish its financial report.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the PRC company's registered capital.

When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund as stipulated above.

After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After the company has made good its losses and made allocations to its discretionary common reserve fund, a limited liability company shall distribute its profits in proportion to the paid-in capital of the shareholders, unless all shareholders agree not to distribute profits in proportion to their capital contributions. A joint stock limited company shall distribute its profits in proportion to the number of shares held by the shareholders, unless otherwise provided for in the articles of association of the company.

The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The premium received by the company from the issuance of shares at an issue price in excess of the nominal value of the shares, proceeds from the issuance of no-par value shares not included in the registered capital, and other items as required by the Ministry of Finance of the State Council to be treated as the capital reserve fund shall

be accounted for as the company's capital reserve fund. The common reserve fund shall be used to make up for the company's losses, expand the company's business operation, or be transferred into the company's registered capital.

When applying a company's common reserve funds to make up for its losses, the discretionary capital reserve fund and statutory capital reserve fund should be the first being used; if it is still unable to make up for the losses, then the capital reserve may be used in accordance with the regulations. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's assets shall not be deposited in any account opened under the name of an individual.

O. Appointment and Dismissal of Accounting Firm

Pursuant to the PRC Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting or the board of directors in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or the supervisory board conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

P. Profit Distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory reserve fund is provided.

Q. Amendments to the Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, the registration of any change shall be made with the relevant authority.

R. Dissolution and Liquidation

Under the PRC Company Law, a company shall be dissolved for any of the following reasons: (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders have resolved at a shareholders' general meeting to

dissolve the company; (iii) the company shall be dissolved by reason of its merger or division; (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (v) the company is dissolved by a People's Court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests. In the event that a company is dissolved on the aforesaid reasons, the company shall make public the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

In the event of scenarios (i) and (ii) set out in the preceding paragraph and has not yet distributed its property to its shareholders, the company may carry on its existence by amending its articles of association or by resolution of the shareholders' meeting. The amendment to the articles of association or the resolution of the shareholders' meeting in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved under the circumstances set forth in items (i), (ii), (iv) or (v) above, it should establish a liquidation committee wherein the directors are the liquidation obligors within 15 days of the date on which the dissolution matter occurs.

The liquidation committee shall be composed of directors or any other person determined by a shareholders' general meeting. If liquidation obligors fail to fulfil their liquidation obligations in a timely manner causing losses to the company or its creditors, they shall be liable to pay compensation. If a liquidation committee is not established within the stipulated period, the company's creditors can apply to a People's Court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation. The People's Court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

(i) to sort out the company's assets and to prepare a balance sheet and an inventory of assets;

(ii) to notify the company's creditors or publish announcements;

(iii) to deal with any outstanding business related to the liquidation;

(iv) to pay any overdue tax together with any tax arising during the liquidation process;

(v) to settle the company's claims and liabilities;

(vi) to handle the company's remaining assets after its debts have been paid off; and

(vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a People's Court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a People's Court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the People's Court, the liquidation committee shall hand over the administration of the liquidation to the official receiver appointed by the People's Court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the People's Court for verification, and to the company registration authority for the cancellation of company registration.

In addition, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

S. Merger and Division

Under the PRC Company Law, a company may merge by way of absorption or by establishing a newly merged entity. If a company adopts a merger by absorption, the company being absorbed shall be dissolved; if companies adopt a merger by forming a new company, the merging parties shall be dissolved.

A merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days from the date of reception of the notification, or within 45 days from the date of the announcement if he has not received such notification, request the company to settle any outstanding debts or provide corresponding guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. The company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or the National Enterprise Credit Information Publicity System within 30 days.

Changes in the registration as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

In case of dissolution of a company, the company shall apply for cancellation of registration in accordance with the law; in case of establishment of a new company, the company shall be registered for establishment in accordance with the law.

T. Overseas Listing

According to the Overseas Listing Trial Measures, a domestic enterprise shall file its application for overseas issuance and listing with the CSRC for record within 3 working days after submitting the application documents for such issuance and listing. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border investment and financing, foreign exchange management and cross-border RMB management.

This appendix contains a summary of the main provisions of the Articles of Association approved on September 22, 2025, which will take effect on the date of Listing of H shares on the Stock Exchange. This main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, and therefore may not contain all the information that is important for potential investors.

A. GENERAL PROVISIONS

The Company is a joint stock limited liability company in perpetual existence.

From the date upon which the Articles of Association come into effect, the Articles of Association shall constitute a legally binding document governing the organization and conduct of the Company, the rights and obligations between the Company and its Shareholders and among Shareholders, and is binding upon the Company, its Shareholders, Directors, and senior management personnel. Pursuant to the Articles of Association, Shareholders may initiate legal proceedings against other Shareholders, Directors, senior management personnel of the Company; Shareholders may initiate litigation against the Company, and the Company may also initiate litigation against the Shareholders, Directors, and other senior management personnel.

B. SHARES AND TRANSFER OF SHARES

The shares of the Company shall be issued on the principles of transparency, fairness and equality, and each share of the same class shall rank *pari passu*.

For the same class of shares issued in the same tranche, each share of the same class shall be issued under the same conditions and at the same price; each subscriber shall be pay the same price for each share for which he/she subscribes for.

Equity structure of the Company is as follows: The entire share capital comprises only ordinary shares, including [•] ordinary A shares and [•] ordinary H shares.

The shares of the Company issued prior to the public issue of shares shall not be transferred within 1 year from the date of listing and trading of the shares of the Company on a stock exchange.

Directors and senior management of the Company shall declare to the Company their holdings of the Company's shares and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class of the Company held by them in each year of the period of service determined at the time of their assumption of their office; the shares held by them shall not be transferred within 1 year from the date of listing and trading of the Company's shares. The shares of the Company held by the aforesaid persons may not be transferred within 6 months after their departure from office.

If the laws, administrative regulations and listing rules of the place where the Company's shares are listed provide otherwise for restrictions on the transfer of the Company's shares, such provisions shall prevail.

If any shareholder who holds more than 5% of the Company's shares, director or senior management member of the Company sells the Company's shares or other securities with an equity nature held by them within 6 months after the date of purchase, or purchases them again within 6 months after the date of sale, the gains derived from such sale shall be attributed to the Company, and the Board of the Company shall recover the gains therefrom. However, a securities company who holds more than 5% of the shares as a result of its underwriting of untaken shares in an offer, and other circumstances stipulated by the CSRC, shall be exempted from this provision.

C. INCREASE, REDUCTION AND REPURCHASE OF SHARES

The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolution on shareholders' meeting, by way of the following:

a) Offering of shares to unspecified objects;

b) Offering of shares to specified objects;

c) Offer of bonus shares to existing shareholders;

d) Conversion of reserve into share capital;

e) Other means stipulated by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the CSRC.

The Company may decrease its registered capital. The Company shall decrease its registered capital pursuant to the Company Lasw, the Hong Kong Listing Rules, other relevant regulations and the Articles of Association.

The Company shall not repurchase its own shares, except in one of the following situations:

a) When decreasing registered capital of the Company;

b) When merging with other companies holding shares of the Company;

c) When shares are being used in the employee stock ownership plan or as equity incentive;

d) When shareholders objecting to resolutions of the shareholders' meeting concerning merger or division of the Company require the Company to acquire their shares;

e) When shares are being used to satisfy the conversion of corporate bonds issued by the Company that can be converted to shares;

f) When safeguarding corporate value and shareholders' equity as the Company deems necessary.

D. SHAREHOLDERS

Shareholders of the Company's shall enjoy the following rights:

a) The rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;

b) The rights to request to call, convene, chair, attend or appoint proxy to attend shareholders' meetings and exercise corresponding rights to speak and voting rights in accordance with laws;

c) The rights to supervise the Company's operations, put forward proposals or raise enquiries;

d) The rights to transfer, gift or pledge the shares held in accordance with the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the provisions of the Articles of Association;

e) The rights to review and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of board meetings and financial and accounting reports. Eligible shareholders can examine account books and accounting documents of the Company;

f) The rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;

g) The rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the Company;

h) Other rights conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed (including, *inter alia*, Chapters 14 and 14A of the Hong Kong Listing Rules), or the Articles of Association.

Shareholders of the Company shall have the following obligations:

a) To abide by laws, administrative regulations and the Articles of Association;

b) To pay for the shares based on the shares subscribed for and the manners in which they became shareholder;

c) Not to withdraw their paid share capital except in circumstances allowed by laws and regulations;

d) Not to abuse shareholder's rights and harm the interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the interests of creditors of the Company;

e) Other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

E. SHAREHOLDERS' MEETING

General Provisions

The shareholders' meeting shall comprise all the shareholders. The shareholders' meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with laws:

a) To elect and replace the directors, and to decide on matters relevant to remuneration of directors;

b) To consider and approve reports of the Board;

c) To consider and approve the profit distribution plan and loss recovery plan of the Company;

d) To determine the increases or decrease of the registered capital of the Company;

e) To determine the issuance of corporate bonds by the Company;

f) To determine matters such as the merger, division, dissolution, liquidation or change;

g) To amend the Articles of Association;

h) To determine the appointment of, removal of an auditor which undertakes the Company's audit engagements by the Company;

i) To consider and approve guarantees specified in Article 4y of the Articles of Association;

j) To consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within 1 year;

k) To review and approve the change of the purpose for raising funds;

l) To consider share incentive plans and the employee stock ownership plan;

m) The annual shareholders' meeting of the Company may authorize the Board to approve the issuance of shares with a total financing amount of not more than RMB300 million and not more than 20% of the net assets as at the end of the latest year to specific subscriber(s), and such authorization shall expire on the date of the annual shareholders' meeting for the next year;

n) To review other matters which, in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed (including, *inter alia*, Chapters 14 and 14A of the Hong Kong Listing Rules), or the provisions of the Articles of Association, shall be approved at a shareholders' meeting.

The shareholders' meeting may authorize the Board to resolve matters in relation to corporate bond issuance.

Unless otherwise stipulated by laws, administrative regulations, the provisions of the CSRC or the rules of Shenzhen Stock Exchange, the functions and powers of the shareholders' meeting mentioned above shall not be delegated to the Board or any other body or individual.

Shareholders' meetings are divided into annual meetings and extraordinary meetings. Annual meetings are held once every year and within 6 months from the end of the preceding accounting year.

The Board shall convene an extraordinary meeting within 2 months after the occurrence of any one of the following circumstances:

a) Where the number of Directors is less than the number stipulated in the Company Law or is no more than two-thirds of the number required by the Articles of Association;

b) Where the accrued losses of the Company amount to one-third of its total paid-up share capital;

c) Where shareholders holding 10% or more of the Company's issued shares (including, *inter alia*, preference shares with voting rights restored) make a request to convene an extraordinary meeting;

d) Where the Board considers it necessary;

e) Where the audit committee proposes to call for such a meeting;

f) Other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed (including, *inter alia*, Chapters 14 and 14A of the Hong Kong Listing Rules) or the Articles of Association.

Convening of Shareholders' Meetings

The Board shall convene the shareholders' meeting on time within the prescribed time limit. With the consent of a majority of all independent directors, the independent directors shall be entitled to propose to the Board to convene an extraordinary meeting. Regarding the proposal of the independent directors to convene an extraordinary meeting, the Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the proposal.

When the audit committee proposes to the Board to convene an extraordinary meeting, it shall put forward its proposal to the Board in writing. The Board shall, pursuant to laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the proposal. If the Board does not agree to hold the extraordinary meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the shareholders' meeting, and the audit committee may convene and preside over the meeting by itself.

Shareholder(s) severally or jointly holding 10% or above shares (including, *inter alia*, preference shares with voting rights restored) of the Company shall put forward a written request to the Board for convening an extraordinary meeting. The Board shall, pursuant to laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, give a written reply on whether to convene the extraordinary meeting or not within 10 days after receipt of the proposal. If the Board does not agree to hold the extraordinary meeting or fails to give a reply within 10 days after receipt of the request, shareholder(s) severally or jointly holding 10% or above shares (including, *inter alia*, preference shares with voting rights restored) of the Company shall put forward a written request to the audit committee for convening an extraordinary meeting. In the case of failure to issue the notice for the shareholders' meeting within the term stipulated (i.e. within 5 days after receipt of the request), the audit committee shall be deemed as failing to convene and preside over the shareholders' meeting. Shareholder(s) severally or jointly holding 10% or above shares (including, *inter alia*, preference shares with voting rights restored) of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

Where the audit committee or shareholders decide to convene a shareholders' meeting by itself/themselves, it/they shall notify the Board in writing and file with the Shenzhen Stock Exchange. The shareholding (including, *inter alia*, preference shares with voting rights restored) of shareholders who convene the shareholders' meeting shall be no less than 10% before a resolution passed at the shareholders' meeting is announced. The audit committee or the convening shareholders shall, when the notice of shareholders' meeting is issued and a resolution made at the shareholders' meeting is announced, submit relevant evidential documents to the Shenzhen Stock Exchange.

Proposals and Notices of Shareholders' Meetings

Where the Company convenes a shareholders' meeting, the Board, the audit committee, shareholder(s) severally or jointly holding 1% or above shares (including, *inter alia*, preference shares with voting rights restored) of the Company may make proposals to the Company.

Shareholder(s) severally or jointly holding 1% or above shares (including, *inter alia*, preference shares with voting rights restored) of the Company may submit written provisional proposals to the convener 10 days before a shareholders' meeting is convened. The convener shall serve a supplementary notice of shareholders' meeting within 2 days after receipt of a proposal, and announce the contents of the proposal on the agenda, and submit the provisional proposal to the shareholders' meeting for review, except for any proposal that violates the provisions of laws, administrative regulations, or the Articles of Association, or any proposal that falls outside the purview of the shareholders' meeting. If, in accordance with the securities regulatory rules of the place where the shares of the Company are listed, the shareholders' meeting must be postponed due to the publication of a supplementary notice, the convening of the shareholders' meeting shall be postponed as required by such securities regulatory rules.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice announcement is served.

When the convener convenes an annual meeting, a notification in written form (including announcement) of the meeting shall be given 21 days before the date of the meeting to inform all of the shareholders, and when the convener convenes an extraordinary meeting, a notification in written form (including announcement) of the meeting shall be given 15 days before the date of the meeting to inform all of the shareholders.

Holding of Shareholders' Meetings

Shareholders including all ordinary shareholders (including the holders of preference shares with voting rights restored) and shareholders holding special voting shares listed on the register of shareholders on the shareholding record date or their proxies shall be entitled to attend the shareholders' meeting and speak and vote at the shareholders' meeting in accordance with relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association (unless individual shareholders are required to abstain from voting on certain matters under the securities regulatory rules of the place where the shares of the Company are listed).

Shareholders may attend the shareholders' meeting in person or they may appoint proxies to attend. speak and vote on their behalf. A proxy does not need to be a shareholder of the Company.

The chairman of the Board shall preside over the shareholders' meeting. In the event that the chairman of the Board is unable or fails to perform his duties, the vice chairman shall preside over the meeting. In the event that the vice chairman of the Board is unable or fails to perform his duties, more than half of the directors shall designate a director to chair the meeting.

If a shareholders' meeting is convened by the audit committee, the convener of the audit committee shall preside over the meeting. If the convener of the audit committee is unable or fails to discharge his duties, more than half of the members of the audit committee shall designate a member of the audit committee to preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener will preside over the meeting or he/she will nominate a representative to preside over the meeting.

When a shareholders' meeting is convened, if the chairman of the meeting contravenes the rules of procedures, rendering the shareholders' meeting impossible to proceed, with the consent from half or more of the attending shareholders with voting rights, one person may be nominated at the shareholders' meeting to serve as the chairman and the meeting may proceed.

The convener shall ensure that the shareholders' meeting be conducted continuously until final resolutions are made. If the shareholders' meeting is suspended or resolutions cannot be made because of force majeure and other special causes, the convener shall take necessary measures to resume the shareholders' meeting or directly terminate that shareholders' meeting as soon as practicable followed by a timely public announcement. At the same time, the convener shall report to the CSRC branch at the location of the Company and the stock exchanges on which the shares of the Company are listed.

Voting and Resolutions of Shareholders' Meetings

Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, votes representing more than half of the voting rights represented by the shareholders present at the shareholders' meeting (including shareholders who have appointed proxies to attend the meeting) must be exercised in favour of the resolution for it to be passed.

The following matters shall be resolved by way of an ordinary resolution of the shareholders' meeting:

a) Work reports of the Board;

b) Plans for the distribution of profits and making up of losses drafted by the Board;

c) Appointment or dismissal of the members of the Board, remuneration and payment methods thereof;

d) Matters other than those that laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be passed by way of a special resolution.

To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders present at the shareholders' meeting (including shareholders who have appointed proxies to attend the meeting) must be exercised in favour of the resolution for it to be passed.

The following matters shall be resolved by way of a special resolution of the shareholders' meeting:

a) Increase or reduction of the Company's registered capital;

b) Division, spin-off, merger, dissolution and liquidation of the Company;

c) Amendment of the Articles of Association;

d) Any purchase or disposal of substantial assets made or guarantee provided to others by the Company within 1 year, the amount of which exceeds 30% of the latest audited total assets of the Company;

e) Share incentive plans;

f) Matters as required by laws, administrative regulations or the Articles of Association, or other matters that, as resolved by way of an ordinary resolution of the shareholders' meeting, may have a significant impact on the Company and require adoption by way of a special resolution.

The following external guarantees to be given by the Company shall be examined and approved by the shareholders' meeting:

a) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;

b) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;

c) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 30% of the latest audited total assets of the Company;

d) An entity who is the subject of a guarantee provided by the Company reports a liability-to-asset ratio exceeding 70% according to its latest financial statements;

e) The aggregate amount of guarantees provided by the Company within the last 12 months exceeds 30% of the latest audited total assets of the Company;

f) Provision of guarantees to the shareholders, de facto controllers and their related parties;

g) Other matters of external guarantees that should be determined by a shareholders' meeting in accordance with relevant laws, regulations, or securities regulatory rules of the place where the shares of the Company are listed;

h) Other guarantee circumstances as stipulated by the Shenzhen Stock Exchange or the Articles of Association.

External guarantees subject to approval by shareholders' meeting shall be considered and passed by the Board before submitting to the shareholders' meeting for approval. In respect of a guarantee under item c) above being considered in a shareholders' meeting, it shall be approved by no less than two-thirds of the voting rights held by the shareholders present at the meeting. In respect a guarantee under item f) above being considered in a shareholders' meeting, the relevant shareholder or the shareholders controlled by the actual controller shall not participate in the voting, and such proposal shall be adopted by a majority of votes by other shareholders present at the meeting. In the event that a shareholders' meeting or the Board violates any approval authority and review procedures during the process of considering an external guarantee, the liable parties shall be held accountable.

The following instances of financial assistance of the Company shall be considered by a shareholders' meeting upon consideration and approval by the Board:

a) A single financial assistance amount exceeds 10% of the Company's latest audited net assets;

b) The latest liability-to-asset ratio of the recipient of financial assistance exceeds 70%;

c) The aggregate amount of financial assistance within the last 12 months exceeds 10% of the latest audited net assets of the Company;

d) Other circumstances as stipulated by the Shenzhen Stock Exchange or the Articles of Association.

If the recipient of the financial assistance is a subsidiary within the scope of the Company's consolidated statements and is owned as to over 50% by the Company, and the other shareholders of the subsidiary do not include the Company's controlling shareholder, actual controlling party and its related parties, the preceding provisions shall not apply. The Company shall not provide financial assistance to any related parties, except for financial assistance that is provided to a non-controlled affiliated company (excluding entities controlled by controlling shareholders and actual controllers of the Company) where the other shareholders of the affiliated company will also provide financial assistance on the same conditions in proportion to their capital contributions.

The transactions of the Company (other than provision of guarantees or financial assistance) that meet one of the following criteria shall be proposed at a shareholders' meeting for consideration:

a) The total assets involved in the transaction (whichever is higher in case both book value and appraised value of such assets are available) accounts for more than 50% of the Company's latest audited total assets;

b) The net assets related to the subject of the transaction (e.g., equity interest) (whichever is higher in case both book value and appraised value of such assets are available) accounts for more than 50% of the Company's latest audited net assets and exceeds RMB50 million in absolute amount;

c) The operating revenue related to the subject of the transaction (e.g., equity interest) in the latest fiscal year accounts for more than 50% of the audited operating revenue of the Company in the latest fiscal year and exceeds RMB50 million in absolute amount;

d) The net profit related to the subject of the transaction (e.g., equity interest) in the latest fiscal year accounts for more than 50% of the audited net profit of the Company in the latest fiscal year and exceeds RMB5 million in absolute amount;

e) The concluded transaction amount (including liabilities and expenses incurred) accounts for more than 50% of the latest audited net assets of the Company, and exceeds RMB50 million in absolute amount;

f) The profit generated from the transaction accounts for more than 50% of the audited net profit of the Company in the latest fiscal year, and exceeds RMB5 million in absolute amount.

For the purposes of the above calculations, any negative values shall be treated as their absolute values. For a transaction in which the Company receives unilateral benefits (including gifts of assets in cash and debt reduction or relief, etc.), or where a transaction of the Company only meets the standards as set out in the item d) or item f)

above, and the absolute value of the earnings per share in the latest fiscal year of the Company is less than RMB0.05, it may be exempted from the review and approval procedures at a shareholders' meeting.

The scope of matters involved in the aforementioned transaction, the standards for calculating the transaction amount, and other required procedures, shall all be carried out in accordance with the relevant provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange. Shareholders (including shareholders who have appointed proxies to attend the shareholders' meeting) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share (except for shareholders of class shares).

Where material issues affecting the interests of small and medium investors are being considered at the shareholders' meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

If a shareholder purchases shares of the Company with voting rights, which is in violation of the provisions of Paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not be allowed to exercise voting rights for 36 months after the purchase, and shall not be counted in the total number of shares with voting rights attending a shareholders' meeting.

Pursuant to the applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a particular resolution or is allowed only to vote for (or against) a particular resolution, the number of votes cast by such shareholder or his proxy in breach of the relevant requirements or restrictions shall not be included in the total number of voting shares.

The Board, independent directors and shareholders holding more than one percent of the voting shares of the Company or investor protection institutions established in accordance with laws, administrative regulations or the CSRC may collect voting rights from shareholders. Shareholders' voting rights shall be solicited with sufficient disclosure of the concrete voting intention to the owner of the voting rights. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not set a minimum shareholding ratio threshold for soliciting the voting rights.

Shareholders attending a shareholders' meeting shall provide one of following opinions on the proposals to be voted on: for, against or abstain, except for the securities registration and clearing institution which, as the nominee of shares under the stock connect mechanism between Mainland China and Hong Kong stock markets, shall make declaration according to the intentions of actual holders.

The resolutions passed at a shareholders' meeting shall be announced timely. The announcement shall contain the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of such share to the total number of voting shares of the Company, the voting method, the voting result of each proposal and the details of each resolution passed.

Where domestically-listed foreign shares and class shares are issued, the Company shall maintain record on respective statistical figures on the holders of domestic and foreign shares, and ordinary shareholders (including holders of preference shares with voting rights restored) and class shareholders present at the meeting, as well as their voting, and an announcement thereon shall be made.

F. DIRECTORS

Directors shall be elected or changed by the shareholders' meeting, and may be removed from his office by the shareholders' meeting by an ordinary resolution prior to the maturity of his term. The term of office of a director is 3 years and are eligible for re-election at the end of his term in accordance with the securities regulatory rules of the place where the shares of the Company are listed. In the event that the Board is reorganized due to a change in the Company's controlling interest, the proportion of directors replaced each year shall not exceed 1/3 of the total number of Board members, except where more than 1/3 of the directors' terms have expired in that year. Subject to compliance with the relevant laws, regulations, and securities regulatory rules of the stock exchange where the Company's shares are listed, a director may be removed from office by an ordinary resolution of shareholders at shareholders' meeting before the expiration of his term of office, but such removal shall be without prejudice to any claim for damages that such director may have under any contract.

A director's term of service commences from the date he takes office, until the current term of service of the Board ends. A director shall continue to perform his duties as a director in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed (including, *inter alia*, Chapters 14 and 14A of the Hong Kong Listing Rules), and the Articles of Association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office.

To the extent that it does not violate relevant laws, regulations and securities regulatory rules, any person appointed as a director by the Board to fill certain casual vacancy or to be addition to the members of the Board shall only take office until the next annual shareholders' meeting from the appointment, and shall then be eligible for re-election.

A director may hold a concurrent post of senior management, provided that the total number of directors who are serving concurrently as senior management and directors who are representatives of the employees (if any) shall not exceed half of the total number of the Company's directors.

A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Company. The resignation shall take effect on the day when the Company receives the resignation report, and Company shall make relevant disclosure within 2 business days.

If the number of Board members falls below the minimum statutory requirement due to a director's resignation, the former directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected directors.

The Company shall establish the director turnover management system, which stipulates the protective measures on the accountability and claiming of unfulfilled public commitments and other matters. When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His fiduciary duties towards the Company and the shareholders do not necessarily cease after the effective date of his resignation or the end of his term of service. The liability of the outgoing director arising from the performance of his duties during his tenure of office shall not be waived or terminated by reason of his resignation.

G. BOARD OF DIRECTORS

The Company shall have a Board, comprising 11 directors and shall have one Chairman and one vice chairman. The Chairman and vice chairman shall be elected by a simple majority of votes of all directors.

The Company shall have at least 3 independent directors, and they shall comprise of more than one-third of the members of the Board. At least one of them shall be a qualified accounting professional as stipulated by the securities regulatory rules of the place where the shares of the Company are listed. Independent directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, earnestly perform their duties, play the roles of participating in decision-making, supervising, checking and balancing, and professional consultation in the board of directors, safeguard the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders.

The Board shall exercise the following functions and powers:

a) To convene shareholders' meeting and report to shareholders' meeting;

b) To implement resolutions of shareholders' meeting;

c) To resolve on the Company's business plans and investment plans;

d) To prepare the profit distribution plan and loss makeup plan of the Company;

e) To formulate proposals for the Company in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;

f) To formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;

g) To determine, within the authority granted by the shareholders' meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external donations, etc.;

h) To decide on the establishment of internal management organizations of the Company;

i) To decide to appoint or dismiss the general manager and secretary to the Board and other senior management members of the Company, and to determine their remunerations, rewards and penalties; to decide to appoint or dismiss senior management officers including deputy general manager(s) and financial controller (the person in charge of finance) of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;

j) To set up the basic management system of the Company;

k) To formulate the proposals for any amendment to the Articles of Association;

l) To manage information disclosure of the Company;

m) To propose to the shareholders' meeting the appointment or replacement of the accounting firms which provide audit services to the Company;

n) To listen to work reports of the general manager and review his/her work;

o) To exercise other functions and powers as stipulated by laws, administrative regulations, department rules, the Articles of Association or shareholders' meetings.

Matters beyond the scope of authorization of the shareholders' meeting should be submitted to the shareholders' meeting for consideration.

The Board shall formulate stringent examination and approval system to determine the following authority with respect to external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, financial assistance, entrusted wealth management, connected transactions and external donations of the Company. Specialists or professionals shall be retained to evaluate major investment projects and report to shareholders' meeting for approval.

a) The transactions of the Company (other than provision of guarantees or financial assistance) that meet one of the following criteria shall be submitted to the Board for review and approval:

i. The total assets involved in the transaction (whichever is higher in case both book value and appraised value of such assets are available) accounts for more than 10% of the Company's latest audited total assets;

ii. The net assets related to the subject of the transaction (e.g., equity interest) (whichever is higher in case both book value and appraised value of such assets are available) accounts for more than 10% of the Company's latest audited net assets and exceeds RMB10 million in absolute amount;

iii. The operating revenue related to the subject of the transaction (e.g., equity interest) in the latest fiscal year accounts for more than 10% of the audited operating revenue of the Company in the latest fiscal year and exceeds RMB10 million in absolute amount;

iv. The net profit related to the subject of the transaction (e.g., equity interest) in the latest fiscal year accounts for more than 10% of the audited net profit of the Company in the latest fiscal year and exceeds RMB1 million in absolute amount;

v. The concluded transaction amount (including liabilities and expenses incurred) accounts for more than 10% of the latest audited net assets of the Company, and exceeds RMB10 million in absolute amount;

vi. The profit generated from the transaction accounts for more than 10% of the audited net profit of the Company in the latest fiscal year, and exceeds RMB1 million in absolute amount.

For the purposes of the above calculations, any negative values shall be treated as their absolute values.

b) Any provision of external guarantee by the Company shall comply with the following requirements:

i. For external guarantees that require approval by the shareholders' meeting as stipulated in the Articles of Association, they must first be reviewed and approved by the Board before submission to the shareholders' meeting for approval;

ii. Except for those external guarantees specified in paragraph (a) of this article that must be approved by the shareholders' meeting, all other external guarantees of the Company shall only be implemented after review and approval by the Board;

iii. For review of external guarantee by the Board, in addition to it being considered and approved by a simple majority of all directors, it shall be considered, agreed and resolved to implement by more than two-thirds of directors present at the Board meeting, and be publicly disclosed in a timely manner. For provision of guarantee by a related party, in addition to it being considered and approved by a simple majority of all non-related directors, it shall be considered, agreed and resolved to implement by more than two-thirds of non-related directors present at the Board meeting, and be subject to approval by a shareholders' meeting. Where the Company provides guarantee to a controlling shareholder, de facto controller and its related party, a counter-guarantee shall be given by such controlling shareholder, de facto controller and related party.

c) The Board's scope of authority for financial assistance: For provision of financial assistance by the Company, in addition to it being considered and approved by a simple majority of all directors, it shall be considered, agreed and resolved to implement by more than two-thirds of directors present at the Board meeting, and be publicly disclosed in a timely manner. Financial assistance within the meaning under Article 47 shall be subject to approval by a shareholders' meeting after being approved by the Board.

d) The Board's scope of authority for entrusted wealth management: If the cumulative entrusted wealth management amount within 12 consecutive months does not reach the thresholds requiring submission to the shareholders' meeting for approval, such matters shall be approved by the Board.

i. The total amount of entrusted wealth management accounts for more than 50% of the Company's latest audited total assets;

ii. The total amount of entrusted wealth management accounts for more than 50% of the Company's latest audited net assets and exceeds RMB50 million in absolute amount;

iii. The profits generated from entrusted wealth management account for more than 50% of the Company's audited net profit for the latest fiscal year and exceeds RMB5 million in absolute amount.

e) The Board's scope of authority for asset mortgage: For short-term or long-term loans obtained by the Company through asset mortgage, the aggregate amount of asset mortgage within 1 year shall in principle not exceed 50% of the Company's latest audited net assets. Asset mortgage exceeding 50% of the Company's latest audited net assets shall be subject to approval by a shareholders' meeting after being approved by the Board.

f) With the exception of related guarantees, transactions between the Company and related parties that meet any of the following criteria shall be subject to a review procedure by the Board after obtaining the consent of over half of all independent directors and shall be disclosed in a timely manner:

   i. Transactions with related natural persons where the transaction amount exceeds RMB300,000;

   ii. Transactions with related legal persons (or other organizations) where the transaction amount exceeds RMB3 million and accounts for more than 0.5% of the Company's latest audited net assets by absolute value.

   With the exception of related guarantees, a listed company's transaction with related parties exceeding RMB30 million and accounting for more than 5% of the company's latest audited net assets by absolute value shall be disclosed in a timely manner and submitted to the shareholders' meeting for approval. If it falls within the requirements under Article 6.1.6 of the Shenzhen Stock Exchange Listing Rules, an audit or appraisal reports for such transaction shall also be disclosed.

g) Authority of the Board regarding external donations: External donations made by the Company and its subsidiaries in each fiscal year, including cash donations and donations of physical assets (valued at net book value), shall comply with the following approval procedures:

   i. Donation with a cumulative amount exceeding RMB1 million shall be approved by the Board;

   ii. Donation with a cumulative amount exceeding RMB5 million shall be approved by the shareholders' meeting.

h) The Board may authorize the Company's general manager's office to decide matters related to external investments, asset disposals, and external donations of its subsidiaries according to the Company's operational needs. However, if such matters fall within the authority of the Board, they must be submitted to the Board for review.

The chairman of the Board shall exercise the following powers:

a) To preside over shareholders' meetings, and convene and preside over meetings of the Board;

b) To supervise and check the implementation of resolutions passed by the Board;

c) To exercise other powers as stipulated in the Articles of Association, shareholders' meeting, the Board or by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and other powers and authorities as conferred by the Board.

The vice chairman of the Company shall assist the chairman. Where the chairman is unable to or does not perform the duty, the vice chairman shall perform the duty, where the vice chairman is unable to or does not perform the duty, a director nominated by more than half of the directors shall perform the duty..

Board meetings include regular meetings and extraordinary meetings. Regular board meetings shall be held at least four times a year and shall be convened by the chairman. Notice of a regular board meeting shall be given to all directors at least 14 days in advance. Regular board meetings shall not include board approvals obtained through circulation of written resolutions.

An extraordinary board meeting may be held by request of shareholders representing more than one-tenth of the voting rights or by request of more than one-third directors or the audit committee. The chairman shall convene and preside over a board meeting within 10 days after receipt of the proposal.

A notice of extraordinary board meeting shall be given by personal delivery, electronic mail (email) or facsimile (fax). In case of emergency, telephone notice may be given first, followed by a written notice afterward. The time limit for delivery of such notice is at least 2 days before the meeting (exclusive of the meeting day). In case of emergency that an extraordinary board meeting is required to be convened, the above time limit may be waived and notice may be served by telephone, email or other means at any time, provided that the convener shall give an explanation on such urgency at the meeting.

The board meeting shall be held upon the attendance of more than half of directors. A resolution of the Board must be passed by more than half of all directors of the Company. If the Articles of Association and the relevant laws, regulations and regulatory documents, or securities regulatory rules of the place where the shares of the Company are listed provide otherwise in this matter, such provisions shall prevail.

Resolutions of the Board shall be voted by directors with each director having one vote.

Resolutions of the Board shall be decided by way of poll.

Unless otherwise required by the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, the convening of and voting in meetings of the Board may be conducted in person or via video conferencing. Extraordinary board meetings may be held, and resolutions be put to vote, through telecommunication means, provided that directors are given sufficient opportunity to fully express their opinions, with the resolutions be signed by participating directors.

If any director has connection with the enterprise or any individual involved in the resolution made at a board meeting, such director shall promptly file a written report to the Board. The connected director shall not vote on the said resolution for himself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected

directors attending the meetings is less than 3, the issue shall be submitted to the shareholders' meeting for consideration. Should there be additional restrictions on directors' attending of and voting in board meetings imposed by the laws, regulations and securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

H. AUDIT COMMITTEE AND OTHER SPECIAL COMMITTEES UNDER THE BOARD

The Board shall establish an audit committee to exercise the powers and functions of the board of supervisors as stipulated in the Company Law.

The audit committee shall consist of five members, all being non-executive directors not holding senior management positions within the Company. At least one independent director shall be an accounting professional who meets the requirements of the Hong Kong Listing Rules regarding independent non-executive directors possessing appropriate professional qualifications or accounting or related financial management expertise. Independent directors shall constitute the majority of the audit committee, and the accounting professional among the independent directors shall serve as the convenor.

The audit committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the board of directors for consideration with the consent by more than half of all members of the audit committee:

a) Disclosure of financial information in the financial accounting reports and regular reports, and the evaluation reports on internal control;

b) Engagement or dismissal of the accounting firm that conducts auditing for the Company;

c) Appointment or dismissal of the person in charge of the Company's finance;

d) Changes in accounting policies, accounting estimates or correction of significant accounting errors for reasons other than changes in accounting standards;

e) Other matters as stipulated under the laws, administrative regulations, provisions of the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The audit committee shall meet at least once every quarter. The audit committee may convene an extraordinary meeting upon the proposal of two and more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

Resolutions of the audit committee shall be passed by more than half of the members of the audit committee.

Each member of the audit committee shall have one vote for any voting to be resolved by the audit committee.

The Board of the Company has set up the strategy committee, the nomination committee, the remuneration and appraisal committee and other special committees, which shall be accountable to the board of directors and perform their duties in accordance with the Articles of Association and the authorization of the board of directors. Proposals of the special committees shall be submitted to the board of directors for consideration and decision. The special committees shall be formed entirely by the directors of the Company. A majority of the members of the nomination committee, and the remuneration and appraisal committee, shall be independent directors, and the convenor of each such committee shall also be an independent director. The Board shall be responsible for formulating the rules of procedure of the special committees.

I. SENIOR MANAGEMENT

The Company shall have one general manager who shall be appointed or dismissed by the Board. The Company shall have a number of deputy general managers who shall be appointed or dismissed by the Board. The Company shall have a secretary of the board of directors.

General Manager and Deputy General Manager

The term of office of the general manager shall be 3 years, renewable upon re-appointment.

The general manager, who reports to the Board, may exercise his/her powers:

a) To manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the Board and report to the board of directors;

b) To arrange for the implementation of the Company's annual operation plans and investment proposals;

c) To formulate proposals for the establishment of the Company's internal management organs;

d) To formulate the fundamental management system of the Company;

e) To formulate the Company's specific rules and regulations;

f) To recommend the appointment or dismissal of any deputy manager and any financial controller (the person in charge of finance) of the Company to the Board;

g) To appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board);

h) To formulate the wages, benefits, incentives and disciplinary measures for employees that do not require Board approval, and decide on the hiring and dismissal of employees whose employment matters do not require Board approval;

i) To exercise any other authority granted by the Articles of Association or the Board.

The general manager shall be present at meetings of the Board.

The general manager's office is authorized by the Board to exercise the following powers:

a) To make decisions on the Company's long-term and short-term borrowings, with the cumulative balance within 1 year not exceeding 30% of the Company's latest audited net assets;

b) To recommend and/or propose the replacement of directors and supervisors of subsidiaries;

c) To exercise other powers granted by the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or the Board.

Deputy general manager shall be appointed and dismissed by the Board upon such matter being proposed by the general manager. A deputy general manager is responsible for assisting the general manager, exercising the general manager's powers on behalf of the general manager under authorization from the Board or the general manager, and managing the departments assigned to him.

Secretary of the Board

The secretary of the Board shall be responsible for preparing the shareholders' meeting and board meetings of the Company, keeping relevant documents, managing the information of shareholders of the Company, dealing with information disclosure related matters and others.

J. FINANCIAL AND ACCOUNTING SYSTEM

In distributing the after-tax profit of the current year, the Company shall withdraw 10% of the profit as its statutory reserve funds. When the aggregate amount of the statutory reserve funds of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from the after-tax profit, the Company may, subject to a resolution of the shareholders' meeting, withdraw the discretionary reserve funds from the after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings, unless otherwise provided for in the Articles of Association.

Where the shareholders' meeting, in violation of the Company Law, distributes the profits to the shareholders, the shareholders must return the profits distributed in violation of the provisions to the Company. In case of losses caused to the Company, the shareholders and the responsible directors and senior management officers shall be liable for compensation.

The shares of the Company held by it are not entitled to any profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for H Shareholders. The receiving agent shall receive and safekeep the dividends and other amounts payable by the Company in respect of the H shares on behalf of the H shareholders concerned, pending payment to such H shareholders. The receiving agent appointed by the Company shall comply with the requirements of laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

Reserve funds of the Company shall be used for making up for the losses, business expansion for operation or registered capital replenishment of the Company.

When using the reserve funds to make up for the losses of the Company, the discretionary reserve funds and the statutory reserve funds shall be used first; if the losses still cannot be made up, the capital reserve funds can be used in accordance with the requirements.

When the statutory reserve funds are converted into registered capital, the remaining amount of such reserve funds shall not be less than 25% of the registered capital of the Company before the conversion.

Decision-making procedures and mechanism of profit distribution of the Company are as the follows:

a) The Company's annual profit distribution plan shall be proposed and formulated by the Board based on the provisions of the Articles of Association, its profitability, capital availability and demand. In considering the specific plans for distribution of cash dividends, the Board shall carefully study and deliberate the timing, conditions, minimum ratio, conditions for adjustment and requirements for decision-making procedure and other matters in respect of the Company's distribution of cash dividends, which shall be submitted to the shareholders' meeting for consideration upon approval by the Board.

b) The dividend distribution scheme put forward by the Board shall be resolved at the shareholders' meeting according to laws and regulations. Prior to the deliberation of the specific scheme of the cash dividend at the shareholders' meeting, the Company shall communicate with the shareholders, especially the medium and small shareholders through various channels, fully listen to the opinions and demands of medium and small shareholders, and timely answer the questions which medium and small shareholders are concerned with. The Company shall provide online voting platforms to its shareholders in addition to on-site meeting when it holds a shareholders' meeting. In order to effectively protect the rights of public shareholders to participate in shareholders' meetings, the Board, the independent directors and shareholders who meet relevant regulatory requirements may solicit voting rights from the Company's shareholders at the shareholders' meetings.

c) Where the Company fails to distribute dividends in cash due to the special circumstances, the Company shall disclose in the announcement on Board resolutions and the full text of annual report and make special explanations on the reasons for not declaring the cash dividend or declaring a cash dividend below the stipulated percentage, the accurate usage of the retained profits of the Company, projected investment earnings and other relevant issues, and submit such explanations to the shareholders' meeting for consideration.

d) Where the Company deems it necessary to adjust its profit distribution policy due to factors such as investment planning, actual business operations, social capital costs, external financing environment, shareholder wishes and requirements, and significant changes in production and operation conditions, it should do so with the protection of shareholders' rights and interests as its priority. The reasons for the adjustment should be thoroughly demonstrated and explained in detail. The Board shall propose a profit distribution adjustment plan based on the actual situation, which shall be submitted to the shareholders' meeting for approval. Any adjustment to the dividend policy shall be approved by more than two-thirds of the voting rights represented by shareholders present at the shareholders' meeting.

   When the Board considers the formulation or amendment of profit distribution-related policies, such decisions shall be approved by more than half of all directors before being submitted to the shareholders' meeting for consideration. When the shareholders' meeting considers on the formulation or amendment of profit distribution-related policies, approval must be obtained from shareholders (including proxies) representing more than two-thirds of the voting rights of those present at the meeting.

e) After the profit distribution plan is resolved at the shareholders' meeting or a specific plan is formulated by the Board based on the interim dividend distribution conditions and upper limit for next year considered and approved at the annual shareholders' meeting, the Board shall complete the distribution of dividends (or shares) within 2 months. Upon occurrence of any illegal appropriation of the Company's funds by shareholders, the Company shall

deduct the cash dividends to be distributed to such shareholders to make up for the funds appropriated by such shareholders. The Company's profit distribution policies are as follows:

The Company adopts consistent and stable profit distribution policies, which should prioritise providing investors with a reasonable return on investment while taking into account the Company's legitimate capital requirements. Such distribution shall however not exceed the scope of the Company's accumulated distributable profits and shall not undermine the Company's ability to continue as a going concern.

a) The Company's profit distribution adheres to the following principles:

i. Distribution in accordance with statutory conditions and order;

ii. Equal rights and benefits for shareholders of the same class;

iii. No profit distribution on shares held by the Company itself.

b) Form of profit distribution

The Company may distribute its profits in the form of cash, shares, or by the combination of cash and shares. In distributing dividends, the Company shall prioritize cash dividends. Provided that the Company's normal operating capital requirements are met, it should actively distribute profits in the form of cash dividends.

At an annual shareholders' meeting, the proposal for annual profit distribution will be reviewed and may include the conditions for approval, maximum proportion and maximum amount for the following year's interim cash dividend. The upper limit of the interim dividend approved at the annual shareholders' meeting for the following year shall not exceed the net profit attributable to the Company's shareholders for the corresponding period. The Board will formulate a specific interim dividend plan in accordance with the shareholders' meeting resolution, subject to the conditions for profit distribution being met.

c) Conditions and proportion of the Company's profit distribution

i. Conditions and proportion for cash distribution

The Company's distributable profit for the year (i.e. the after-tax profit remaining after covering losses and allocating to reserves) should be positive; the audit firm shall have issued an unqualified audit report on the Company's financial statements for the year; and the company shall have no significant investment plans or major cash expenditures. Under these circumstances, the Company should distribute dividends in cash.

A significant investment plan or major cash expenditure refers to proposed external investments, asset acquisitions, or equipment purchases within the next 12 months, with cumulative expenditures reaching or exceeding 30% of the Company's latest audited net assets.

The Company's cumulative profit distribution made in cash over the past 3 years should be no less than 30% of the average annual distributable profit realised over the same period. Provided that such conditions for cash dividends are met, the Board shall, taking into account such factors as characteristics of the sector, stage of development, the Company's business model, profitability, and whether there are significant planned capital expenditures, distinguish between the following scenarios and propose differentiated cash dividend policies:

(i) Where the development of the Company is at a mature stage and there is no major capital expenditure arrangement, the cash dividend shall account for no less than 80% of the profit distribution when conducting profit distribution;

(ii) Where the development of the Company is at a mature stage and there are major capital expenditure arrangements, the cash dividend shall account for no less than 40% of the profit distribution when conducting profit distribution;

(iii) Where the development of the Company is at a growing stage and there are major capital expenditure arrangements, the cash dividend shall account for no less than 20% of the profit distribution when conducting profit distribution;

(iv) If it is difficult to determine the Company's stage of development while it has significant capital expenditure arrangements, the profit distribution may be dealt with at the 20% pursuant to the preceding provisions.

ii. Conditions for distribution of stock dividends

Subject to ensuring the minimum cash dividend payout ratio, should the Company experience rapid growth in both operating revenue and net profit, and where the Board deems the scale of share capital and equity structure to be appropriate, it may propose and implement a stock dividend distribution plan. The adoption of stock dividends for profit distribution shall be underpinned by genuine and reasonable factors such as the Company's growth potential and the dilution of net asset value per share.

K. INTERNAL AUDIT

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, staffing, funding security, use of audit results, and accountability in relation to internal audit work. The internal audit system of the Company shall be implemented upon approval by the board of directors and disclosed to the public.

The Company shall arrange special auditors, and conduct the internal audit supervision of the financial incomes and expenditures and economic activities of the Company.

The internal audit agency is accountable to the board of directors.

The internal audit agency shall be subject to the supervision and guidance of the audit committee in the course of its supervising and inspecting the Company's business activities, risk management, internal control and financial information. The internal audit agency shall immediately report directly to the audit committee upon discovering any relevant major issues or leads.

L. ENGAGEMENT OF ACCOUNTING FIRMS

The Company shall engage such accounting firm which has obtained the "Qualifications for Engaging in the Business Related to Securities" and meets the requirements of the PRC Securities Law and other laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed for carrying out the audit for the accounting statements and reports, net asset verification and other relevant consultancy service. The accounting firm shall serve a term of 1 year, and can be re-appointed.

The appointment and dismissal of any accounting firm of the Company shall be subject to the approval of the shareholders' meeting, prior to which the Board shall not appoint any accounting firm.

The Company shall ensure to provide the accounting firm appointed with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide or hide the same or make false reports.

The audit fee of the accounting firm shall be decided by the shareholders' meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give a 30-day prior notice to the accounting firm. When a shareholders' meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns from its post, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

M. MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment refers to the establishment of a new company by merging two or more companies, whereby the merging parties shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which a resolution in favor of the merger is adopted and shall publish an announcement in information disclosure newspaper as designated by the Company and/or the National Enterprise Credit Information Publicity System and/or the website of the Company's stock listing place within 30 days from the date of such resolution. The creditors may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

In case of a merger of the Company, the claims and debts of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

In the event of a division of the Company, its properties shall be divided accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favor of the division and shall publish an announcement in information disclosure newspaper as designated by the Company and/or the National Enterprise Credit Information Publicity System and/or the website of the Company's stock listing place within 30 days from the date of such resolution.

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall jointly assume the indebtedness of the Company which has been incurred before such division.

The Company shall prepare balance sheets and inventories of assets when it needs to reduce its registered capital.

The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favor of the reduction of its registered capital and shall publish an announcement in information disclosure newspaper as designated by the Company and/or the National Enterprise Credit Information Publicity System and/or the website of the Company's stock listing place within 30 days from the date of such resolution. The creditors

may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

Where the Company reduces its registered capital, the amount of capital contribution or the number of shares held by shareholders shall be reduced proportionately, except where otherwise provided by law or the Articles of Association.

Where a merger or division of the Company involves any changes to any registration, an application for modification of registration shall be made to the company registration authority pursuant to the laws; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws; where a new company is established, the Company shall apply for registration thereof in accordance with the laws.

Where the Company increases or reduces its registered capital, an application for modification of registration shall be made to the company registration authority pursuant to the laws.

N. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved in any of the following circumstances:

a) the term of business of the Company stipulated in the Articles of Association has expired or any other causes for dissolution stipulated in the Articles of Association has occurred;

b) the shareholders' meeting has resolved to dissolve the Company;

c) the merger or division of the Company requires a dissolution;

d) the business license is revoked in accordance with laws, or the Company is ordered to be closed or is cancelled;

e) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of voting rights may petition to a people's court to dissolve the Company.

If the Company encounters any cause of dissolution as stipulated in the preceding paragraphs, it shall publicise the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Under the circumstances set out in item a) and item b), and where the assets has not yet been distributed to shareholders, the Company may continue to exist through amendment of the Articles of Association or through a resolution of the shareholders' meeting.

The amendment to the Articles of Association pursuant to the preceding paragraph or through a resolution of the shareholders' meeting shall be passed by shareholders who hold two-thirds of the voting rights present at the shareholders' meeting.

Where the Company is dissolved pursuant to item a), b), c) or d) above, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the Articles of Association or it is otherwise elected by the resolution of the shareholders' meeting.

The liquidation team shall perform the following powers and duties during the period of liquidation:

a) to examine the assets of the Company and prepare the balance sheet and inventory sheet;

b) to inform creditors by notice or announcement;

c) to deal with outstanding businesses of the Company relating to liquidation;

d) to settles the taxes in arrears and taxes incurred in the course of liquidation;

e) to liquidate creditor's rights and debts;

f) to allocate the remaining assets of the Company after repayment of debts;

g) to represent the Company in civil proceedings.

The liquidation team shall notify all creditors within 10 days after its establishment and shall publish announcements in information disclosure newspaper as designated by the Company and/or the National Enterprise Credit Information Publicity System and/or the website of the Company's stock listing place within 60 days. The creditors shall file their claims with the liquidation team within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

In filing its claims, a creditor shall provide the particulars of such claims and the supporting documents. The liquidation team shall register the claims filed by the creditors.

During the period for declaration of creditor's right, the liquidation team shall not repay any debt to any creditor.

After the liquidation team has examined the assets of the Company and prepared a balance sheet and an inventory list for assets, it shall formulate a liquidation proposal and submit it to the shareholders' meeting or the people's court for confirmation.

After the Company's property is used to pay liquidation expenses, employee wages, social insurance expenses and statutory compensation, taxes owed, and company debts, the remaining property will be distributed by the company according to the proportion of shares held by the shareholders.

During the liquidation period, the Company continues to exist, but cannot carry out business activities unrelated to the liquidation. The Company's property will not be distributed to shareholders until it has been liquidated in accordance with the provisions of the preceding paragraph.

If the liquidation committee, having sorted out the Company's assets and prepared the balance sheet and an inventory of assets, finds out that there are insufficient assets in the Company to pay off its debts, it shall apply to the people's court for bankruptcy and liquidation of the Company in accordance with the laws. Once the people 's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designed by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders' meeting or the people's court for verification. The liquidation committee shall also file with the registration authority to apply for the deregistration of the Company.

O. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(a) after amendment has been made to the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the contents of the Articles of Association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the Company's shares are listed;

(b) the changes that the Company has undergone are inconsistent with the records made in the Articles of Association;

(c) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association approved by the shareholders' meetings are subject to examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration of the Company, the Company shall register relevant changes according to the laws.

The annexes hereto shall include the Rules of Procedure of the Shareholders' Meeting, the Rules of Procedure of the Board and the Rules of Procedure of the Supervisory Committee.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our predecessor, Chongqing Wujiang Electric Power Co., Ltd* (重慶烏江電力股份有限公司), was established under the laws of the PRC in June 18, 1999. Our Company completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 000975) in June 8, 2000. In September 2002, our Company was renamed Southern Science City Development Co., Ltd.* (南方科學城發展股份有限公司). Moving into the March 2013, our Company was renamed Yintai Resources Co., Ltd.* (銀泰資源股份有限公司). In June 2015, its registered office has been changed from A501, No. 11, Cai Pin Road, Science City, Economic and Technological Development District, Guangzhou City, Guangdong Province, the PRC to Haratu Street, Balagal Gole Town, West Wuzhumuqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region. In September 2019, our Company was renamed to Yintai Gold Co., Ltd.* (銀泰黃金股份有限公司). In the year 2023, Shandong Gold Mining became controlling shareholder of our Company, and our Company was renamed as Shanjin International Gold Co., Ltd.* (山金國際黃金股份有限公司) in July 2024.

Our registered office is at Haratu Street, Balagal Gole Town, West Wuzhumuqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region. We have established a place of business in Hong Kong at Room 1919, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of Companies Ordinance of Hong Kong on October 2, 2025. Ms. Chan Sze Ting has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong set out above.

As our Company was incorporated in the PRC, our operation, corporate structure and the Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of certain aspects of the relevant laws and regulations of the PRC, and a summary of certain aspects of our Articles of Association are set out, respectively, in Appendix V and Appendix VI to this document, respectively.

2. Change in share capital of our Company

Except as disclosed in the section headed "History, Development and Corporate Structure" and as otherwise disclosed below, there have been no changes to the Company's share capital in the two years immediately preceding the date of this document.

At the 12th meeting of the 9th Board of Directors held on April 29, 2025, and the 2025 second extraordinary general meeting held on May 15, 2025, a resolution regarding the partial repurchase of the Company's Shares was considered and approved. Pursuant to which, it was proposed to use the Company's own funds and

a special repurchase loan to repurchase the Company's issued RMB-denominated ordinary shares (the A Shares) through centralized bidding. The total funds proposed for the repurchase were not less than RMB100 million (inclusive) and not more than RMB200 million (inclusive), with a repurchase price not exceeding RMB29.70 per A Share (inclusive). The repurchase period is 12 months from the date on which the repurchase plan was considered and approved at the general meeting of the Company. As of the Latest Practicable Date, the Company had cumulatively repurchased 2,624,229 Shares through the special share repurchase account via centralized bidding, representing 0.07% of the Company's total share capital. The highest transaction price was RMB19.45 per A Share, the lowest RMB17.85 per A Share, and the total transaction amount was RMB34,092,534.43 (excluding transaction fees). Upon completion of the repurchase, the repurchased A Shares are held as Treasury Shares in the Company's share repurchase account and do not carry any Shareholder rights, including, without limitation, voting rights at general meetings or rights to receive dividends. Upon completion of the repurchase, all repurchased shares will be cancelled in accordance with applicable laws and the Company's registered capital will be reduced accordingly.

3. Changes in share capital of our subsidiaries

The following alterations in the registered capital of our subsidiaries have taken place within the two years preceding the date of this document:

On December 14, 2023, Hainan Shengwei Trading Co., Ltd.* (海南盛蔚貿易有限公司) was established in the PRC as a limited liability company with a registered capital of RMB500,000,000.

On January 25, 2024, Ningbo Yintai Shengding Investment Management Co., Ltd.* (寧波銀泰盛鼎投資管理有限公司) was dissolved.

On January 31, 2024, Ningbo Yintai Jinrui Investment Partnership Enterprise (Limited Partnership)* (寧波銀泰金瑞投資合夥企業(有限合夥)) was dissolved.

On September 8, 2025, the registered capital of Shanghai Shengwei decreased from RMB4,510,000,000 to RMB420,799,067.

On November 13, 2025, Jilin Shengda Mining Co., Ltd.* (吉林盛達礦業有限公司) was dissolved.

Save as disclosed above in this appendix, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the [REDACTED]

Pursuant to the Shareholders' general meeting held on September 22, 2025, the following resolutions, among other things, were duly passed:

(a) the [REDACTED] by our Company of the [REDACTED] of nominal value of RMB1.00 each and such [REDACTED] being [REDACTED] on the Hong Kong Stock Exchange;

(b) the number of [REDACTED] to be [REDACTED] will not exceed [REDACTED]% of the total share capital of the Company after the [REDACTED] (assuming that the [REDACTED] is fully exercised);

(c) subject to [REDACTED] of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to the Board and its authorized person to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of the Board and its authorized person to handle matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares.

5. Restrictions of share repurchase

For details of the restrictions on the share repurchase by our Company, please refer to the sections headed "Appendix V — Summary of Principal Legal and Regulatory Provisions" and "Appendix VI — Summary of Articles of Association" to this document.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) were entered into by us or any of our subsidiaries within the two years preceding the date of this document and are or may be material:

(a) [REDACTED]

(b) [REDACTED]

2. Intellectual property rights

(a) Trademarks

As of the Latest Practicable Date, Our Group has been granted a license to use the following intellectual property rights that are material to our Group's business.

No.	Trademark	Registration number	Registered owner	Place of registration	Class	Expiry date
1. . .		12361476	SDG Group	PRC	14	April 27, 2035
2. . .		12361477	SDG Group	PRC	14	April 27, 2035
3. . .		6648116	SDG Group	PRC	14	June 20, 2030
4. . .		5598213	SDG Group	PRC	14	September 13, 2029
5. . .		6652953	SDG Group	PRC	35	January 13, 2031
6. . .		5598061	SDG Group	PRC	14	April 20, 2030
7. . .		302156300	SDG Group	Hong Kong	06/14/35/37	February 8, 2032
8. . .	A  B 	304227039	SDG Group	Hong Kong	06/14/35/37	July 31, 2027

(b) Patents

As of the Latest Practicable Date, we have registered the following patents which are material to our Group's business:

No.	Registered owner	Patent name	Patent number	Place of registration	Type	Date of Authorization Notice
1	Yulong Mining	A kind of drilling anti-clogging separator screen (一種鑽孔防堵隔篩)	ZL 202220898029.6	PRC	Utility model	November 15, 2022
2	Yulong Mining; Filling Engineering Laboratory Branch of SDG Group	A kind of automatic metering tailing sand filling body test block sampling device (一種自動計量尾砂充填體試塊制樣裝置)	ZL 202420589763.3	PRC	Utility model	December 6, 2024
3	Yulong Mining	A kind of gravel conveying device for mining (一種採礦用碎石輸送裝置)	ZL 201710657899.8	PRC	Invention patent	April 2, 2019
4	Yulong Mining	A fully automated flotation system suitable for ore beneficiation (一種適用於選礦的全自動浮選系統)	ZL 201910281499.0	PRC	Invention patent	June 15, 2021
5	Yulong Mining	An underground mine car for transporting ore waste and bulk materials (一種用於運輸礦石廢石以及散狀物料的井下礦車)	ZL 201910281524.5	PRC	Invention patent	July 31, 2020
6	Yulong Mining; Cheng Li	Chute shaft head closures (溜井井口封閉裝置)	ZL 202420784002.3	PRC	Utility model	January 3, 2025
7	Yulong Mining	An auxiliary structure for transferring materials from a shovel to a mine car (一種鏟車向礦車轉運物料的輔助結構)	ZL 202421176509.7	PRC	Utility model	December 27, 2024
8	Yulong Mining	A kind of long distance support structure for crushed mine rock (一種破碎礦岩長距離支護結構)	ZL202420909944.X	PRC	Utility model	December 10, 2024
9	Yulong Mining	A blind inclined shaft hoisting system based on reverse dumping yard (一種基於逆向甩車場的盲斜井提升系統)	ZL 202022307037.2	PRC	Utility model	July 30, 2021
10	Yulong Mining; Changsha Mining Research Institute Liability Co., Ltd	A kind of roadway multi-hole hollowing structure (一種巷道多孔掏槽結構)	ZL 202220898030.9	PRC	Utility model	August 9, 2022
11	Yulong Mining	An automatic anti-tangling lifting system for round tail ropes in vertical shafts (一種用於豎井的圓尾繩自動防纏繞提升系統)	ZL 202022312686.1	PRC	Utility model	October 15, 2021
12	Qinghai Dachaidan	A method of mining operations to improve recovery rates (一種提高回採率的採礦作業方法)	ZL201510400142.1	PRC	Invention patent	October 12, 2018

No.	Registered owner	Patent name	Patent number	Place of registration	Type	Date of Authorization Notice
13	Qinghai Dachaidan	Method of deep-hole segmental blasting for vertical shafts (竪井深孔分段爆破方法)	ZL201510802242.7	PRC	Invention patent	March 29, 2017
14	Qinghai Dachaidan	Slipshaft roof breaking blasting Method (溜井破頂爆破方法)	ZL201010134273.7	PRC	Invention patent	April 3, 2013
15	Qinghai Dachaidan	A kind of mining telephone ringing sound and light reminder device (一種礦用電話機振鈴聲光提醒裝置)	ZL202022226981.5	PRC	Utility model	June 25, 2021
16	Qinghai Dachaidan	A kind of rapid batch hole forming device on pipe surface (一種管材表面快速批量成孔裝置)	ZL202022227505.5	PRC	Utility model	June 25, 2021
17	Qinghai Dachaidan	A mine communication system (一種礦區通信系統)	ZL202023233012.9	PRC	Utility model	August 10, 2021
18	Qinghai Dachaidan	A system for cyanide removal using roasting exhaust gas (一種利用焙燒廢氣除氰的系統)	ZL202121287998.X	PRC	Utility model	December 10, 2021
19	Qinghai Dachaidan	A system for arsenic removal using homemade iron sulfate (一種採用自製硫酸鐵除砷的系統)	ZL202121287989.0	PRC	Utility model	December 10, 2021
20	Qinghai Dachaidan	A kind of mining video surveillance camera bracket (一種礦用視頻監控攝像頭支架)	ZL202221223412.8	PRC	Utility model	October 4, 2022
21	Qinghai Dachaidan	A kind of alarm device for abnormal movement of roof plate (一種頂板異動報警裝置)	ZL202221223917.4	PRC	Utility model	October 28, 2022
22	Qinghai Dachaidan	A drilling tool suitable for trench drilling (一種適用於坑道鑽探的鑽具)	ZL202320476681.3	PRC	Utility model	June 30, 2023
23	Qinghai Dachaidan	An inclinometer for BQ-type drilling rigs (一種適用於BQ型鑽機的測斜裝置)	ZL202320471439.7	PRC	Utility model	August 4, 2023
24	Qinghai Dachaidan	A kind of sand silo coarse tail sand high efficiency sand release device (一種砂倉粗尾砂高效放砂裝置)	ZL202321481847.7	PRC	Utility model	November 21, 2023
25	Heihe Luoke Mining	A kind of mine surge water recovery and reuse system (一種礦井湧水回收再利用系統)	ZL202421857822.7	PRC	Utility model	May 27, 2025
26	Heihe Luoke Mining; Shandong Gold Mining Technology Co., Ltd. Metallurgical Laboratory Branch	A kind of Intelligent Control System and Method for Refining Gold Ore (一種金礦石精煉智能控制系統及方法)	ZL202510025711.2	PRC	Invention patent	April 18, 2025
27	Heihe Luoke Mining	A kind of Multi-Stage Mobile Belt Conveyor Control System (一種多級可移動帶式輸送機控制系統)	ZL202422058133.6	PRC	Utility model	August 19, 2025

No.	Registered owner	Patent name	Patent number	Place of registration	Type	Date of Authorization Notice
28	Jilin Banmiaozi	A kind of safety controller for underground mine drainage system (一種礦井下排水系統安全控制器)	ZL202420886586.5	PRC	Utility model	February 28, 2025
29	Jilin Banmiaozi	Self-closing Angle Ruler Dampers for Underground Mines (礦山井下自關式角度尺風門)	ZL201620246153.9	PRC	Utility model	September 28, 2016
30	Jilin Banmiaozi	A kind of two-stage horizontal split-flow mixer for mining paste mixing (一種礦山膏體攪拌用雙級臥式分流攪拌機)	ZL202010661003.5	PRC	Invention patent	May 25, 2021
31	Jilin Banmiaozi	A special terrain boring device for protecting the boring bit during mining (一種採礦時用於保護掘進鑽頭的特殊地形掘進裝置)	ZL202110056930.9	PRC	Invention patent	October 26, 2021
32	Jilin Banmiaozi	A measurement aid system for CMS probes (一種CMS探測儀的測量輔助系統)	ZL201310397189.8	PRC	Invention patent	June 10, 2015
33	Jilin Banmiaozi	An adjustable loading mechanism for loaders (一種裝載機的可調節裝料機構)	ZL202320497336.8	PRC	Utility model	August 25, 2023
34	Jilin Banmiaozi	An excavator anti-tip seat (一種挖掘機防傾座椅)	ZL202320421654.6	PRC	Utility model	February 20, 2024
35	Jilin Banmiaozi	A kind of cooling device for operating equipment for mine construction (一種礦山建設用作業設備降溫裝置)	ZL202420665955.8	PRC	Utility model	December 13, 2024
36	Jilin Banmiaozi	High-efficiency counter-rotating axial flow ventilators and ventilation systems (高效對旋軸流通風機及通風系統)	ZL201922068605.5	PRC	Utility model	July 10, 2020
37	Jilin Banmiaozi	A multifunctional bucket Structure (一種多功能鏟鬥結構)	ZL202323085304.6	PRC	Utility model	May 24, 2024
38	Jilin Banmiaozi	A kind of roller crusher with multi-stage crushing for industrial and mining use (一種工礦用具有多級粉碎的輥式破碎機)	ZL202123064943.5	PRC	Utility model	May 3, 2022
39	Jilin Banmiaozi	A kind of feeding hopper of cone crusher with even feeding material (一種進料均勻的圓錐破碎機進料斗)	ZL202122731037.X	PRC	Utility model	June 28, 2022
40	Jilin Banmiaozi	A kind of Environmental Protection Engineering Filter Press (一種環保工程壓濾機)	ZL202420528565.6	PRC	Utility model	October 29, 2024

No.	Registered owner	Patent name	Patent number	Place of registration	Type	Date of Authorization Notice
41	Jilin Banmiaozi	A kind of Mining Underground Lighting Device (一種礦用井下照明裝置)	ZL202420295498.8	PRC	Utility model	November 8, 2024
42	Jilin Banmiaozi	A kind of Device for Recycling Heavy Metal Slag from Mines (一種礦山重金屬礦渣回收利用裝置)	ZL202420203665.1	PRC	Utility model	December 27, 2024
43	Jilin Banmiaozi	A kind of Loader Telescopic Fork Designed for Easy Disassembly (一種便於拆卸的裝載機伸縮叉)	ZL202420145068.8	PRC	Utility model	October 22, 2024
44	Jilin Banmiaozi	A kind of Dust Suppression Watering Mechanism for Mine Tunnels in Gold Mining Operations (一種金礦安全用巷道降塵灑水機構)	ZL202220324129.8	PRC	Utility model	July 22, 2022
45	Jilin Banmiaozi	A kind of Efficient Dust Suppression Device for Gold Mining (一種用於金礦開採的高效降塵裝置)	ZL202122533927.X	PRC	Utility model	March 15, 2022
46	Jilin Banmiaozi	A kind of Filling Material Underground Field Sampling Device (一種充填體井下現場取樣裝置)	ZL201410138880.9	PRC	Invention	February 17, 2016

(c) Software copyrights

As of the Latest Practicable Date, we have registered the following software copyrights which are material to our Group's business:

No.	Software name	Registration number	Registered owner	Place of registration	Registration date	Grant date
1. . .	Yulong Mining Metering Unattended System V1.0 (玉龍礦業計量無人值守系統V1.0)	2022SR1346850	Yulong Mining	PRC	March 1, 2022	September 7, 2022

(d) Domain names

As of the Latest Practicable Date, we have registered the following domain names which are material to our Group's business:

No.	Domain name	Filing/Approval number	Registered owner	Place of registration	Approval date
1. . .	sji-gold.com	蒙ICP備15004246號–6	Our Company	PRC	September 11, 2024
2. . .	ytg000975.cn	蒙ICP備15004246號–5	Our Company	PRC	August 29, 2024
3. . .	ytg000975.com	蒙 ICP備15004246號–4	Our Company	PRC	April 1, 2022

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

C. FURTHER INFORMATION ABOUT DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDER

1. Particulars of Directors' Contracts

We [have] entered into a contract with each of Directors in respect of, among other things, (i) the term of service, and (ii) termination provisions.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Company other than contracts expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

2. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management — Remuneration of Directors and Senior Management" in this document, none of the Directors received other remuneration from our Company for each of the years ended December 31, 2023, 2024 and 2025.

3. Agency Fees or Commissions Received

Save in connection with the [REDACTED], none of our Directors, [REDACTED] nor any of the persons whose names are listed in "— D. Other Information — Qualification of Experts" in this appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years prior to the date of this document.

4. Disclosure of Interests of Directors and chief executive

Immediately following the completion of the [REDACTED], save as disclosed in the following table, no Director or chief executive will have any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO):

(a) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein;

(b) which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are [REDACTED]:

Name	Nature of interest	Class of Shares	Number of Shares held	Approximately percentage of shareholding in the total issued Shares immediately prior to the [REDACTED]	Approximate percentage of shareholding in the total issued Shares immediately after the [REDACTED] (assuming the [REDACTED] is not exercised)
Mr. Wang Shui (Non-executive Director).	Beneficial owner	A Shares	332,224,407	11.96%	[REDACTED]%
Mr. Ou Xingong (Executive Director, general manager). .	Beneficial owner	A Shares	137,200	0.005%	[REDACTED]%

Notes:

All interests stated are long positions

5. Disclosure of Interests of Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document and below, our Directors are not aware of any person who will, immediately following completion of the [REDACTED], have an interest or short position in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the

SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at our general meetings:

Name of subsidiary	Name of substantial shareholder	Approximate % of voting rights held by substantial shareholder
Jilin Jincheng Shengxin Mining Co., Ltd.	Jiangcheng Industrial Group Co., Ltd. In Hunjiang District, Baishan City	15.00%
Jilin Shengda Mining Co., Ltd	Baishan Hunjiang District Hongding Trading Co., Ltd	10.00%
Inner Mongolia Yulong Mining Co., Ltd.	The 10th Institute of Geological and Mineral Exploration and Development of Inner Mongolia Autonomous Region	14.79%
Mangshi Huasheng Gold Mine Development Co., Ltd..	Mr. Zhang Hui	40.00%

6. Disclaimers

Save as disclosed in this document:

(a) none of the Directors nor any of the parties listed in the section headed "— D. Other Information — 7. Qualification of experts" of this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to our Company, or are proposed to be acquired or disposed of by or leased to our Company;

(b) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Company taken as a whole;

(c) without taking into account any H Shares which may be taken up under the [REDACTED], none of the Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO;

(d) so far as is known to the Directors, none of the Directors, their respective close associates (as defined under the Listing Rules) or the Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Company;

(e) save as disclosed in this appendix and the section headed "Directors and Senior Management" in this document, none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty that is likely to be imposed on our Company.

2. Litigation

Save as disclosed in this document, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against any member of our Group as of the Latest Practicable Date.

3. Joint Sponsors

Each of the Joint Sponsors satisfies the criteria of independence applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for a [REDACTED] of, and permission to [REDACTED] in, the H Shares to be [REDACTED] as mentioned in this document. Our Company has agreed to pay the Joint Sponsors an aggregate a fee of RMB523,400 to act as a sponsor in connection with the [REDACTED].

4. Promoters

The promoters of our Company are Chongqing Wujiang Electric Power Group Ltd.* (重慶烏江電力集團公司), Chongqing Qianjiang County Xiaonanhai (Group) Ltd.* (重慶市黔江縣小南海(集團)公司), Chongqing Qianjiang Development Zone Hydropower Engineering Construction and Installation Ltd.* (重慶市黔江開發區水電工程建築安裝公司), Chongqing Qianjiang Development Zone Hydropower Materials Supply and Marketing Ltd.* (重慶市黔江開發區水電物資供銷公司), and Chongqing Wujiang Manganese Industry (Group) Ltd.* (重慶烏江錳業(集團)有限責任公司).For details of the promoters of our Company, please refer to the section headed "History, Development and Corporate Structure" in this document.

Save for the [REDACTED] and as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, [REDACTED] or given, or has been proposed to be paid, [REDACTED] or given, to any of the [REDACTED] named above in connection with the [REDACTED] or the related transactions described in this document.

5. Compliance Advisor

Our Company has appointed Red Solar Capital Limited as the compliance advisor upon [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

6. Preliminary Expenses

We have not incurred any material preliminary expenses.

7. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	Licensed corporation under the SFO to engage in type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
China International Capital Corporation Hong Kong Securities Limited	Licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities
UBS Securities Hong Kong Limited	Licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	PRC legal advisor
Cronje Incorporated	Namibian legal advisor
Frost & Sullivan	Independent industry consultant

Name	Qualification
KPMG Advisory (China) Limited Beijing Branch.	Transfer pricing advisor
Baw Mineral Partners Limited.	Competent Person

8. Consents of experts

Each of the experts as referred to in the paragraph headed "— D. Other Information — 7. Qualification of experts" in this appendix has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any shareholding interests in any member of our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

9. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections (44A and 44B) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) so far as applicable.

10. No material adverse change

Save as disclosed in this document, the Directors confirm that there has been no material adverse change in the financial or trading position of our Company since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

11. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company has been [REDACTED] or agreed to be [REDACTED] or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Company;

(c) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;

(g) our Company is a joint stock limited liability company and subject to the Company Law of the PRC.

12. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Statutory and General Information — Other Information — Qualifications of Experts" in Appendix VII to this document; and

(b) a copy of each of the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix VII to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at **www.sji-gold.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by KPMG, the text of which is set forth in Appendix I to this document;

(c) the audited consolidated financial statements of our Company for the years ended December 31, 2023, 2024 and 2025;

(d) the report from KPMG on the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this document;

(e) the material contracts in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix VII to this document;

(f) the written consents referred to in "Statutory and General Information — Other Information — Qualifications of Experts" in Appendix VII to this document;

(g) the service contracts referred to in "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Service Contracts" in Appendix VII to this document;

(h) the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

(i) the industry report issued by Frost & Sullivan, the summary of which is set forth in "Industry Overview";

(j) a copy of the following PRC laws, together with their unofficial English translations: (1) the PRC Company law, (2) the Securities Law, and (3) the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies; and

(k) Competent Person's Report