

Final Report

Competent Person's Report on the Yulinxi Phosphate Mine, Hubei Province, China

Yulinxi Phosphate Mine,
Hubei DSphos Co., Ltd.

Hubei Province, China

SRK Consulting China Ltd. ■ SCN968 ■ 1 May 2026



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COMPETENT PERSON’S REPORT

Final Report

Competent Person's Report on the Yulinxi Phosphate Mine, Hubei Province, China

Yulinxi Phosphate Mine, Hubei Province, China

Prepared for:

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View of Project Office Area

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The opinions expressed in this Report have been based on the information supplied to SRK Consulting China Ltd. (SRK) by Hubei DSphos Co., Ltd. (the Client). The opinions in this Report are provided in response to a specific request from the Client to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept 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 SRK’s 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 SRK had no prior knowledge nor had the opportunity to evaluate.

SRK Consulting China Ltd.

Hubei DSphos Co., Ltd.

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Useful Definitions

A.I.	Acid insolubles
ARD	Acid rock drainage
asl	Above mean sea level
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	Capital expenditures / costs
CIT	Corporate income tax
CMA	China Metrology Accreditation
COGS	Cost of goods sold, which is the direct costs incurred to produce or acquire the goods a company sells during a specific accounting period.
Co., Ltd	A Chinese corporate suffix denoting a limited liability company (有限责任公司), in which shareholders' liability is limited to their respective capital contributions.
CPEng	Chartered Professional Engineer
CPR	Competent Person's Report
CSIMG	Central-South Institute of Metallurgical Geology
DA	Depreciation and amortisation
DCF	Discounted Cash Flow
DMC	Dense medium cyclone
DoNR	Department of Natural Resources
DSphos	Hubei DSphos Co., Ltd. (formerly known as Yichang Dongsheng Phosphate and Compound Fertilizer Co., Ltd., a limited liability company established in the PRC on December 23, 2003 and converted into a joint stock limited company on April 23, 2026)
E&M	Electrical and Mechanical
EIA	Environmental Impact Assessment
FAusIMM	Fellow of AusIMM
FEL	Front-end loader
FIEAust	Fellow of the Institution of Engineers Australia
FS	Feasibility Study
GA	General and administrative
GIS	Geographic Information System
Hebei HQC	Hebei Huanqiu Contracting and Engineering Company Limited
HGEI	Hubei Geological Exploration Institute of China Chemical Geology and Mine Bureau
HGVs	Heavy-goods vehicles
HKEx	Hong Kong Exchanges and Clearing Limited
IDW	Inverse Distance Weighting
IFC	International Finance Corporation
IPO	Initial Public Offering

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IRR	Internal Rate of Return
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
ktpa or kt/a	Thousand tonnes per annum
kV	Kilovolt
kW	Kilowatt
LHD	Load-Haul-Dump, an item of engineering equipment used to move rock from one location to another.
LoM	Life of mine
Ltd	Limited liability company, which is used in the name of a company whose owners have limited responsibility for the money that it owes.
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the AusIMM
mRL	Metres Relative Level
MSL	Mean sea level
Mt	Million tonnes
Mtpa or Mt/a	Million tonnes per annum
MVA	Megavolt-amperes
NCF	Net cash flow
NITRGC	Non-income taxes, royalties and other governmental charges
NPV	Net Present Value, in the Report it presents post-tax NPV
OHS	Occupational Health and Safety
Opex	Operating expenses / costs
P ₂ O ₅	Phosphorus pentoxide
PABX	Private Automatic Branch Exchange
PMD	Preliminary Mine Design
PoO(s)	Point(s) of Observation
PPE	Personal Protection Equipment
PRC or China	People's Republic of China
QA/QC	Quality Assurance / Quality Control
RD	Relative density
RL	Relative Level
CNY	Renminbi, the lawful currency of the PRC, also referred to as RMB in the Prospectus
RoM	Run-of-mine, the raw mined material as it is delivered by the mine cars, skips, or conveyors and prior to treatment of any sort.
RPEEE	Reasonable Prospects for Eventual Economic Extraction
SEHK or Stock Exchange	Stock Exchange of Hong Kong Limited
SRK China or SRK	SRK Consulting China Ltd
SRK Consulting	SRK Consulting Group

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TME	Trackless mobile equipment
TSF	Tailings storage facility
UMCT	Urban maintenance and construction tax
VALMIN Code	The 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets
VAT	Value-added tax
Yulinxi Phosphate Mine or the Mine	means the Yulinxi Phosphate Mine, which is the principal mining operation held under the mining licence of Hubei Dongsheng Chemical Industrial Group Co., Ltd., a subsidiary of Hubei DSphos Co., Ltd. as at the effective date of this Report.

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Executive Summary

SRK Consulting China Ltd (“**SRK China**” or “**SRK**”) was commissioned by Hubei DSphos Co., Ltd. (“**DSphos**, the “**Company**” or the “**Client**”) to undertake an independent assessment of all relevant technical aspects of the Yulinxi Phosphate Mine (“**Yulinxi Mine**” or the “**Mine**”) which is located in Xihe Village, Leizu Town, Yuan’an County, Yichang City, Hubei Province, China (“**PRC**” or “**China**”). Yulinxi Mine is operated by Hubei Dongsheng Chemical Industrial Group Co., Ltd (“**DS CIG**”).

SRK understands that this independent technical assessment of the Yulinxi Mine is required for inclusion in a Competent Person’s Report (“**CPR**”, the “**Report**”). This Report has been prepared specifically for inclusion in a prospectus to support the proposed listing of Hubei DSphos Co., Ltd. on the Main Board of The Stock Exchange of Hong Kong Limited (the “**SEHK**” or “**Stock Exchange**”), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (“**HKEX**”).

Results

Mine Property Description

The Yulinxi Phosphate Mine is situated in Leizu Town, Yuan’an County, Hubei Province, approximately 10 km northwest of the town centre. The Mine benefits from well-developed regional infrastructure, with primary access facilitated by the G59 Expressway and National Highway G347. This road network is fully capable of supporting heavy-duty bulk mineral haulage.

The Mine commenced commercial production in December 2025. The Mine holds a valid Mining Licence and a Safety Production Licence. The mining licence defines a permissible extraction depth ranging from +270 m to -340 mRL. This designated vertical interval fully encompasses the targeted mineralised zones, ensuring that the economic extraction and vertical continuity of the Mineral Resources remain unconstrained by current licence limits.

The tenement is characterised by a low-to-medium mountainous karst landscape with rugged relief, highly dissected by incised gullies, with surface elevations ranging from 400 m to 1,100 mRL. The region experiences a subtropical monsoon climate that generally permits year-round mining operations.

Operating Licenses and Permits

Mining Tenure, the Project operates under a valid Mining License issued by the Hubei Bureau of Natural Resources to Hubei Dongsheng Chemical Industrial Group Co., Ltd (“**DS CIG**”). The license covers a defined area of 10.9515 km² and specifically permits the underground extraction of phosphate rock. It was granted on 6 September 2017 and remains valid for a 30-year term, expiring on 6 September 2047.

Safety Production Permit, the Mine maintains a current Safety Production Permit for underground mining, issued by the Hubei Safety Supervision Bureau and valid until 16 November 2028. Notably, a separate safety permit for a tailings storage facility (“**TSF**”) is not required for the operation, as all generated tailings are either backfilled into underground workings or utilised off-site as raw material for gypsum production.

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Furthermore, the operation holds a valid Water Use Permit granted by the Yichang Water Bureau, authorising the allocation of 821,600 m³ per annum of underground mine water for operational use, which is valid through 24 December 2030. The Company has also secured the necessary land use access for current mining and processing activities, and has outlined plans to progressively acquire additional land use permits to support future operational requirements.

Transportation and Infrastructure

The Mine is served by a multi-modal transport network comprising road, rail, and access to the Yangtze River port system. Road access is via the G59 Expressway and National Highway G347, with a dedicated mineral haul road between Leizu and Guangping expected to be completed in early 2026. The 62 km Dang-Yuan freight railway, commissioned in May 2024, terminates at Leizu Station near the mine and connects to the national Jiaozuo-Liuzhou line, providing a high-capacity bulk transport option that materially reduces reliance on long-haul road haulage. The proponent is pursuing a transition to electric heavy-goods vehicles for short-haul operations.

Supporting infrastructure is considered adequate for the planned 1.5 Mtpa integrated operation. Power is supplied via the State Grid Hubei network, and industrial water is sourced from perennial tributaries of the Huangbai River and the Shenlong River. The mine design incorporates a "Mining-Processing-Backfilling" model, returning processed tailings underground to maintain stope stability and minimise surface waste storage, consistent with current Chinese regulatory requirements. Proximity to the Yichang phosphate chemical cluster provides short transport distances to off-takers and a degree of market security. An experienced local mining workforce further reduces operational risk. No material deficiencies relating to transportation or infrastructure have been identified.

Geological Setting and Mineralisation

Geology, the Mine forms part of the extensive Yichang Phosphorite Deposit, situated on the stable northern margin of the Upper Yangtze Platform Fold Belt. The deposit is a concealed (i.e., non-outcropping) monoclinical structure with gentle bedding, dipping at an average of 8 degrees. Structural complexity is generally low to moderate complex, characterised by six primary faults in the western sector; additional minor faults intersected during underground development are not considered material to future mining operations.

Mineralisation, mineralisation is hosted within the Zhangcunping Member of the Lower Sinian Doushantuo Formation. The principal extraction target is the Ph₁³ phosphorite layer, which demonstrates structure and grade continuity over a strike length of approximately 4,400 m. The orebody lies at elevations between +270 m and -340 mRL, with an overall average thickness of 2.37 m. It features a distinct high-grade central core (the Ph₁³⁻² sub-layer), which averages 1.13 m in thickness with a uniform and relative consistent grade of approximate 31% P₂O₅, providing a reliable basis for subsequent Mineral Resource evaluation and mine planning.

Explorations

The Yulinxi Phosphate Mine has been subject to geological investigation since 1956, with three targeted exploration campaigns conducted between 2009 and 2015 by accredited Chinese geological institutions. The cumulative programme comprised 31 drill holes, 43 trenches, 116 underground channels and geological mapping at scales up to 1:5,000. Between 2021 and 2024,

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annual resource estimate updates were supported by a further 163 underground channel samples. Sampling followed a geological-boundary approach, with primary analytical work carried out by CMA-accredited laboratories in accordance with relevant Chinese national standards. A total of 122 internal and external QA/QC check samples were completed across the three main exploration stages. Formal documentation of sample security and chain-of-custody protocols was not available for review; however, as all programmes were executed by accredited state geological entities, SRK considers it is reasonable to assume that procedures were broadly consistent with accepted industry practice.

As historical drill core had deteriorated and no pulp samples were retained, SRK carried out an independent verification programme comprising 70 underground channel samples. The results demonstrate good consistency with historical grade data, returning average P_2O_5 values of approximately 23% for the upper sub-layer, 31% for the middle sub-layer, and 16% for the lower sub-layer, providing reasonable confidence in the reliability of the underlying assay dataset.

Data Verification and Resource Modelling

All available historical exploration data were consolidated into a borehole database using Geovia Minex 6.1.3. SRK undertook a systematic verification programme including collar coordinate checks, seam interval validation against downhole logs, and horizon correlation review. No material systematic errors were identified in the historical dataset.

The Mineral Resource model was constructed from 147 boreholes and underground exploration points (930 samples), with 826 analytical samples composited into three target phosphorite sub-layers. Grid models representing layer geometry and quality variables (P_2O_5 , Acid Insolubles, and Relative Density) were generated using an enhanced inverse distance weighting method. SRK considers the modelling methodology appropriate for this deposit type and consistent with the requirements of the *JORC Code (2012 Edition)*.

Mineral Resource Estimates

The Mineral Resource estimate for the Yulinxi Phosphate Mine has been prepared by SRK and reported in accordance with the guidelines of the *JORC Code (2012 Edition)*. The effective date of the Mineral Resource statement is 31 March 2026.

The estimation targets the Ph_1^3 phosphorite layer, which has been designated as the principal working section amenable to extraction via underground room-and-pillar or drift-and-fill mining methods. The Mineral Resource model was rigorously constrained within the lateral and vertical limits of the mining tenement. To ensure reasonable prospects for eventual economic extraction (“RPEEE”), historically mined-out areas, sterilised zones, and protection pillars associated with rivers, roads, and tenement boundaries have been excluded from the estimate.

Following an assessment of the RPEEE, the Mineral Resources were estimated utilising the following primary cut-off parameters:

- Minimum thickness: 1.0 metre
- Cut-off grade: 12% P_2O_5
- Elevation range: +270 m to -340 m

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Mineral Resources have been classified into Measured, Indicated, and Inferred categories based on geological confidence, Point of Observation (PoO) spacing, and the presence of underground workings.

- Measured Mineral Resources are defined in the western sector where dense underground workings provide a PoO spacing of approximately 70 m down-dip, confirming geological and quality continuity sufficient to support mine design.
- Indicated Mineral Resources encompass the remainder of the western sector, supported by a general PoO spacing of less than 400 m and some underground exposures.
- Inferred Mineral Resources are assigned to the entire eastern sector, where PoOs spacing expands to 400 - 600 m down-dip and 1,000 - 1,300 m along strike. Additionally, a 10 m buffer zone bounding all identified faults has been conservatively assigned to the Inferred category.

As of 31 March 2026, SRK has estimated a total Mineral Resource of **72.45 million tonnes (“Mt”)** for the Mine, reported in accordance with the *JORC Code (2012 Edition)*. This estimate includes **4.69 Mt** of Measured Mineral Resources, **22.94 Mt** of Indicated Mineral Resources, and **44.82 Mt** of Inferred Mineral Resources. The summary table of the estimated Mineral Resource is shown in Table ES-1.

Table ES- 1: Mineral Resource Statement of Yulinxi Mine, as of 31 March 2026 ^[1,2]

Ore Layer	Category	Tonnage (Mt)	P ₂ O ₅ Grade (%)	A.I. Grade (%)
Ph ₁ ³	Measured	4.69	22.13	22.01
	Indicated	22.94	23.22	21.89
	Measured + Indicated	27.63	23.03	21.91
	Inferred	44.82	24.04	19.58
	Total	72.45	23.65	20.47

Notes:

¹ All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

² **JORC Code Statement:** The information in this report that relates to Mineral Resources is based on information provided by Hubei DSphos Co., Ltd. and compiled by Mr Yongchun Hou, a Principal Consultant (Geology) in SRK Consulting China Ltd and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hou has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, JORC Code (2012 Edition)'. Mr Hou consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Ore Reserves

In accordance with the *JORC Code (2012 Edition)*, the conversion of Mineral Resources to Ore Reserves necessitates the application of Modifying Factors. A comprehensive suite of factors, which encompasses mining, processing, metallurgical, economic, marketing, legal, environment, social and government factors, was evaluated across the respective sections of this Report. These evaluations were integrated with findings from site inspections and a rigorous independent review of technical studies, capital expenditure, and operating expenditure. The assessment of these Modifying Factors demonstrated that parts of Mineral Resources could be technically and economically converted to Ore Reserves. For the purposes of this estimate, a cut-off grade of 16% P₂O₅ was applied to the run-of-mine ore to estimate the Ore Reserves.

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Based on the integration of the aforementioned Modifying Factors, the total Ore Reserves for the Yulinxi Mine as of 31 March 2026 are estimated at **22.55 Mt** with an average grade of 20.9% P₂O₅, in accordance with the *JORC Code (2012 Edition)*. The detailed classification and breakdown of the Reserves are presented in Table ES-2. The resulting LoM is approximately 17 years based on a nominal production rate of 1,500 ktpa.

Table ES-2: Ore Reserve Statement of Yulinxi Mine, as of 31 March 2026 ^[1,2,3,4]

Category	Cut-off Grade (% P ₂ O ₅)	Tonnage (Mt)	P ₂ O ₅ Grade (%)
Proved	16	3.78	20.2
Probable	16	18.77	21.1
Total	16	22.55	20.9

Notes:

¹ The information in this report which relates to Ore Reserve is based on information compiled by Mr Yonggang Wu, MAusIMM, and Roger Hou, MAusIMM, who are full time employees of SRK Consulting China Ltd. Both Mr Hou and Mr Wu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent Persons as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, the *JORC Code (2012 Edition)*. Mr Hou and Mr Wu consent to the reporting of this information in the form and context in which it appears.

² The reference point for the Ore Reserves is established at the delivery point where the RoM ore is discharged at the surface portal or shaft collar.

³ Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

⁴ Numbers have been rounded and may not sum precisely.

Mining Assessment

The Yulinxi Mine is an underground phosphorite operation that commenced production in December 2025. The operation features a designed production capacity of 1.5 million tonnes per annum (“Mtpa” or “Mt/a”), distributed across three distinct mining sections separated by surface river systems. Extraction proceeds level by level from top to bottom along the dip of the orebody.

Geotechnical conditions are assessed as moderately complex. The deposit is hosted in hard to semi-hard carbonate rocks, with geotechnical stability primarily influenced by solution cavities, weak rock masses, fractures, and faulting. Hydrogeological conditions are dominated by unconfined fissure-karst groundwater. Actual water inflow measured during development (~100 m³/h) is significantly lower than initial modelled estimates (722 to 866 m³/h).

Given the deposit depth and a gentle average dip of 8 degrees, operations predominantly employ room-and-pillar mining. Regular pillars are permanently retained for roof support due to a deficit in waste rock and tailings for backfill generation. A secondary drift-and-fill method, utilising cemented waste rock, is applied specifically within protective mining areas.

Mine development utilises a combination of inclined and vertical shafts. Run-of-mine ore is handled by load-haul-dump (“LHD”) units and underground trucks feeding sublevel ore passes, followed by centralized underground crushing and subsequent belt conveying or skip hoisting to surface surge bins.

Mine support services are technically viable and adequate for the planned operations. The infrastructure includes a six-sump mechanical relay dewatering system, a diagonal single-wing ventilation system powered by contra-rotating axial flow fans, and a comprehensive optical fiber safety monitoring network. Emergency refuge chambers are established underground, while all trackless mobile equipment maintenance is conducted exclusively at dedicated surface workshops.

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SRK considers that the development system and mining methods are technically feasible to support the mining operations in the mining licence area. The projected production schedule is shown in Table ES- 3.

Table ES- 3: Projected Mining Production Schedule within LoM, as of 31 March 2026^[1]

Item	Unit	Total	2026 Q2-Q4	2027	2028	2029	2030	2031	2032	2033	2034
RoM Ore tonnage	kt	22,545	1,279	1,455	1,498	1,481	1,491	1,493	1,490	1,498	1,497
P₂O₅ Grade	%	20.95	20.21	20.71	21.01	21.14	20.54	20.52	20.50	21.06	21.43

Item	Unit	2035	2036	2037	2038	2039	2040	2041	2042	2043
RoM Ore tonnage	kt	1,489	1,491	1,467	1,498	1,453	1,252	445	268	-
P₂O₅ Grade	%	21.87	21.93	21.14	20.99	21.36	20.36	19.48	19.11	-

Sources: SRK

Notes:

¹ 2043, mine closure year

Mineral Processing

The processing facilities are owned by a related party within the Client's chemical plant and fall outside the Mine asset boundary; accordingly, mineral processing is not a material Modifying Factor for the Ore Reserve estimation.

The processing plant is located approximately 10 km from the Mine, serves as the primary beneficiation hub. Originally commissioned in 2010 with a 1.5 Mtpa flotation capacity, the facility was significantly expanded in 2023 through the integration of a 0.9 Mtpa optical sorting plant and a 0.6 Mtpa gravity circuit.

The complex employs a multi-stage beneficiation strategy designed to handle varying ore characteristics:

- Flotation Circuit: Utilises a flowsheet consisting of two-stage crushing with closed-circuit screening, single-stage closed-circuit grinding, and a two-stage reverse flotation process. This circuit consistently produces a phosphate concentrate grading 30% P₂O₅.
- Optical Sorting Circuit: Employs two-stage crushing and closed-circuit screening followed by a single stage of sensor-based optical sorting. This process generates an optical-sorting concentrate and a middlings product.
- Gravity Circuit: Features a single stage of washing, dense medium cyclone (DMC) separation, and two stages of medium recovery. The circuit yields a gravity concentrate and a gravity tailing.
- From December 2025, the facility commenced the transition to process ore from the Yulinxi Mine as its primary feed source. The operational logic is defined as follows:
- Product Routing: Depending on the P₂O₅ grade, optical and gravity concentrates are either delivered directly to the chemical plant or diverted to the flotation circuit for further enrichment. Optical-sorting middlings are routed to the flotation plant to maximize recovery.

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- **Tailings and Backfill:** Gravity tailings are dewatered via filtration and back-hauled to the Yulinxi Phosphate Mine for use in underground backfilling operations.
- **Feed Flexibility:** While synchronized with Yulinxi Phosphate Mine's 1.5 Mtpa production rate, the complex retains the flexibility to process third-party RoM ore to meet downstream chemical production quotas during mine ramp-up or production shortfalls.

Historical production data for the flotation plant during the 2023–2025 period is summarised in Table ES-4. Throughout this timeframe, the complex processed third-party ores with head grades ranging from 24% to 26% P₂O₅, achieving metallurgical recoveries between 88% and 92%. SRK is of the opinion that the three existing beneficiation circuits, including flotation, optical sorting, and gravity separation, provide operational versatility. This integrated configuration allows for the flexible treatment of RoM ore from the Yulinxi Phosphate Mine, regardless of variations in ore characteristics, ensuring the consistent production of phosphate concentrates that meet the stringent specifications required by the downstream chemical facilities.

Table ES- 4: Historical Production Data of Flotation Plant (years from 2023 to 2025)

Item	Unit	2023	2024	2025
Processed tonnage	t	817,202	995,550	809,835
Feed grade	P ₂ O ₅ %	25.54	24.88	25.58
Concentrate yield	%	79.44	78.48	74.81
Concentrate grade	P ₂ O ₅ %	29.53	29.18	30.26
Recovery	%	91.85	92.04	88.50

Source: SRK collected from the Client

Workforce Assessment

The Yulinxi Phosphate Mine employs a total workforce of 720 personnel, which is consistent with the staffing requirements of an active underground mining operation. The workforce structure is predominantly allocated to frontline operational roles, with the Production Department comprising 588 personnel (81.7% of the total workforce). The remaining personnel are strategically distributed across essential support functions, including Electrical and Mechanical (E&M) maintenance, safety and environmental compliance, technical oversight, explosives management, executive management, and general administration.

Underground operations utilise a standard domestic three-shift roster. Surface auxiliary systems and administrative staff operate on two-shift or single 8-hour daily rosters, respectively.

Overall, SRK considers the site's staffing levels for safety, environmental management, and mechanical maintenance to be fully adequate for sustained commercial production. However, the ratio of technical personnel to frontline operational staff is notably low. Consequently, SRK recommends a review of the technical staffing levels to ensure that sufficient long-term geological oversight, grade control, and Mineral Resource reconciliation are maintained throughout the life of mine.

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Project Infrastructure

The mine's surface infrastructure is distributed across five primary areas, encompassing the main shafts, decline portals, and administrative facilities. The site benefits from reliable logistical connectivity via National Highway G347, which links directly to regional expressways (G59 and G42) and the Yangwumiao Railway Station, facilitating efficient bulk ore haulage to the processing plant.

Reliable electrical power is secured via a primary 10 kV switchyard, supplied by two independent 10 kV incoming feeders from the local Yanchi and Hehua substations to ensure continuous redundancy. Emergency backup is provided by three 2,000 kW high-voltage diesel generators to maintain critical loads, specifically primary dewatering and ventilation systems.

On-site water demand is managed efficiently: all production and backfill water requirements are entirely satisfied by recycling underground mine water, while domestic water is sourced from a local natural spring and treated on-site.

Operations are supported by a licensed surface explosives magazine with a 20-tonne capacity, safely segregated 5 km off-site. All trackless mobile equipment is serviced at dedicated surface maintenance workshops, as underground workshops are excluded from the mine design. Additionally, the Mine is equipped with a centralised digital PABX communication network and adequate on-site accommodation and administrative buildings situated near the main portals.

Environmental and Social Impact

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. In summary the most significant compliance and environmental risks for the development of the Mine, currently identified as part of this assessment, are:

- Impacts to local ecology due to land disturbance;
- Dust impacts from the haul roads and waste rock dump area; and
- Impacts to water pollution from the mining activity.

It is SRK's opinion that the above environmental risks are categorized as moderate (i.e., requiring active risk management measures) and are generally manageable. Given the various environmental protection measures planned and implemented by the Company, SRK considers these risks to be adequately controlled and unlikely to escalate into severe environmental liabilities.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

The net book value of sunk capital expenditure, derived from the balance sheet, is approximately CNY 1,298.5 million. This valuation primarily comprises buildings and production equipment, which account for approximately 85% and 8% of the total net sunk Capex, respectively, with miscellaneous assets constituting the remaining 7%.

As of 31 March 2026, the projected sustaining Capex is divided into two phases:

- 2026–2028: An allocation of CNY 87.0 million, as estimated by DS CIG.

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- Post-2028: An estimated requirement of CNY 553.4 million for the remainder of the Life of Mine (LoM), determined by SRK based on industry benchmarking and professional judgement.

The historical and forecast capital costs to 2039 are tabulated and presented in Table ES- 5.

Table ES- 5: Historical and Forecast Capital Costs to 2039 (Unit: CNY million)

Cost Centre	Total	Pre-2023	2023	2024	2025	2026Q1	2026Q2_Q4	2027	2028	2029	2030	2031-2039
Sunk Capex												
Buildings	1,064.8	224.3	171.3	591.7	76.9	0.6						
Engineering machinery	27.2	16.7	4.3	1.0	2.3	2.9						
Water drainage equipment	2.6	2.6	-	-	-	-						
Production equipment	117.5	11.6	19.2	11.7	65.1	9.9						
Electrical devices	1.0	0.3	0.6	-	0.1	-						
Vehicles	17.7	4.7	5.0	5.6	0.6	1.8						
Other fixed assets	49.5	11.2	12.6	15.1	10.1	0.5						
Work in progress	5.5	-	-	-		5.5						
Land use	4.7	-	4.7	-	-	-						
Exploration licence	6.9	-	6.9	-	-	-						
Other intangible assets	0.2	-	-	0.2	-	-						
Deferred asset	0.9	-	-	-		0.9						
Deferred tax asset	-	-	-	-		-						
Other non-current assets	-	-	-	-		-						
Sub-total	1,298.5	271.4	224.6	625.3	155.1	22.1						
Sustaining Capex												
Tunnels	93.6					7.8	23.4	31.2	31.2			
Water pumping bays	1.2					0.1	0.3	0.4	0.4			
Refuge chamber	0.1					0	0	0	0			

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Cost Centre	Total	Pre-2023	2023	2024	2025	2026Q1	2026Q2_Q4	2027	2028	2029	2030	2031-2039
Other sustaining Capex	563.3									51.2	51.2	460.9
Sub-total	658.2					7.9	23.7	31.6	31.6	51.2	51.2	460.9
Total	1,956.7	271.4	224.6	625.3	155.1	30.0	23.7	31.6	31.6	51.2	51.2	460.9

Sources: SRK

Notes: Values are in nominal terms.

Operating Costs

Historical operating expenditures for the preceding three years, alongside projected figures for 2026 through 2030, are detailed in Table ES- 6. The Opex exhibited significant volatility during the past three years and is not considered representative of steady-state commercial operations, as historical spending was primarily directed toward the construction phase of the Yulinxi Mine rather than active production. The forecasted Opex is estimated at approximately CNY 241.7 per tonne (“t”) of ore.

Table ES- 6: Opex Records and Forecasts from 2023 to 2030

Item	2023	2024	2025	2026Q1	2026Q2-Q4	2027	2028	2029	2030
Annual Opex (CNY million)									
Workforce employment	13.9	14.3	14.2	5.6	42.6	48.5	49.9	49.4	49.7
Consumables	68.0	77.8	29.9	13.2	100.3	114.1	117.5	116.2	116.9
Fuel, electricity, water and other services	181.2	202.8	34.8	5.0	37.8	43.0	44.2	43.7	44.0
On and off-site administration	0.8	2.8	4.6	6.8	51.2	58.2	59.9	59.2	59.6
Environmental protection and monitoring	-	-	-	0.3	1.9	2.2	2.2	2.2	2.2
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
Non-income taxes, royalties and other governmental charges	41.7	33.6	11.3	6.2	47.2	53.7	55.3	54.7	55.1
Contingency allowances	-	-	-	3.7	28.1	31.9	32.9	32.5	32.7
Total	305.7	331.3	94.7	40.8	309.1	351.6	362.0	357.9	360.3
Unit Opex (CNY/t ore sold)									
Workforce employment	10.9	14.0	46.3	33.3	33.3	33.3	33.3	33.3	33.3
Consumables	53.4	76.2	98.0	78.4	78.4	78.4	78.4	78.4	78.4

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Item	2023	2024	2025	2026Q1	2026Q2- Q4	2027	2028	2029	2030
Fuel, electricity, water and other services	142.3	198.4	113.8	29.5	29.5	29.5	29.5	29.5	29.5
On and off-site administration	0.7	2.7	14.9	40.0	40.0	40.0	40.0	40.0	40.0
Environmental protection and monitoring	-	-	-	1.5	1.5	1.5	1.5	1.5	1.5
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
Non-income taxes, royalties and other governmental charges	32.7	32.9	36.8	36.9	36.9	36.9	36.9	36.9	36.9
Contingency allowances	-	-	-	21.9	21.9	21.9	21.9	21.9	21.9
Total	240.1	324.2	309.8	241.7	241.7	241.7	241.7	241.7	241.7

Item	2031	2032	2033	2034	2035	2036	2037	2038	2039
Annual Opex (CNY million)									
Workforce employment	49.8	49.7	49.9	49.9	49.6	49.7	48.9	49.9	48.4
Consumables	117.1	116.9	117.5	117.4	116.8	116.9	115.1	117.5	114.0
Fuel, electricity, water and other services	44.1	44.0	44.2	44.2	44.0	44.0	43.3	44.2	42.9
On and off-site administration	59.7	59.6	59.9	59.9	59.6	59.6	58.7	59.9	58.1
Environmental protection and monitoring	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
Non-income taxes, royalties and other governmental charges	55.1	55.0	55.3	55.3	55.0	55.1	54.2	55.3	53.7
Contingency allowances	32.8	32.7	32.9	32.8	32.7	32.7	32.2	32.9	31.9
Total	360.8	360.1	362.0	361.8	359.8	360.3	354.5	362.0	351.1
Unit Opex (CNY/t ore sold)									
Workforce employment	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3	33.3
Consumables	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4	78.4
Fuel, electricity, water and other services	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5

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Item	2031	2032	2033	2034	2035	2036	2037	2038	2039
On and off-site administration	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Environmental protection and monitoring	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
Non-income taxes, royalties and other governmental charges	36.9	36.9	36.9	36.9	36.9	36.9	36.9	36.9	36.9
Contingency allowances	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9
Total	241.7	241.7	241.7	241.7	241.7	241.7	241.7	241.7	241.7

Item	2040	2041	2042
Annual Opex (CNY million)			
Workforce employment	41.7	14.8	8.9
Consumables	98.2	34.9	21.0
Fuel, electricity, water and other services	37.0	13.1	7.9
On and off-site administration	50.1	17.8	10.7
Environmental protection and monitoring	1.9	0.7	0.4
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	46.2	16.4	9.9
Contingency allowances	27.5	9.8	5.9
Total	302.6	107.5	64.8
Unit Opex (CNY/t ore sold)			
Workforce employment	33.3	33.3	33.3
Consumables	78.4	78.4	78.4
Fuel, electricity, water and other services	29.5	29.5	29.5
On and off-site administration	40.0	40.0	40.0
Environmental protection and monitoring	1.5	1.5	1.5

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Item	2040	2041	2042
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	36.9	36.9	36.9
Contingency allowances	21.9	21.9	21.9
Total	241.7	241.7	241.7

Sources: SRK

Notes: Values are in real terms

As of 31 March 2026, the adjusted working capital was approximately CNY -157.5 million. For future projections, SRK estimated working capital requirements based on industry benchmarks and operational experience, setting the requirement at approximately 23% of the annual Opex (excluding non-income taxes, royalties, and other government charges, or "NITRGC").

Economic Analysis

The economic analysis presented in the Report is provided exclusively to demonstrate the economic viability required for the conversion of Mineral Resources to Ore Reserves. The analysis utilised the Discounted Cash Flow (“DCF”) methodology, incorporating technical and economic parameters derived from historical production records, the feasibility study, and the mine designs, following verified adjustments by SRK.

The consolidated economic metrics are presented in Table ES- 7. The positive Net Present Value (NPV, post-tax) demonstrated therein indicates that the Yulinxi Mine is economically viable under the stated assumptions.

Table ES- 7: Summary of Overall Economics

Item	Unit	Value	Remarks
Production capacity	ktpa ore	1,500	
Life of mine	years	17.0	
Ore Reserves			
Ore Tonnage	Mt	22.6	
P ₂ O ₅ grade	% P ₂ O ₅	20.9	
Economic Analysis			
Long-term phosphate rock price	CNY/t	336	excluding output VAT
Sales revenue	CNY million	7,581.5	CNY 336.3 /t RoM
Output VAT	CNY million	985.6	CNY 43.9 /t RoM
Opex, excluding NITRGC	CNY million	4,615.7	CNY 204.7 /t RoM
Input VAT	CNY million	316.4	CNY 14.0 /t RoM
VAT	CNY million	669.2	CNY 29.7 /t RoM
NITRGC	CNY million	832.6	CNY 36.9 /t RoM

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Item	Unit	Value	Remarks
Opex, including NITRGC		5,448.4	CNY 241.7 /t RoM
CIT	CNY million	83.1	CNY 3.7 /t RoM
Sunk Capex	CNY million	1,185.3	as of 31 March 2026
Long-term payables	CNY million	313.0	as of 31 March 2026
Working capital start value	CNY million	(157.5)	
Sustaining Capex	CNY million	650.3	
Mine closure and rehabilitation	CNY million	24.6	
NPV	CNY million	509	Post-tax value, discount rate is 10%

Sources: SRK

Risk Assessment

The degree or consequence of a risk and its likelihood are combined into an overall risk assessment as presented in Table ES- 8:

Table ES- 8: Risk Assessment for Yulinxi Mine

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource			
Underestimate of Mineral Resource	Unlikely	Minor	Low
Overestimate of Mineral Resource	Possible	Moderate	Medium
Underestimate of the cut-off grade	Unlikely	Minor	Low
Overestimate of the grade	Unlikely	Moderate	Low
Lack of Significant Mineral Resource	Unlikely	Minor	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Unexpected Significant Fault/structure	Possible	Moderate	Medium
Ore Reserves			
Underestimate of mining loss	Unlikely	Minor	Low
Underestimate of mining dilution	Unlikely	Minor	Low
Underestimate of minimum mining width	Unlikely	Minor	Low
Underestimate of cut-off grade	Unlikely	Minor	Low
Overestimate of product price	Unlikely	Minor	Low
Overestimate of operating costs	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Minor	Low
Mining			
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Unlikely	Minor	Low
Underestimate of wall rock stability	Unlikely	Minor	Low
Underestimate of groundwater inflow	Unlikely	Minor	Low
Unfeasible development system	Unlikely	Minor	Low

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Risk Source/Issue	Likelihood	Consequence	Risk
Unfeasible mining methods	Unlikely	Minor	Low
Underestimate of ventilation capacity	Unlikely	Minor	Low
Significant Production Shortfalls	Unlikely	Minor	Low
Mineral Processing			
Lower Throughput	Unlikely	Moderate	Low
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental			
Impacts to local ecology due to land disturbance	Possible	Moderate	Medium
Dust impacts from the haul roads and waste rock dump area	Possible	Moderate	Medium
Impacts to water pollution from the mining activity	Possible	Moderate	Medium

Recommendations

It is recommended that the mine continue to advance underground exploration development (in the form of exploratory drives and cross-cuts ahead of production) in order to further delineate the controlling geological structures and to support the progressive upgrading of Mineral Resource classification to higher confidence categories. Concurrently, hydrogeological investigations should be strengthened, including the systematic monitoring and timely assessment of groundwater inflow rates into the underground workings, so as to inform mine dewatering design and operational planning. From an environmental standpoint, SRK recommends that the established environmental management, monitoring and rehabilitation measures be diligently and continuously implemented throughout the life of mine, in accordance with the approved environmental management plan and applicable regulatory requirements.

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1 Introduction and Scope of Report

SRK Consulting China Ltd (“**SRK**”) was commissioned by Hubei DSphos Co., Ltd. (“**DSphos**”, the “**Company**” or the “**Client**”) to undertake an independent assessment of all relevant technical aspects of the Yulinxi Phosphate Mining Project (“**Yulinxi Mine**” or the “**Mine**”) which is located in Xihe Village, Leizu Town, Yuan'an County, Yichang City, Hubei Province, China.

SRK understands that this independent technical assessment of the Mine is required for inclusion in a Competent Person’s Report (“**CPR**”, the “**Report**”). This Report has been prepared specifically for inclusion in a prospectus to support the proposed listing of Hubei DSphos Co., Ltd. on the Main Board of The Stock Exchange of Hong Kong Limited (the “**SEHK**” or “**Stock Exchange**”), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (“**HKEx**”).

The Report has therefore been prepared following the requirements of the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the “**JORC Code**”) and in accordance with the rules governing the listing of securities on *the Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) including the Chapter 18 requirements and other relevant regulations of the SEHK.

This Report does not express an opinion as to the value of mineral or other assets involved.

The Mine is situated within a major regional hub for phosphate extraction and processing, with the Mine tenement encompassing an area of approximately 11 km². Current underground mining operations utilise room-and-pillar and drift-and-fill mining methods. The Mine operates under a regulated design capacity of 1.5 million tonnes per annum (“**Mtpa**”) of Run-of-Mine (“**RoM**”) ore.

Extracted RoM ore is transported via the established national highway network traversing the Mine area to the beneficiation plant within the Client’s chemical plant in Leizu Town for processing. Alternatively, the Mine retains the flexibility to supply RoM ore to third-party phosphate chemical enterprises situated within the Yichang region.

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2 Program Objectives and Work Program

2.1 Program Objectives

The purpose of the independent technical assessment is to prepare a Competent Person's Report (“CPR”) in accordance with the requirements of “Chapter 18: Equity Securities, Mineral Companies” of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (“Listing Rules”).

2.2 Reporting Standard

The Report has been prepared following the requirements of the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the “**JORC Code**”) and in accordance with the rules governing the listing of securities on the *Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) including the Chapter 18 requirements and other relevant regulations of the HKEX.

As the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (the “**VALMIN Code**”) incorporates the JORC Code for reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy (“AusIMM”) members. The Report has also been prepared in accordance with the requirements of the VALMIN Code for reporting Mineral Resource and Ore Reserve.

This Report is not a Valuation Report of the VALMIN Code and does not express an opinion as to the value of mineral assets. Aspects reviewed in this Report do include product prices, socio-political issues and environmental considerations; however, SRK does not express an opinion regarding the specific value of the assets and tenements involved.

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/or confirm that the Client has 100% ownership of its underlying tenement and/or has any unresolved legal matters relating to any transfer of ownership or associated fees and royalties. SRK has therefore assumed that there are no legal impediments regarding the existence of the relevant tenements and that the Client has the legal right to all underlying tenements as purported. Assessing the legal tenures and rights to the prospects of the Client and or any of its subsidiary companies are the responsibility of legal due diligence conducted by entities other than SRK.

2.4 Work Program

The proposed work program consists of three stages, as outlined below:

- Stage I: Initial review and conducting data process based on the data and information provided by the Client;
- Stage II: Visit the mine sites to understand the status of each mine's geological resources, mining, processing, sales, licensing, and environmental aspects, and to further collect the technical data for the independent technical review;

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- Stage III: Carry out the mineral resource estimation based on the reviewed data and information; and,
- Stage IV: JORC Mineral Resource reporting and JORC Ore Reserve conversion. Preparation of a CPR for public reporting including Mineral Resources and Ore Reserves, assessment of the mining, review of environmental, social, and license and permit compliance.

2.5 Effective and Report Dates

The Mineral Resource and Ore Reserve statements in the Report are effective as of 31 March 2026 (the “Effective Date”). SRK is not aware of any material change to the Resource or Reserve base between the Effective Date and the Report Date (1 May 2026), other than normal production depletion occurring during the ordinary course of operations.

2.6 Site Visit

SRK Project team, including the project's Competent Persons, Mr Yonggang Wu and Mr. Yongchun Hou, visited the mine sites from 4 to 7 January 2026. During the site visit, the SRK team visited the major operational facilities and held discussions with the technical team to understand the technical aspects and the operational status of the mine.

Between 14 and 19 January 2026, SRK conducted a second site visit to collect underground channel samples for the assessment of seam thickness and P₂O₅ grades. This second site visit and sampling programme were undertaken by two other SRK geologists, with assistance from mine personnel.

2.7 SRK Experience

The SRK Consulting Group (“SRK Consulting”) is an independent, international consulting practice that provides focused advice and solutions to clients, mainly from earth and water resource industries. For mining projects, SRK Consulting offers services from exploration through feasibility, mine planning, and production to mine closure.

Among the company's more than 1,500 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, and petroleum exploration companies.

Formed in 1974 in Johannesburg, South Africa, SRK Consulting now employs more than 1,800 professionals internationally in 42 permanent offices across 20 countries on six continents. A broad range of internationally recognised associate consultants complements the core staff.

SRK Consulting employs leading specialists in each field of science and engineering. The comprehensive range of services provided across its global network positions the company as a recognised advisor in due diligence, feasibility studies, and confidential internal reviews.

SRK Consulting's independence is ensured by the fact that it holds no equity in any project and that its ownership rests solely with its staff. This enables the company to provide its clients with objective, conflict-free recommendations on crucial judgement issues.

SRK China was established in 2005 and has three offices located in Beijing, Nanchang and Kunming. Either independently or together with other SRK Consulting offices, SRK has been providing

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independent technical services for the Chinese mining companies. SRK has considerable experience in providing Independent Expert Reports to mining companies for successfully listing on the stock exchanges in Hong Kong, Australia, United Kingdom, Canada, South Africa and the United States.

SRK has provided dozens of independent technical reports for Chinese mining companies who have successfully completed listing and/or acquisition transactions on the Stock Exchange of Hong Kong Ltd., as shown in Table 2-1.

Table 2-1: SRK’s Reports for Listing on the HKEx

Company	Year	Nature of Transaction
China Hanking Holdings Limited	2011	IPO Listing on the SEHK
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the SEHK
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the SEHK
Hengshi Mining Investments Limited	2013	IPO Listing on the SEHK
Future Bright Mining Holdings Limited	2014	IPO Listing on the SEHK
King Stone Energy Group Limited	2014	Acquisition of Shareholding in silver mines in Fujian, China
Agritrade International Pte LTD	2015	Acquisition of Shareholding in one coal mine in Indonesia
China Unienergy Group Limited	2016	IPO Listing on the SEHK
Pizu Investment Co. Ltd	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Limited	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Limited	2022	IPO Listing on the SEHK
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on SEHK
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on SEHK

2.8 Project Team

SRK Project team members’ responsibilities for this Report are shown in Table 2-2 below.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Yongchun (Roger) Hou	Principal Consultant (Geology)	Competent Person, geology and resource review, Report compilation.
Yonggang Wu	Principal Consultant (Mining)	Competent Person, Reserve and mining review
Xu Huang	Assistant Consultant (Mining)	Assistant in reserve and mining review
Xiangfeng (Freda) Yang	Senior Consultant (Mineral Processing)	Capex, Opex assessment, and technical economic analysis.
Yuanhai (Andy) Li	Principal Consultant (ESG)	Environmental, social and permits review.
Yanchen Fossad	BD and Project Coordinator	Project coordination and report editing.
Pengfei Xiao	Principal Consultant	Internal Quality Control
Dr Yonglian Sun	Corporate Consultant	Peer Review

Yongchun (Roger) Hou, MSc, MAusIMM, is a Principal Consultant (Geology) at SRK China. He graduated from the China University of Mining and Technology and has 15 years’ experience in

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exploration management, resource estimation, GIS and coal washing. He worked as a geologist in Kalimantan, Indonesia and Mozambique under JORC Code practice and is proficient with Minex and Vulcan modelling software. At SRK, he has been involved in exploration supervision, resource and reserve estimation, coal washing projects, and technical report writing for projects in China, Indonesia, and Cambodia. **Mr. Hou is responsible for the geological review and Mineral Resource estimate. He is qualified as a Competent Person with regard to the type of deposit and the activity undertaken.**

Yonggang Wu, MEng, MAusIMM, is a Principal Consultant (Mining), joining SRK in 2007 after his graduation from the Jiangxi University of Science and Technology. He has acquired specialised knowledge of mining engineering and MineSight software and has been involved in a large number of projects to date. He has accumulated extensive experience in resource/reserve estimation, pit limit optimisation and design, underground-mining design, long-term production planning, and due diligence studies, with minerals including Au, Pb, Zn, Mn, Cu, Fe, fluorite, potassium salts, alum, and phosphorus among many others. Mr. Wu has expertise in geological and mining modelling and is proficient in using MineSight, AutoCAD, and other specialised software packages. **Mr. Wu is responsible for the mining assessment and Ore Reserve conversion. He is qualified as a Competent Person with regard to the type of deposit and the activity undertaken.**

Xu Huang, MEng, is an Assistant Consultant (Mining) at SRK China. He obtained his master's degree in resources and environment from the University of Science and Technology Beijing, where he gained comprehensive expertise in both open-pit and underground mining theory and practice, establishing a solid technical foundation.

Xiangfeng (Freda) Yang, MEng; MAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Certified Cost Engineer, is a Senior Consultant (Mineral Processing) with SRK Consulting China Ltd. She has over 12 years' experience in processing Feasibility Study, processing design and technical consultancy service, especially in industrial minerals including gold, silver, lead, zinc, copper as well as phosphate. She obtained bachelor's degree and master's degree in mineral processing engineering from Jiangxi University of Science and Technology and Wuhan University of Science and Technology, during which she systematically studied the processing flowsheet and plant design on nonferrous metals ore and non-metallic ores. Before joining SRK, she engaged in ore Feasibility Study, Preliminary design, Construction drawing design and equipment procurement evaluation in Bluestar Lehigh Engineering Institute Co., Ltd and Nanchang Mineral Systems Co. Ltd. She has published several journal papers and utility models. She has conducted and participated in the plant design of many medium and large phosphate ore, potash salt, sulphide ore, iron ore and other projects.

Dr Yuanhai (Andy) Li, Ph.D, MAusIMM, is a Principal Consultant (Environmental) with SRK China. He earned his doctorate degree in Environmental Engineering from the Florida State University in USA. He has over 20 years' experience in the environmental engineering field, and has worked in various environmental projects in China, and the Great Asia Area, USA and Africa. He has particular expertise in environmental due diligence reviews, environmental compliance and impact assessments for mining, mineral processing, refining, smelting and infrastructure/hydropower project. He is familiar with various internationally recognized environmental requirements, such as Equator Principles (EP), International Finance Corporation/World Bank (IFC/WB), and U.S. Environmental Protection Agency (USEPA) legislations, etc. Furthermore, he also has extensive experience in contaminated site assessments and remedial design and construction, wetland and landfill

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rehabilitation, potable water/wastewater treatment design, water distribution systems, and storm water management system design.

Yanchen FOSSARD, MA, MBA, serves as BD Assistant for SRK’s China office. She studied and worked in France for 14 years, has experience in multinational corporations, and has participated in the support and coordination of several major international projects. These include coordination, management, and other support roles for large-scale events such as the U.S. and French presidential elections, the Beijing Winter Olympics, the Tokyo Olympics, and the G20 Summit, through which she has accumulated extensive experience. Mrs. Fossard is proficient in business English and French, holds China Accreditation Test for Translators and Interpreters (CATTI) Level 3 French Interpretation Certificate, and has professional experience in French interpreting and translation in the engineering and construction sector. Since joining SRK, she has primarily assisted project managers with project coordination and business development activities.

Pengfei Xiao, BSc., MSc, FAusIMM, MAIG, is the Managing Director of SRK China. He is a Principal Consultant (Geology) with a specialty in mineral exploration applying comprehensive geological and geophysical methods; and his expertise also includes resource modelling and estimation. He is familiar with both theory and practice in sampling, sample preparation and chemical analysis. As a consulting geoscientist, he has been active in mining projects including due diligence reviews, exploration design, data verification and resource estimation in China, Mongolia, Africa, America, Southeast and Central Asia. His experience relates precious metal (Au, Ag, PGE), base metal (Cu, Ni, Pb, Zn) and other metal deposits (Fe, Mn, V, Mo, Co), and also includes a few non-metal projects (phosphorite, potash, gypsum). In the past ten years he has been working in geology and resource assessment with SRK, and co-authored dozens of technical reports aiding clients in successful property transactions; and more than half of them are published in stock exchanges.

Dr Yonglian Sun, BEng. PhD, FAusIMM, FIEAust, CPEng., is a Corporate Consultant and a Practice Leader of SRK China. Dr Sun has over 30 years’ experience in geotechnical engineering and mining engineering in five countries across four continents. He also has extensive international experience in mining project evaluation for project financing and overseas stock market listings. Over the last decade, Dr Sun has led and managed dozens of due diligence projects for many mining companies and most of them have been successfully financed or listed on the HKEx. Dr Sun provided the internal peer review to ensure the quality of the report meets the required standard.

2.9 Warranties

Hubei DSphos Co., Ltd. has warranted to SRK that full disclosure has been made of all material information and that, to the best of their knowledge and understanding, such information is complete, accurate and true. SRK has no reason to doubt these warranties.

2.10 Indemnities

As recommended by the VALMIN Code, Hubei DSphos Co., Ltd. has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- Which results from SRK’s reliance on information provided by Hubei DSphos Co., Ltd. not providing material information; or

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- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.11 Compliance Statement

The information in this Report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr. Yongchun Hou and Mr. Yonggang Wu. Both of them are Competent Persons, Members of The Australasian Institute of Mining and Metallurgy and fulltime employees of SRK China.

The Competent Persons, Mr. Hou and Mr. Wu have no prior association with the Client in regard to the mineral assets that are the subject of this Report. All have no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

Mr. Hou and Mr. Wu have sufficient experience that are relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code (2012 Edition).

Both Mr Hou and Mr Wu consent to the inclusion in this Report of the matters based on their information in the form and context in which it appears.

2.12 Independence Statement

Neither SRK nor any of the authors of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

SRK has no prior association with the Client or the Client's employees or in regard to the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

2.13 Forward-Looking Statement

Estimates of Mineral Resources, Ore Reserves, and mine production are inherently forward-looking statements, which being projections of future performance will necessarily differ from the actual performance. The errors in such projections result from the inherent uncertainties in the interpretation of geologic data, in variations in the execution of mining and processing plans, in the inability to meet construction and production schedules due to many factors including weather, availability of necessary equipment and supplies, fluctuating prices, ability of the workforce to maintain equipment, and changes in regulations or the regulatory climate.

The possible sources of error in the forward-looking statements are addressed in more detail in the appropriate sections of this Report. Also provided in the Report are comments on the areas of concern inherent in the different areas of the mining and processing operations.

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3 Property Description

3.1 Mine Property Location

The Yulinxi phosphate mine is situated in Xihe Village, Leizu Town, Yuan'an County, Yichang City, Hubei Province, China. The mine is located approximately 10 km northwest of Leizu Town.

Primary access from the regional hub of Yichang is via the G59 Hohhot-Beihai Expressway (driving north), transitioning onto National Highway G347 for the final leg to the mine site.

The total transit time from Yichang is roughly 1.5 hours. The existing road infrastructure is capable of supporting heavy-duty haulage trucks (30-50 tonne capacity), which is critical for the transport of phosphate rock to downstream processing plants or railheads. The regional location of the mine is shown in Figure 3-1.

Figure 3-1: The Regional Location of Yulinxi Mine



3.2 Landforms, Topography and Climate

The mine area is characterized by a low-to-middle mountain karst topography, with elevations ranging from 400 m to 1100 mRL. The region features a subtropical monsoonal climate, allowing for year-round mining operations.

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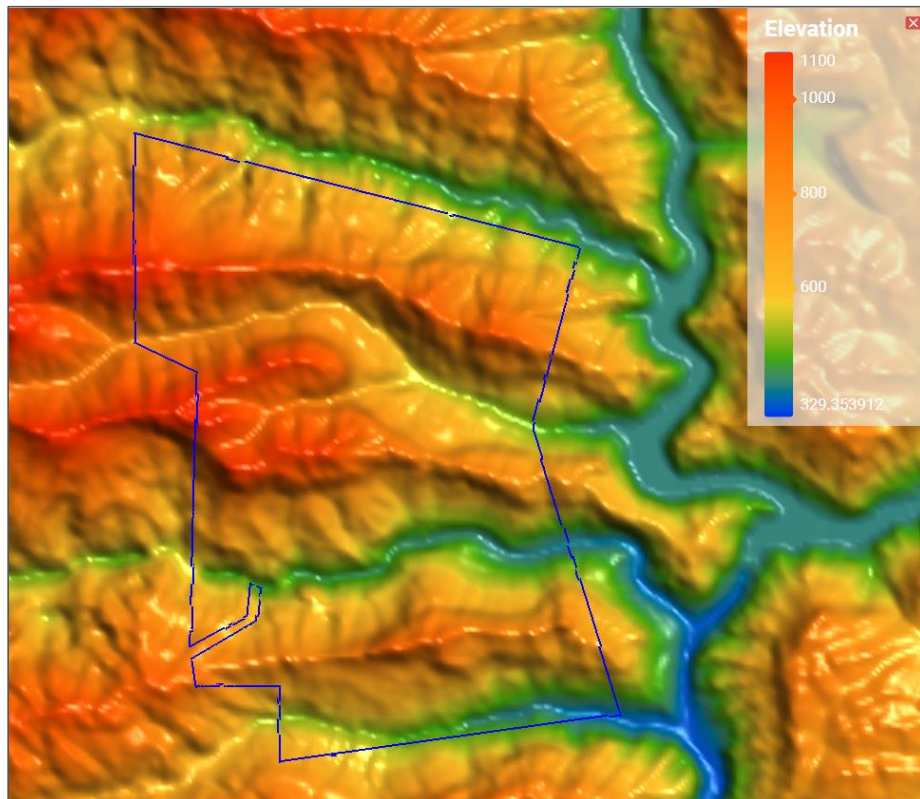
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The area exhibits rugged relief with elevations ranging significantly between ridge lines and valley floors. Prominent mountainous features, such as Zhangjiayinpo, define the western and southern sectors of the lease, characterized by steep slopes and high vegetation cover.

The landscape is dissected by steep gullies. Notable features include Dagou, which traverses the central-eastern portion of the tenement. These gullies reflect intense fluvial erosion and provide natural stratigraphic exposures of the underlying sedimentary sequences. The Mine area is drained by a network of perennial and seasonal streams.

The Mine area is drained by a dendritic network of perennial and ephemeral streams. The Yulinxi stream flows along the eastern boundary, while the Shenlonghe River defines portions of the northern perimeter. These watercourses follow the structural grain of the valleys and represent the primary external drainage for the Mine area.

Figure 3-2: Terrain Feature of the Yulinxi Mine



The Mine area is located within a Northern Subtropical Continental Monsoon climate zone, characterised by mild temperatures and distinct seasonal variations. The mean annual temperature is approximately 15.9°C. During the summer (July), influenced by monsoons, mean temperatures range between 27°C and 29°C. Conversely, winter temperatures (January) typically range from 3°C to 6°C due to northern cold fronts, with extreme minimums dropping below -10°C.

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Annual precipitation ranges from 1,000mm to 1,200mm, with over 60% of rainfall occurring during the wet season from May to September, often including intense storm events. Given the mountainous terrain in the northwestern Yuan'an County, the site exhibits significant microclimate characteristics, including vertical temperature gradients, high humidity, and frequent fog. Direct sunshine hours are notably shorter than in the adjacent plains due to the topographical shading and cloud cover.

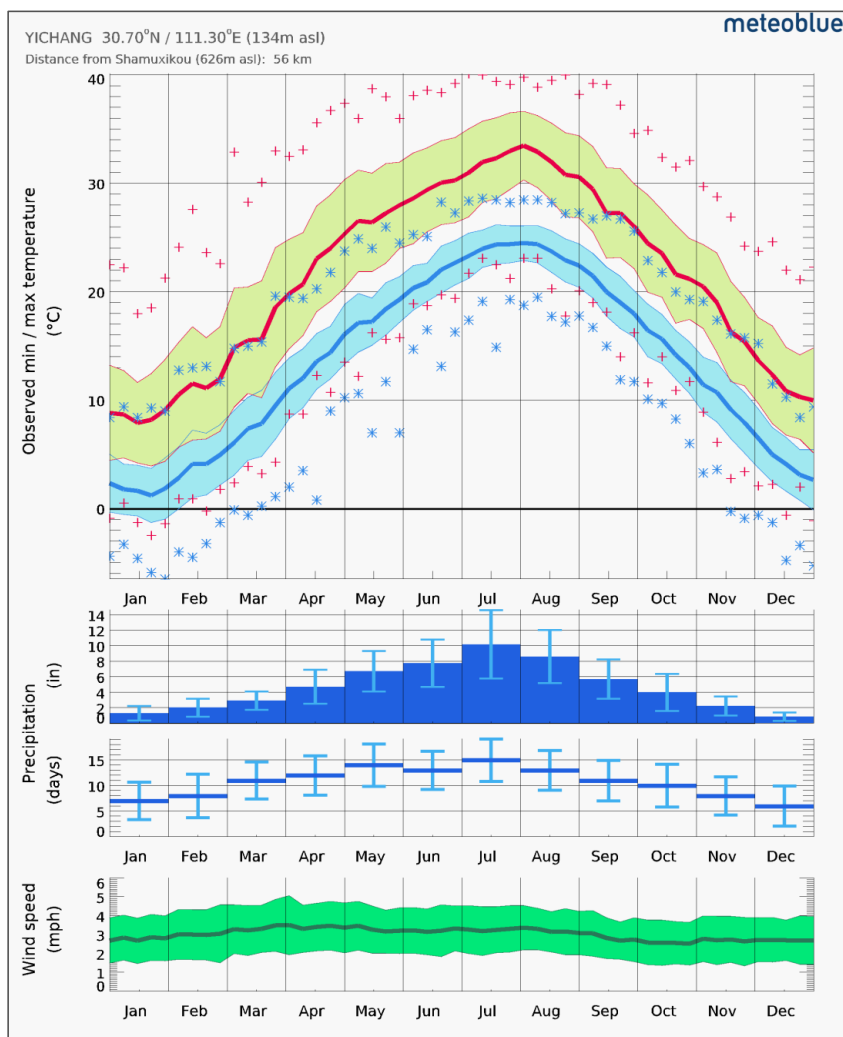
Climatic conditions present specific operational risks. Intense summer rainfall increases the potential for geohazards, such as rockfalls and landslides, which may impact pit stability or portal access. During winter, snow accumulation and icing in the mountainous areas can persist for several weeks, potentially disrupting the road transport of phosphate rock and site logistics.

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Figure 3-3: Typical Monthly Temperature and Precipitation of the Mine Area



Source: https://www.meteoblue.com/en/weather/historyclimate/climateobserved/shamuxikou_china_8519433

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4 Operating Licences and Permits

SRK relied on the information provided by the Client and SRK understands that a legal due diligence review of this project has been undertaken by the Client’s legal advisors.

4.1 Mining Licence

Details of the Mining licence for the Mine are presented in Table 4-1 and a scanned original copy is attached in the Appendix A of this report.

Table 4-1: Mining Licence

Project	Yulinxi Mine
Mining Licence No.	C1000002017096110145167
Issued To	Hubei Dongsheng Chemical Industrial Group Co., Ltd.
Issued By	Hubei Bureau of Natural Resources
Issue Date	6 September 2017
Expiry Date	6 September 2047
Area (km²)	10.9515
Mining Type	Underground Mining
Ore Type	Phosphorite

The mining licence defines the permissible extraction depth ranging from +270 mRL to -340 mRL. Based on current geological modelling, this vertical interval provides full coverage of the targeted mineralised zones. The defined elevation limits do not truncate or intersect the interpreted orebody within the tenement boundaries, ensuring the vertical continuity of the Mineral Resource remains unconstrained by the existing licence depth. The vertices indicated on the mining licence are presented in Table 4-2.

Table 4-2: Vertices Coordinates of the Mining Licence

Vertices	East	North	Vertices	East	North
1	3453722.21	37531088.18	11	3457692.21	37530044.47
2	3453720.44	37530479.32	12	3457076.25	37532445.90
3	3453905.15	37530452.31	13	3457104.10	37532537.44
4	3454183.72	37530928.00	14	3457084.72	37532611.17
5	3454430.18	37530953.75	15	3457057.12	37532520.47
6	3454460.75	37530874.24	16	3456870.25	37533249.03
7	3454214.28	37530848.49	17	3455575.64	37532909.02
8	3453997.55	37530452.05	18	3453514.14	37533550.79
9	3455968.79	37530499.30	19	3453167.84	37531089.81
10	3456183.09	37530048.76	--	--	---

Notes: Coordinate system: CGCS2000, 3-degree zone. The mining licence boundary coordinates are issued by the regulatory authority in the CGCS2000 coordinate system. For the purposes of geological modelling and resource estimation, all spatial data have been standardised to the Xi'an 1980 coordinate system (see Section 9.3). The Client has provided the licence boundary coordinates transformed into the Xi'an 1980 system, and no positional discrepancy exists between the two systems within the modelled area.

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4.2 Other Operational Permits

SRK was provided with a safety production permit for the Mine with details shown in Table 4-3. It should be noted that a safety production permit for a tailing storage facility is not required since all tailings are either backfilled into the underground workings or utilised as raw material for gypsum production.

Table 4-3: Safety Production Permit

Project	Yulinxi Mine
Safety Production Permit No.	(E) FM [2025] No. 030989
Issued To	Hubei Dongsheng Chemical Industrial Group Co., Ltd.
Issued By	Hubei Safety Supervision Bureau
Licensed Activity	Phosphate Ore Underground Mining
Issue Date	17 November 2025
Expiry Date	16 November 2028

According to the Company, it has obtained a valid water use permit, and Table 4-4 provides the details of this permit.

Table 4-4: Water Use Permit

Water Use Permit No.	C420525G2025-0005
Issued To	Hubei Dongsheng Chemical Industrial Group Co., Ltd.
Issued By	Yichang Water Bureau
Issue Date	25 December 2025
Expiry Date	24 December 2030
Type of Water Source	Mine water from underground mining
Water Allocation	821,600 m ³ /year

The Company states that it has obtained necessary land use rights to carry out mining and processing activities, and related land use permits have also been provided to SRK for review. In addition, the Mine plans to obtain additional land use permits for the future mining and processing.

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5 Transportation and Infrastructure

5.1 Transportation

The Yulinxi Phosphate Mine is located near established regional transport networks. Primary road access from Yichang is facilitated via the G59 Expressway and National Highway G347, both capable of supporting heavy-duty bulk mineral transport.

The Dang-Yuan Railway, a Class II dedicated freight line commissioned in May 2024, terminates at Leizu Station near the mining area. This facility provides a direct rail link to the national Jiaozuo-Liuzhou Railway via Yangwumiao Station, offering a high-capacity alternative to long-haul road transport.

Additionally, the Leizu-Guangping dedicated mineral transport road, scheduled for completion in early 2026, will separate mining traffic from local commuters and streamline short-haul transfers to the railhead. The Mine is also introducing electric heavy-goods vehicles (HGVs) for short-haul operations to reduce transport costs compared to traditional diesel fleets. The site's integrated access to road, rail, and Yangtze River port networks adequately supports the distribution of phosphate rock.

Figure 5-1: Road Access within the Mine Area



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5.2 Infrastructure

The Mine is supported by regional industrial infrastructure developed for mineral extraction and processing. Power is supplied by the State Grid, and industrial water is drawn from local rivers to support the mine's 1.5 Mtpa integrated mining, processing, and backfilling operations. The Mine employs a backfill system where processed tailings are returned to underground voids to maintain geomechanical stability and manage surface waste disposal.

Furthermore, the mine is located in close proximity to the Yichang phosphate chemical hub, providing short transport distances to downstream processing facilities, including those operated by the Client. The integration of site infrastructure with the established regional industrial network provides a stable logistical foundation for the sustained commercial operation of the Yulinxi Mine.

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6 Geological Setting

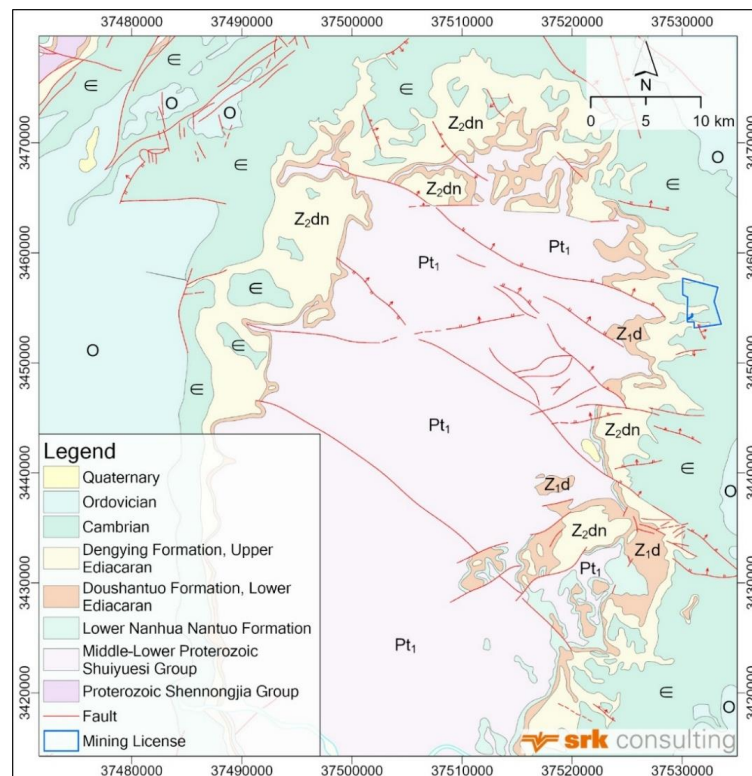
6.1 Regional Geology

The Yulinxi Sector is a component of the Yichang Phosphorite Deposit, representing the significant down-dip extension of the phosphate-bearing horizons from the eastern portion of the Yinjiagou Mining Area. The Yinjiagou Mining Area itself covers approximately 36km², extending 9,500 m north-to-south and ranging from 2,400 m to 7,000 m in width.

Regionally, these assets form part of the broader Yichang Phosphorite Deposit, where the ore-bearing strata follow a NW-SE arcuate trend, spanning over 70km with a total footprint of 300 km² along the northern and eastern flanks of the Huangling Anticline. The geological map of Huangling Anticline is shown in Figure 6-1.

Tectonically, the Mine is situated on the northern margin of the Upper Yangtze Platform Fold Belt within the Yangtze Paraplatform. The Huangling Anticline serves as a secondary-order uplift and acts as the structural pivot for the western wing of the Huaiyang structural system. This stable tectonic setting provides the fundamental geological framework for the preservation of the extensive sedimentary phosphorite sequences found within the Yulinxi Sector.

Figure 6-1: Simplified Geological Map of the Huangling Anticline Region



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The stratigraphic sequence outcropping within the Mine area ranges from the Late Proterozoic Shuiyuesi Group to the Cenozoic Tertiary and Quaternary systems, as shown in Figure 6-2. Description of these stratigraphic is described below:

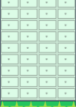
- Basement (Late Proterozoic Shuiyuesi Group): Comprising a sedimentary suite of shallow-marine carbonate facies and argillaceous-clastic facies, the basement lithology primarily consists of schists, gneisses, and grey-green gabbroic rocks.
- Mineralised Sequence (Sinian to Cambrian): This interval represents a complex sedimentary progression from glacial and glaciofluvial deposits to the target Phosphatic Rock Series. The lithological assemblage includes tillite, manganiferous dolomite, phosphatic mudstone, and the economic phosphorite horizons, transitioning upwards into phosphatic dolomite, argillaceous dolomite, and intraclast dolomite with siliceous bands. The primary phosphorite orebodies of the Yulinxi Sector are hosted exclusively within the Sinian phosphatic series.
- Ordovician to Silurian: The Ordovician sequence is dominated by shallow-marine carbonates, while the Silurian consists of shallow-marine shales and mudstones.
- Cenozoic (Tertiary and Quaternary): Tertiary formations comprise conglomerates, sandy conglomerates, and purplish-red calcareous siltstones. Quaternary deposits are primarily restricted to riverine corridors, consisting of intermontane fluvial alluvium and talus-slope sandy clays.

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Figure 6-2: Simplified Regional Stratigraphic Column of the Sedimentary Strata

AGE / SYSTEM	COLUMN	LITHOLOGY & MINERALIZATION FEATURES
Cenozoic		Quaternary [60m] <i>Fluvial alluvium, talus-slope sandy clays</i>
		Tertiary [80m] <i>Conglomerates, sandy conglomerates</i> Comprising conglomerates, purplish-red calcareous siltstones.
Ordovician - Silurian		Silurian [80m] <i>Shallow-marine shales and mudstones</i>
		Ordovician [100m] <i>Shallow-marine carbonates</i> Dominated by shallow-marine carbonates.
Sinian to Cambrian		Cambrian / Upper Sinian [120m] <i>Phosphatic & argillaceous dolomite</i> Phosphatic dolomite, argillaceous dolomite, and intraclast dolomite with siliceous bands.
		Mineralised Series [140m] <i>Economic Phosphorite, phosphatic mudstone</i> Target Phosphatic Rock Series. Primary phosphorite orebodies of the Yulinxi Sector are hosted here.
		Lower Sinian [100m] <i>Tillite, manganiferous dolomite</i> Complex sedimentary progression (glacial and glaciofluvial deposits).
Late Proterozoic		Shuiyuesi Group (Basement) [180m] <i>Schists, gneisses, and grey-green gabbroic rocks</i> Sedimentary suite of shallow-marine carbonate facies and argillaceous-clastic facies.

The Lower Sinian Doushantuo Formation represents the principal phosphate-bearing sequence within the region. The phosphorite-developed zones are predominantly situated along the northern and eastern flanks of the anticline, exhibiting a NW-SE arcuate distribution. This mineralised belt extends over 70km from Xiaofeng in the south to Heiliangshan in the north, and from Baiguoyuan in the west to Gaofeng in the east, covering an extensive area of over 300km².

Within the stratigraphic interval from the Doushantuo Formation to the Cambrian, six phosphatic horizons have been identified (designated Ph₁ to Ph₆; see Figure 6-3: Stratigraphic Column of Phosphatic Members). These occur as follows (from top to base):

- Ph₆: Base of the Cambrian Shuijingtuo Formation (Є₁s).
- Ph₅: Base of the 2nd Member of the Upper Sinian Dengying Formation (Z₂d_{n2}).
- Ph₄: Top of the 4th Member of the Doushantuo Formation (Z₁d₄).
- Ph₃: Base of the 3rd Member of the Doushantuo Formation (Z₁d₃).
- Ph₂: Base of the 2nd Member of the Doushantuo Formation (Z₁d₂).
- Ph₁: Upper-middle portion of the 1st Member of the Doushantuo Formation (Z₁d₁).

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Historical geological survey indicates that Ph₃, Ph₄, Ph₅, and Ph₆ lack industrial viability due to insufficient thickness, low P₂O₅ grades, and high lateral variability. Regionally, the Ph₁ and Ph₂ horizons constitute the principal industrial-grade phosphorite orebodies. However, within the specific Yulinxi permit area, the Ph₂ horizon is poorly developed. Consequently, the Ph₁ horizon (specifically the Ph₁³ layer) serves as the sole economic target for exploration and resource estimation. The regional stratigraphic sequence is illustrated in Figure 6-3.

Figure 6-3: Typical Ore Bearing Column of the Sedimentary Strata

Formation	Member	Strat. Code	Phos. Bed	Ore Code	Lithological Column	Sedimentary Facies	Economic Significance
Shuijing-tuo Fm.		Є ₁ s	Ph ₆			Shale Facies	
Dengying Formation	3rd Mem.	Z ₂ dn ³				Dolomite	
	2nd Mem.	Z ₂ dn ²	Ph ₅				
	1st Mem.	Z ₂ dn ¹					
Doushantuo Formation	4th Mem.	Z ₁ d ⁴	Ph ₄			Siliceous Dolomite Facies	
	3rd Mem.	Z ₁ d ³	Ph ₃				
	2nd Mem.	Z ₁ d ²	Ph ₂				
	1st Mem.	Z ₁ d ¹		Ph ₂ ²		Dolomite Phos. Facies	Commercial Ore Bed
				Ph ₂ ¹			
			Ph ₁ ³			Shale	Commercial Ore Bed
			K ₂			Phosphorite Facies	Commercial Ore Body
			Ph ₁ ²				
			K ₁				
			Ph ₁ ¹				
						Terrigenous Clastics	
						Dolomite Facies	

6.2 Project Geology

6.2.1 Stratigraphy

The Yulinxi Sector is classified as a blind deposit, with the primary phosphate-bearing series (Doushantuo Formation) and underlying basement entirely concealed. Outcropping strata are limited

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to the Lower Cambrian, the Sinian Dengying Formation (Member 3), and localised Quaternary cover. The stratigraphic sequence, from oldest to youngest, is summarised below:

Basement and Pre-Sinian Sequence

Shuiyuesi Group (Pt₁): Represents the metamorphic basement, primarily composed of grey-green diopside gneiss and biotite gneiss. It exhibits a granoblastic texture and gneissic structure. This unit is separated from the overlying strata by an angular unconformity.

Nanhua System Nantuo Formation (Nh_{1n}): Formerly known as the Nantuo Tillite, this unit consists of dark-green breccia with an average thickness of 5.25m. It sits with an angular unconformity upon the basement and a parallel unconformity below the Sinian system.

Sinian System (The Phosphatic Series)

Doushantuo Member 1 (Z_{1d}¹) is subdivided into three sub-members: the lower, middle, and upper sub-members.

- The lower sub-member (Z_{1d}¹⁻¹) is known as the "Lower Dolomite," comprising fine-grained crystalline dolomite (avg. 4.0m in thickness).
- Middle Sub-member (Z_{1d}¹⁻²): Contains black potassic shales (avg. 4.98% K₂O, currently sub-economic). The upper portion hosts the Ph₁³ Layer (Third Phosphorite Layer), the principal economic target of this sector. Ph₁³ consists of argillaceous banded and massive phosphorite. Other sub-layers (Ph₁¹, Ph₁²) are thin and sub-economic.
- Upper Sub-member (Z_{1d}¹⁻³): Known as the "Upper Dolomite," a massive crystalline dolomite (avg. 5.77m in thickness).

Doushantuo Member 2 (Z_{1d}²): Comprises dark-grey illite shales and mudstones (avg. 68.22 m in thickness). It hosts the Ph₂ horizon, which is thin (<1.0 m) and carries no industrial value in this sector.

Doushantuo Member 3 (Z_{1d}³): Characterised by phosphatic siliceous oolitic dolomite. The Ph₃ layer serves as a distinct marker horizon but lacks economic viability.

Doushantuo Member 4 (Z_{1d}⁴): Predominantly argillaceous dolomite with siliceous nodules (avg. 23.14m in thickness).

Dengying Formation (Z_{2dn}): A thick sequence of dolomites (avg. ~390 m in thickness) acting as the immediate hanging wall. It is divided into three members (Z_{2dn}¹ to Z_{2dn}³), characterised by crystalline textures, siliceous bands, and well-developed vuggy structures (karstification) and dissolution cavities, which may impact underground water management.

Cambrian System (Cover)

Shuijingtuo Formation (∈ 1s): Carbonaceous shales transitioning to limestones.

Shipai Formation (∈ 1sp): Siltstone shales and fine sandstones.

Tianheban and Shilongdong Formations: Dominated by limestones and dolomitic limestones, forming the upper caprock of the regional sequence.

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Quaternary (Q4)

Unconsolidated alluvial and eluvial deposits (avg. 2.52m in thickness), though localized collapse bodies (talus) can reach thicknesses of up to 90.15m (e.g., ZK1201).

6.2.2 Geological Structure and Magmatic Rocks

The strata within the permit area are characterized by a monoclinical structure with minor local undulations. No major folding has been identified. The bedding is relatively gentle, with an overall dip direction ranging from 75 to 100 degrees and dip angles between 5 and 13 degrees (averaging 8 degrees).

Historical adit exploration has identified dozens of faults, primarily concentrated in the western portion of the tenement. Six of these are classified as major faults. The technical parameters for these primary structures are detailed below.

Faults F1 and F2 (Northern Sector):

Both F1 and F2 are normal faults located in the northern part of the area. F1 strikes 190 degrees with a dip of 55 to 70 degrees, widths of 1 to 10 metres, and a recorded length of 1,500 metres. F2 strikes 208 degrees with a dip of 55 to 65 degrees, widths of 5 to 10 metres, and a length of 500 metres. These structures result in a relative uplift of the northern block; the vertical throw of the orebody floor is approximately 25 metres across F1 and 10 metres across F2.

Faults F3 and F4 (Southwestern Sector):

F3 is a normal fault striking 198 degrees with a dip of 45 to 60 degrees, a width of 20 metres, and a length of 1,940 metres. F4 is a reverse fault striking 37 degrees with a dip of 25 to 35 degrees, widths of 40 to 50 metres, and a length of 1,000 metres. F3 exhibits a 10-metre vertical throw (north side upthrown). F4 shows significant displacement, with the southern block uplifted by approximately 100 metres relative to the northern block.

Faults F5 and F6 (Central and Southern Sectors):

Both are normal faults. F5 is located in the central area, striking 180 degrees with a dip of 45 to 70 degrees and a length of 840 metres. F6 is situated in the south, striking 203 degrees with a dip of 55 to 65 degrees and a length of 900 metres. The vertical throw for F5 and F6 is 10 metres and 15 metres respectively, both featuring an upthrown northern block.

Additional faults identified via underground adits are minor and are not expected to have a material impact on mining operations. Overall, the structural complexity of the deposit is generally low to moderate complex.

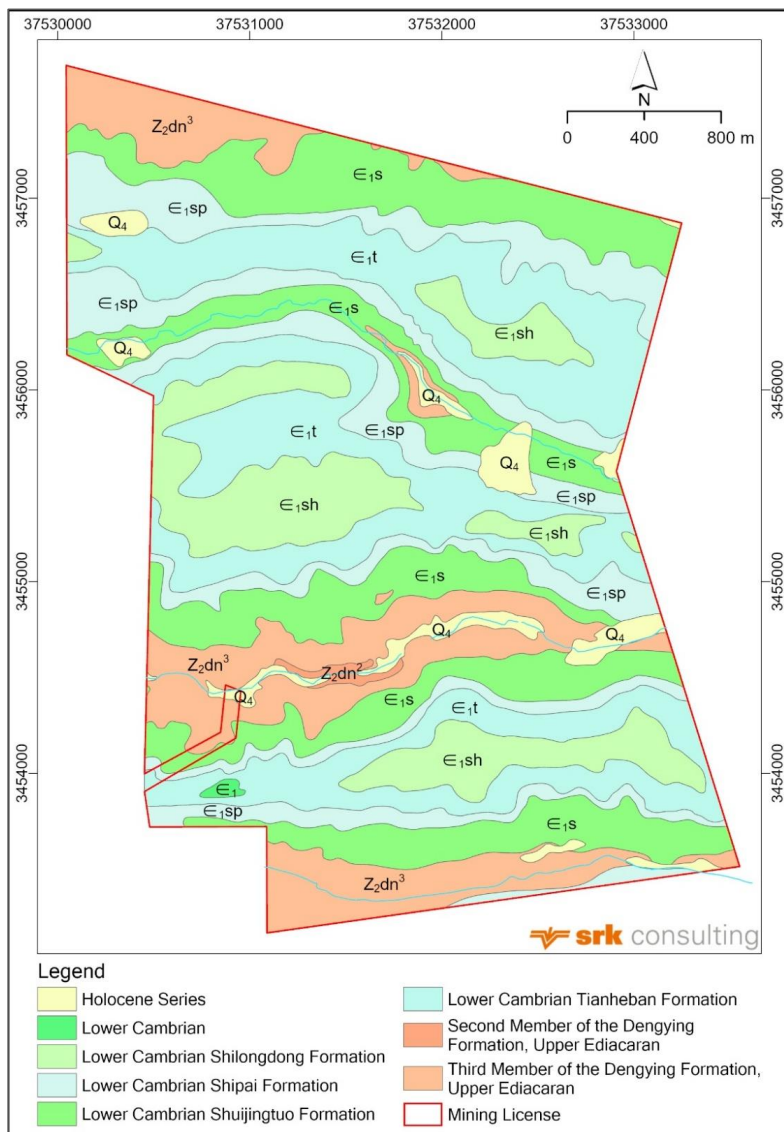
No magmatic rocks or evidence of igneous activity have been observed within the mining sectors. Metamorphism is restricted to low-grade effects within the basement sequences of the Mid-Lower Proterozoic Shuiyuesi Group.

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Figure 6-4: Simplified Geological Map of the Yulinxi Phosphate Mine



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6.2.3 Phosphorite Layer Characteristics

The phosphorite beds are hosted within the Lower Sinian Doushantuo Formation (Z_{1d}^1). Specifically, the Ph_1^3 bed represents the upper portion of the first phosphate-bearing layer (Ph_1) and serves as a primary marker bed that demonstrates reliable stratigraphic correlation across the deposit.

In contrast, other phosphate-bearing horizons within the permit area exhibit sedimentary instability. These units are generally thin with limited drill hole intersections, making it impossible to establish effective stratigraphic correlation or maintain geological continuity for resource estimation purposes.

Ph_1^3 is internally subdivided into three distinct units from base to top: Ph_1^{3-1} , Ph_1^{3-2} , and Ph_1^{3-3} . These units comprise argillaceous banded phosphorite at the base, dense banded to massive phosphorite in the middle-upper section, and dolomitic banded phosphorite at the top. Exploration data indicates that the thickness of the Ph_1^3 orebody ranges from 0.9 m to 4.6 m, with an average of 2.37 m.

The Ph_1^3 orebody extends approximately 4,400 m along strike (North-South) and maintains a dip width ranging from 2,500 m to 3,100 m (East-West). The burial depth of the unit varies between 351.92 m and 826.17 m. In terms of vertical distribution, the RL (Relative Level) of the orebody floor ranges from -340 m to +270 mRL.

Ph_1^{3-3} (Upper Ore Layer)

This unit primarily consists of grey dolomitic phosphorite characterized by dolomitic banding, with phosphorite rock typically accounting for 40% to 60% of the lithology. The thickness of Ph_1^{3-3} varies from 0.20 m to 1.20 m (average 0.51 m). P_2O_5 grades range from 9.65% to 28.82% (average 19.17%). Although widely developed across the sector, Ph_1^{3-3} occurs as quasi-stratified to lenticular bodies.

Ph_1^{3-2} (Middle Ore Layer)

Composed of grey-black dense massive or micro-banded (laminated) phosphorite, this high-grade unit serves as the primary economic interval. Thicknesses range from 0.32 m to 2.80 m (average 1.13 m). The P_2O_5 grade is high and consistent, ranging from 22.77% to 36.42% (average 31.44%). The distribution of P_2O_5 grades remains relatively uniform across the permit area, with no significant spatial zoning or lateral grade differentiation observed.

Ph_1^{3-1} (Lower Ore Layer)

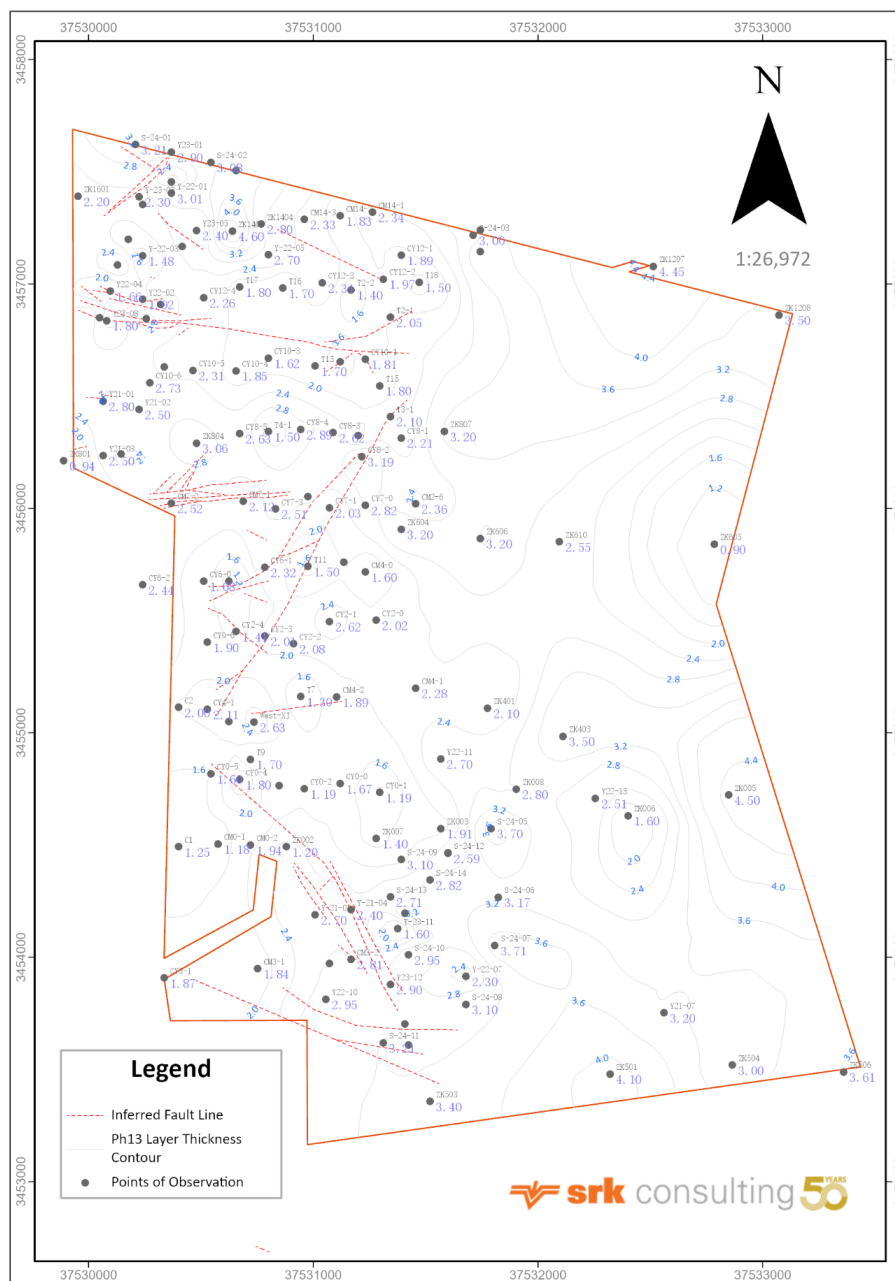
This basal unit consists of interbedded dark grey laminated/micro-banded mudstone, black shale, and phosphorite, with phosphorite rock typically accounting for 40% to 50% of the lithology. Layer thickness ranges from 0.2 m to 3.20 m (average 1.00 m). P_2O_5 grades range between 5.18% and 28.32% (average 16.43%). The contact between this unit and the underlying footwall is not visually distinct; both the lithology and P_2O_5 grades exhibit a gradational transition.

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Figure 6-5: The Thickness Contour Map of the Phosphorite Layer (Ph_3)

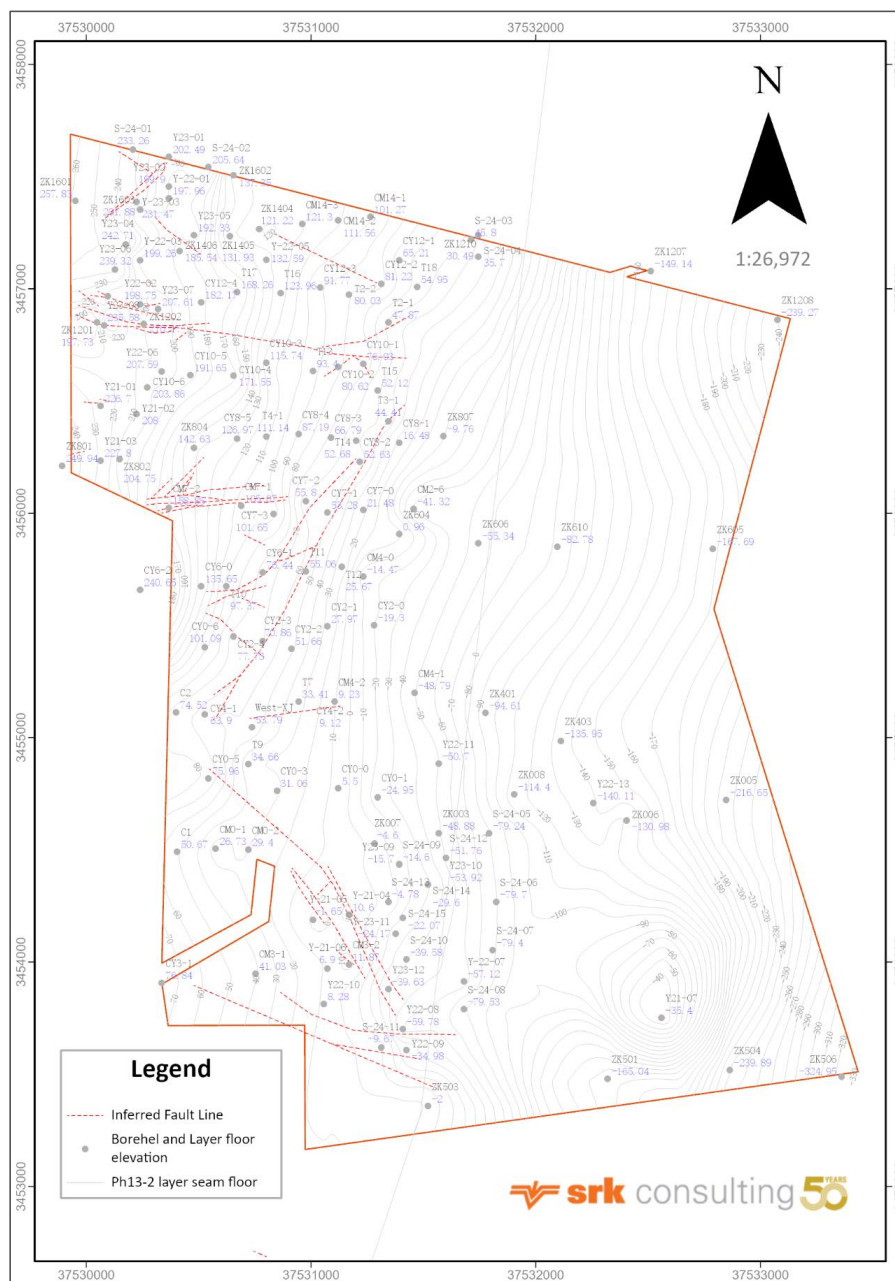


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Figure 6-6: The Layer Floor Contour Map of the Phosphorite Layer (Ph_1^{3-2})

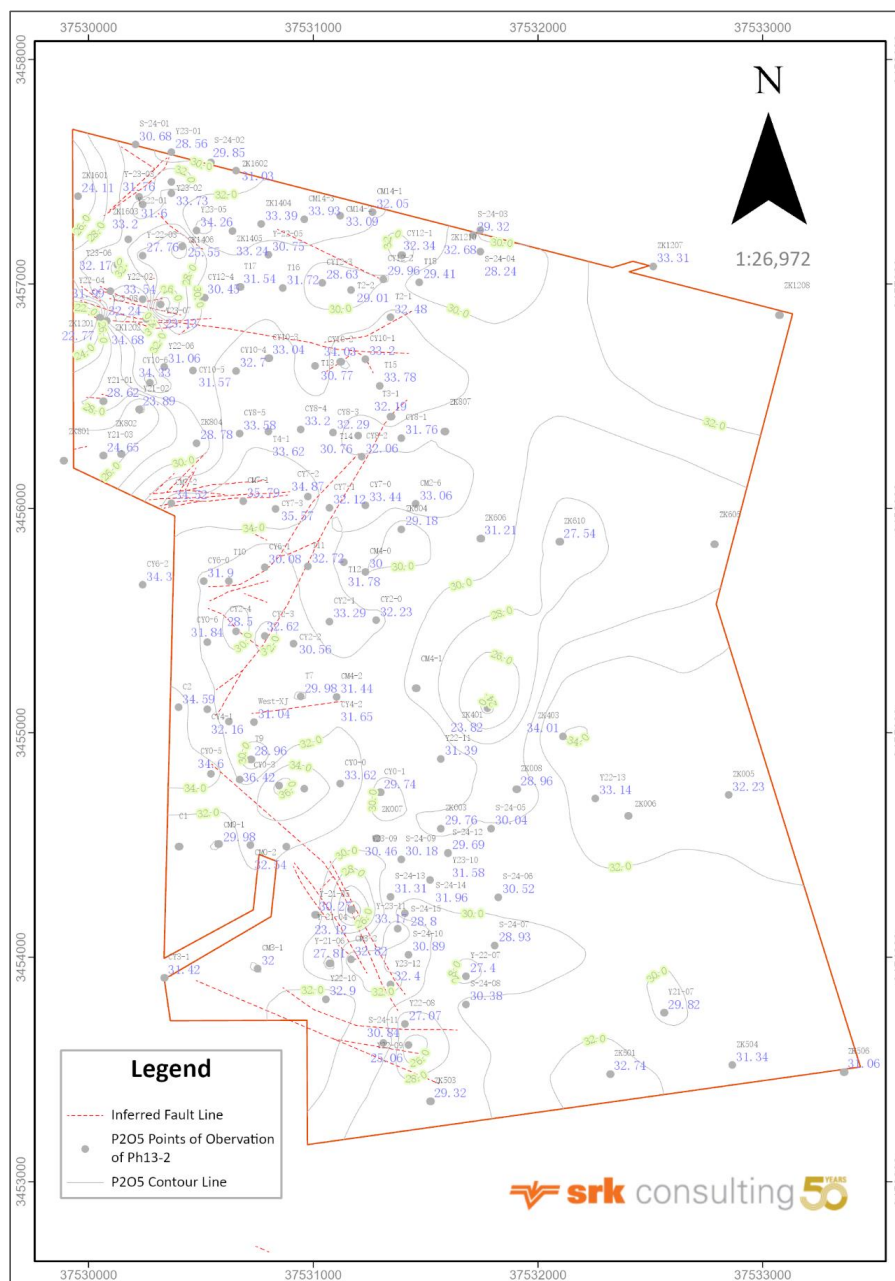


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Figure 6-7: The P_2O_5 Content Contour Map of the Phosphorite Layer (Ph_1^{3-2})



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Geochemical analyses of composite samples from the three sub-layers display elemental assemblages consistent with their respective ore types. The Dolomitic Banded Phosphorite (Ph₁³⁻³) reports higher magnesium (MgO) levels relative to the other sub-layers, while both Ph₁³⁻³ and Ph₁³⁻² exhibit elevated calcium (CaO). Conversely, the Argillaceous Banded Phosphorite (Ph₁³⁻¹) is characterised by higher acid insoluble content, accompanied by elevated silica, alumina, and iron (SiO₂, Al₂O₃, and Fe₂O₃).

Table 6-1: Statistics of the Assay Results of the Composited Samples

Natural Ore Type	Citrate-Soluble P ₂ O ₅ (%)	A.I. (%)	CaO (%)	MgO (%)	CO ₂ (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	CaO/P ₂ O ₅ Ratio
Dolomitic Banded Phosphorite (Ph ₁ ³⁻³)	2.63	8.33	40.35	7.14	15.61	8.13	1.22	0.83	2.12
Massive Phosphorite (Ph ₁ ³⁻²)	5.83	6.35	48.01	0.86	2.78	6.86	1.27	0.86	1.50
Argillaceous Banded Phosphorite (Ph ₁ ³⁻¹)	4.37	39.64	25.87	1.32	3.22	32.44	7.59	2.34	1.51
Average	4.28	18.12	38.08	3.12	7.2	15.81	3.36	1.34	1.47

Composite assay results indicate that, with the exception of the Ph₁³⁻² sub-layer, the MgO content in the Ph₁³⁻³ sub-layer and the Fe/Al oxide content in the Ph₁³⁻¹ sub-layer are relatively elevated. Typically, the acceptable thresholds for downstream beneficiation plants range from 7% to 8% for MgO, and 4% to 5% for combined Fe/Al oxides. Although the MgO grade of the Ph₁³⁻³ sub-layer slightly exceeds this typical threshold, these three sub-layers are co-extracted during actual mining operations. Consequently, the overall blended MgO and Fe/Al oxide grades of the RoM ore fall well within the acceptable parameters for the processing plant. For further details, please refer to Section 12.2.

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7 Exploration

7.1 Introduction

SRK was not involved in any prior exploration activities at the Mine. The technical information presented in this report is based on a comprehensive review of historical exploration data and existing geological reports. This information is supplemented by discussions with the Mine's technical personnel during a site visit conducted between 4 and 7 January 2026.

Based on the provided exploration history, the tenement and surrounding areas have been subject to multiple phases of geological, hydrogeological, and geophysical exploration since the late 1950s.

1956 to 1987: The Yichang phosphorite deposit was initially discovered by the Yichang Prospecting Team of the Central South Geological Bureau in 1956. Subsequently, between 1970 and 1987, the Hubei Regional Survey Team and the Western Hubei Geological Brigade conducted extensive regional geological surveys at scales of 1:200,000 and 1:50,000. Based on these fundamental works, the 1:200,000 scale Yichang Regional Geological Survey Report was submitted.

2009 to 2010: The Hubei Geological Exploration Institute of China Chemical Geology and Mine Bureau (“HGEI”) conducted a prospecting programme. The physical work completed included: 10.98 km² of geological mapping (1:10,000) and corresponding hydrogeological, engineering geological, and environmental geological mapping; 1 measured geological stratigraphic section (1,562 m); 4 measured exploration sections (10,180 m); 7 drill holes (4,176.95 m); 23 trenches (515 m³); 138 assay samples; 6 composite samples; 32 relative density samples; 21 petrographic samples; 13 QA/QC check samples (7 internal and 6 external); and 5 sets of rock mechanics tests. These works broadly delineated the local stratigraphy, orebody morphology, chemical composition, and mining technical conditions. Consequently, HGEI submitted the Prospecting Report on the Yulinxi Block, Yinjiagou Mine Area, Yichang Phosphorite Deposit in December 2009, which was registered by the Hubei Provincial Department of Land and Resources in April 2010.

2012 to 2013: HGEI undertook a further detailed exploration phase. The physical work programme included: 10.95 km² of topographic mapping (1:5,000) alongside geological, hydrogeological, engineering geological, and environmental geological mapping; 2 measured exploration sections (5,660 m); 12 drill holes (7,388.06 m); 7,095 m of underground workings (comprising inclined shafts, raises, and strike drives); 20 trenches (405 m³); 293 assay samples; 12 composite samples; 106 relative density samples; 49 QA/QC check samples (25 internal and 24 external); 4 beneficiation test samples; 9 sets of rock mechanics tests; and 5 pumping test holes. Concurrently, the Mine developed over 10,000 m of exploration adits, with approximately 5,500 m intersecting the orebody. Following this programme, HGEI submitted the Detailed Exploration Report in October 2012, which was reviewed and registered by the Ministry of Land and Resources in 2013.

2015: Between February and November 2015, an exploration programme was conducted by Central South Institute of Metallurgical Geology (“CSIMG”) to further upgrade the Mine. The physical work completed included: 12 drill holes (7,873.16 m); 2,760 m of underground workings; 404 drill core assay samples; underground sampling at 51 locations; 92 relative density samples; 60 QA/QC check samples (38 internal and 22 external); 9 sets of rock mechanics tests; 1 pumping test hole; and a continuous pilot-scale beneficiation test. Integrating these newly acquired data with results from all

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previous exploration stages, a comprehensive Exploration Report was compiled in accordance with standard exploration reporting requirements.

Table 7-1: Exploration Works Statistics for Historical Explorations of Yulinxi Phosphate Mine

Item	Unit	2009–2010 (Prospecting)	2012–2013 (Detailed Exploration)	2015 (Exploration)	Total
Mapping & Surveying					
Topographic Mapping	km2	-	10.95 (1:5,000)	-	-
Geological Mapping	km2	10.98 (1:10,000)	10.95 (1:5,000)	-	-
Measured Geological / Exploration Sections	m (number)	11,742 (5)	5,660 (2)	-	17,402 (7)
Physical Works					
Core Drilling	m (holes)	4,176.95 (7)	7,388.06 (12)	7,873.16 (12)	19,438.17 (31)
Underground Workings	m	-	7,095	2,760	9,855
Trenching	m3 (trenches)	515 (23)	405 (20)	-	920 (43)
Sampling & Assaying					
Assay Samples (Drill core & Underground)	count	138	293	404	835
Composite Samples	count	6	12	-	18
Relative Density Samples	count	32	106	92	230
QA/QC Check Samples (Internal & External)	count	13	49	60	122
Petrographic Samples	count	21	-	-	21
Testing					
Rock Mechanics Tests	sets	5	9	9	23
Pumping Test Holes	holes	-	5	1	6
Beneficiation Tests	-	-	4 test samples	1 pilot-scale test	-

Between 2021 and 2024, the historical mineral resource estimates for the Mine were updated annually in accordance with the Chinese classification standard. These consecutive updates were supported by underground channel sampling, comprising 7, 60, 36, and 60 samples collected in the respective years.

The relative density (RD) of the drill core was determined using the wax-coated water displacement method based on Archimedes' principle. Prior to measurement, the intact core specimens were naturally air-dried.

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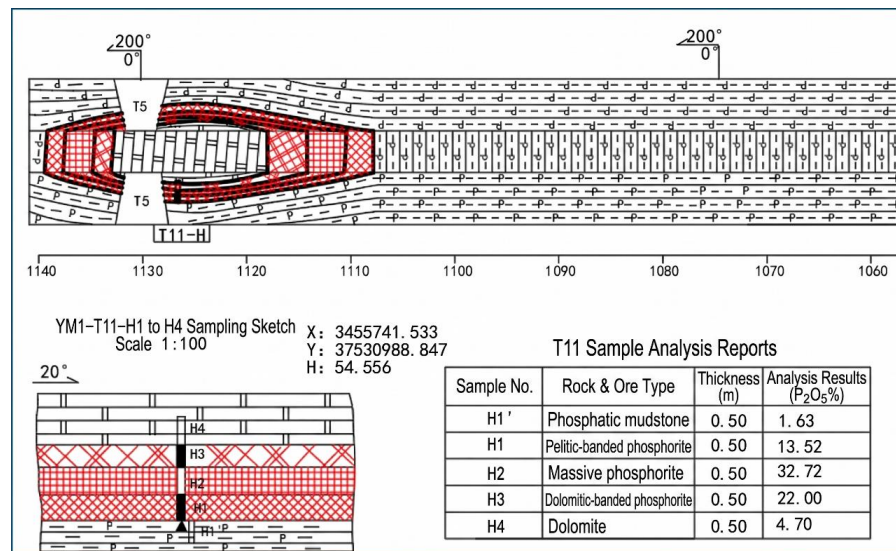
7.2 Sampling, Sample Handling and Analysis

SRK has not been involved in any work relating to the sample preparation, security, or analysis of samples for the Mine. However, the sampling procedures for each drilling program after 1987 should follow the Chinese Standard, DZ/T 0209, “Specification for Phosphor Mineral Exploration”.

A review of the historical sampling records by SRK indicates that samples were collected based on geological boundaries, including roof and floor contacts, and distinct phosphorite interfaces. Each distinct layer was sampled as a single continuous interval. Given the sedimentary nature of the deposit and that individual ore layers are generally less than 2 metres in thickness, SRK considers this sampling methodology appropriately representative for Mineral Resource estimation purposes.

Detailed protocols regarding sample security, preparation, and transport remain undocumented. However, as the historical sampling programmes were executed by accredited Chinese geological exploration entities, SRK considers these operational procedures to align with acceptable industry practices. Figure 7-1 below illustrates a typical sketch of the underground channel sampling and the corresponding assay results documented by the Central South Institute of Metallurgical Geology.

Figure 7-1: A typical Channel Sampling Sketch at Underground Workings



Formal documentation detailing historical sample security, preparation, and chain-of-custody protocols was not available for review. However, as all historical programmes were executed by accredited state geological entities, SRK considers it reasonable to assume that the operational procedures were broadly consistent with accepted industry practice.

Both the HGEI Laboratory and the CSIMG Analytical Centre, which undertook the primary analytical work across the three major exploration stages, hold valid China Metrology Accreditation (CMA) certification.

Primary assay samples were analysed predominantly for P₂O₅ and acid insolubles (A.I.). The determination of P₂O₅ content was conducted in accordance with the Chinese National Standard

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GB/T 187.1 (Phosphate rock and concentrate - Determination of phosphorus pentoxide content - Quinoline phosphomolybdate gravimetric and volumetric methods). The analysis of acid insolubles was executed following the geological industry standard DZG20-2-1991 (Methods for Chemical Analysis of Phosphate Rock).

Composite samples were subjected to a comprehensive multi-element analysis to evaluate the overall ore chemistry, including beneficial components and potential deleterious elements. The analytical suite for the composite samples comprised P_2O_5 , citrate-soluble P_2O_5 , A.I., CaO, MgO, CO_2 , SiO_2 , Al_2O_3 , Fe_2O_3 , F, Cd (ppm), As (ppm), I, and the CaO/ P_2O_5 ratio.

7.3 Data Validation

Due to the weathering of historical exploration drill core and the fact that the Client did not retain the historical pulp samples, a contemporary data verification programme was required. Following the initial site visit (4–7 January 2026), SRK dispatched a dedicated field team to conduct a supplementary independent channel sampling programme from 14th to 19th January 2026 on the phosphorite seams exposed within the underground workings. The primary objective was to utilise these contemporary assay results to conduct a general verification of the historical seam grades.

A total of 70 underground channel samples were collected, with sampling locations distributed across the three mining areas of the Mine. Of these, 64 sample locations were successfully correlated to specific seams. A statistical summary of the sampling results is presented in Table 7-2.

Table 7-2: Statistics of the Underground Channel Sampling

Sub-layer	Nos	Average Grade (% P_2O_5)
Ph ₁ ³ roof	10	7.10
Ore layer Ph ₁ ³⁻³	10	22.90
Ore layer Ph ₁ ³⁻²	21	31.07
Ore layer Ph₁³⁻¹	17	15.60
Ph ₁ ³ floor	6	9.51

The sampling results indicate that the average grades of the individual sub-layers demonstrate good consistency with historical exploration trends, and align closely with the average grades defined in SRK's Mineral Resource estimate. Specifically, the grades average approximately 23% for the upper sub-layer (Ph₁³⁻³), 31% for the middle sub-layer (Ph₁³⁻²), and 16% for the lower sub-layer (Ph₁³⁻¹).

7.4 Conclusions

The Mine has been subject to multiple phases of exploration since the 1950s, all conducted by accredited Chinese exploration entities. The exploration programmes progressed systematically, with operational methodologies, sampling, and analytical protocols adhering to the relevant Chinese national standards for phosphorite deposits. Overall, SRK considers the historical dataset to be of acceptable quality and suitable for underpinning the current Mineral Resource estimation.

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8 Borehole Database and Modelling

8.1 Borehole Database

This section outlines the data processing procedures undertaken by SRK to validate the historical exploration data provided by the Client.

The initial step involves consolidating all available exploration data into a comprehensive borehole database, utilising Geovia Minex 6.1.3 modelling software. Following this, the horizon data underwent a systematic verification process, which included borehole filtration where deemed necessary.

The following data checks were performed:

- Collar Data Verification: Borehole collar coordinates were verified against topographical data to identify and rectify any anomalous elevation values. Particular attention was given to ensuring coordinate system consistency across different exploration programs. In general, the collar data was found to align well with the topographic information. Where discrepancies were identified, borehole coordinates were transformed to match the system utilised in the corresponding mining permits.
- Layer Interval Verification: Seam intervals (seam picks) provided by the Client were cross-referenced with downhole geophysical logs and geological logs. Any identified inconsistencies were adjusted to conform with the downhole geophysical interpretations. This verification process demonstrated a high degree of consistency between the Client-provided seam picks and the geophysical/geological logs.
- Horizon Correlation Review: A review of horizon correlations, based on interpretations presented in historical geological reports, was conducted. Any anomalous correlations or interpretations of seam structure (e.g., faults, seam splits) were subject to further scrutiny and correction as required.
- Assay Data Integration: Phosphorite analytical results were imported into the modelling software. This data was then checked for any mismatches between the defined seam intervals and the corresponding quality sample intervals.

8.2 Mineral Resource Modelling

The Mineral Resource model for the Mine was constructed using a borehole database comprising 147 boreholes/underground exploration points (930 samples), integrated within Geovia Minex 6.1.3 software.

The resource model for the Mine was constructed using a borehole database within Geovia Minex 6.1.3 software. This system utilises a growth algorithm applicable to the stratigraphic continuity and structural complexity typical of sedimentary phosphate basins. The modelling methodology incorporated the following parameters:

- Seam-Based Stratigraphic Modelling: The software was applied to define the roof and floor geometries of individual phosphate seams, ensuring the modelled thickness accurately represents the sedimentary depositional environment.

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- Structural Integration: Fault networks were incorporated directly into the grid-based model to account for displaced deposit segments and maintain structural consistency across the mining area.
- Grade Estimation: P₂O₅ grades and other elements were interpolated using Inverse Distance and Kriging methods to support standard grade-tonnage reporting.
- Resource Classification: The generated cross-sections, isopach maps, and wireframes were utilised to delineate Inferred, Indicated, and Measured Mineral Resources in accordance with the JORC Code (2012 Edition).

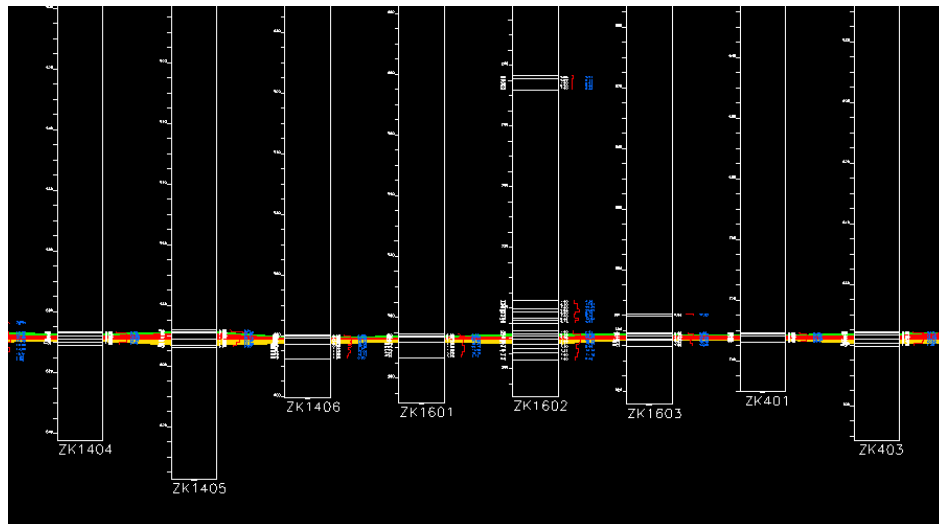
The methodology employed for dataset preparation and geological model creation is detailed below:

8.2.1 Dataset Preparation and Validation

Imported layer intervals (picks) were subjected to visual review in a borehole-column-profile view to ensure accurate correlation of phosphorite layers across the dataset. Imported sample intervals were cross-validated against their corresponding layer intervals, and any identified discrepancies were rectified to ensure data integrity.

A total of 305 target phosphate intervals were imported into Minex. These intercepts were processed using the "Add/Edit Seam Intervals" function within the Borehole Profile interface to define the mineralised sequences for geological modelling.

Figure 8-1: Layer Correlation Validation in Minex Software



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8.2.2 Data Compositing

Quality variables, with the exception of relative density, were composited using a length-weighted averaging technique based on the thickness of each sample interval. Relative density was composited using a volume-weighted averaging approach.

A total of 826 analytical samples were imported into Minex and composited based on three target phosphorite units: Ph_1^{3-1} , Ph_1^{3-2} , and Ph_1^{3-3} . In instances where a borehole intersected multiple intervals within a single unit, these were aggregated into a single representative intercept using a length-weighted average method to maintain grade consistency for modelling.

8.2.3 Interpolation and extrapolation of seam geometry

The Minex "set-missing-seams" tool was utilised to estimate the spatial positions of phosphorite layer floors where direct intersection data were absent. For instances where layers were interpreted to be eroded (i.e., projected above the borehole collar), a thickness of zero was assigned. Conversely, where boreholes were terminated before intersecting the target horizon (i.e., projected below the end-of-hole depth), the tool was employed to extrapolate the thickness and position of the layers based on surrounding structural data.

8.2.4 Grid Model Generation

The "Multi-Seam Multi-Variable Gridding" tool within the Minex software package was used to generate grid models representing layer roof/floor elevations, layer thicknesses, interburden thicknesses, and the spatial distribution of quality variables (P_2O_5 , Acid Insolubles).

The gridding process utilised the Minex "General Purpose" algorithm, which integrates an Inverse Distance Weighting (IDW) method with local trend surface fitting. This approach is designed to generate geologically representative surfaces for dipping stratigraphic horizons while effectively managing variable and clustered data distributions within the deposit.

The algorithm effectively manages both uniform and clustered data distributions, mitigating erratic oscillations or overshooting—common issues with high-order polynomial fits—in areas of sparse data density.

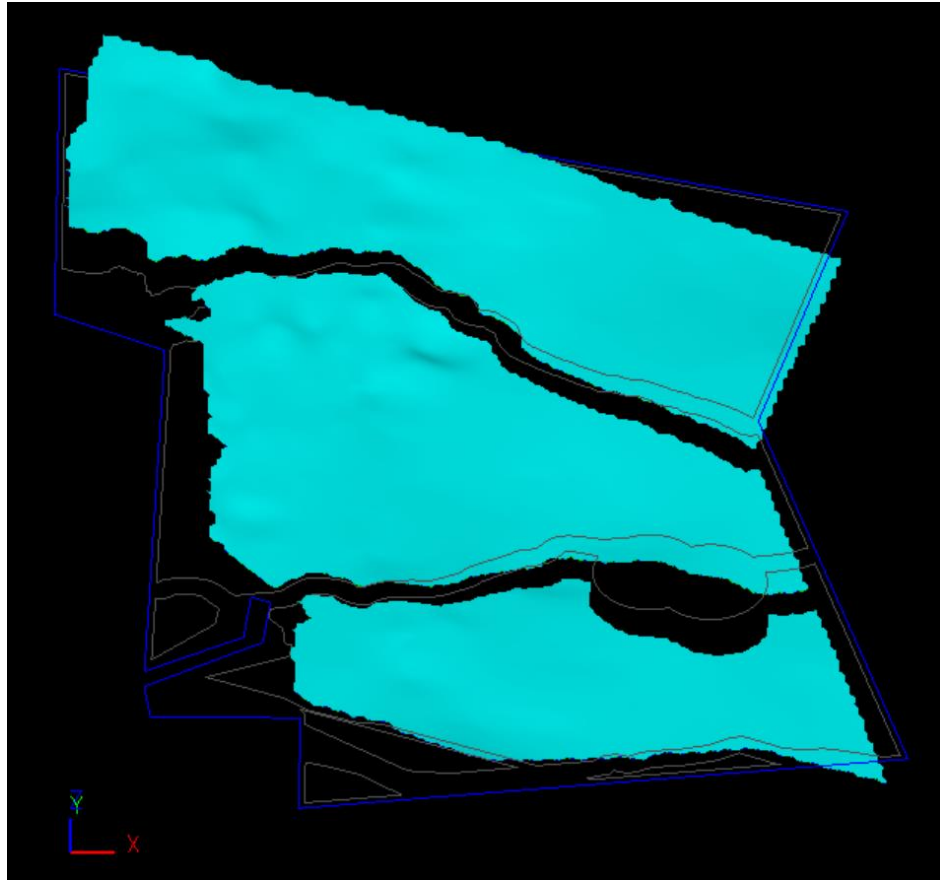
In addition to thickness, roof/floor elevations, and interburden, quality variables were gridded using layer-specific composited intercepts. The modelled variables include P_2O_5 , Acid Insolubles (A.I.), and Relative Density.

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Figure 8-2: Floor Grids Generated in Minex Software



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9 Mineral Resource Estimates

9.1 Introduction

A Mineral Resource is a concentration or occurrence of a mineral deposit of economic interest in such form, quantity and quality that there are reasonable prospects for eventual economic extraction. The location, quantity, quality, continuity and other geological characteristics of 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 in accordance with the *JORC Code (2012 Edition)*.

An Inferred Resource is that part of Mineral Resource for which quantity and quality are estimated on the basis of low levels of confidence with limited geological evidence and sampling. The quantity and quality are inferred using Points of Observation (“PoOs”) that may be supported by interpretive data.

An Indicated Resource is that part of Mineral Resource for which quantity and quality are estimated on the basis of reasonable levels of confidence which allows the application of Modifying Factors in sufficient detail to support mine plan and evaluate the economic viability of the deposit. The quantity and quality information are collected from PoOs that may be supported by interpreted data. The PoOs are sufficient for continuity to be assumed but are too widely or inappropriately spaced to confirm geological and quality continuity. An Indicated Resource has a lower level of confidence than that applied to a Measured Resource and may only be converted to a Probable Reserve.

A Measured Resource is that part of Mineral Resource for which quantity and quality are estimated based on a high level of confidence which allows the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. The quantity and quality information collected from PoOs may be supported by interpretive data. The PoOs are spaced closely enough to confirm geological and quality continuity. A Measured Resource has a higher level of confidence than that applying to either an Indicated Resource or an Inferred Resource. It may be converted to a Proved Reserve or under certain circumstance to a Probable Reserve.

9.2 Material Assumptions

The Mineral Resources estimated for the mine are based on the raw data provided by the Company. The estimation designates phosphorite layer Ph_1^{3-3} as the working section, as it is considered amenable to extraction via room-and-pillar or drift-and-fill mining methods.

The range of the Mineral Resource estimation was constrained within the lateral and vertical limits of the mining tenement. Historical mined-out areas (goaf), sterilised areas within the mines, and protective pillars associated with rivers, roads, and tenement boundaries have been excluded from the Mineral Resource estimate.

The relative density values utilised for the Mineral Resource estimation are 2.88 t/m³ for the Ph_1^{3-3} sub-layer, 3.05 t/m³ for Ph_1^{3-2} , and 2.85 t/m³ for Ph_1^{3-1} .

Mineral Resource estimates normally should consider the requirement for Reasonable Prospects for Eventual Economic Extraction (“RPEEE”). To demonstrate that the current Mineral Resource

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estimate meets this consideration, SRK adopted the following approach to establish the reporting cut-off grade based on an RPEEE assessment.

Table 9-1: RPEEE Assessment for Resource Estimation Cut-off Grade Determination

Parameter Name	Unit	Value
Mining Cost	CNY/t Ore	110
Processing Cost	CNY/t Ore	75
Tailing, G&A, Marketing Cost, Royalty	CNY/t Ore	45
Total Cost	CNY/t Ore	230
Concentrate Grade	% P ₂ O ₅	30
Concentrate Sale Price	CNY/t concentrate	800
Metallurgical Recovery (P ₂ O ₅)	%	75
Economic break-even grade	% P ₂ O ₅	11.5
Mineral Resource COG	% P₂O₅	12

The following limits/cut-offs were applied to the Mineral Resource estimations:

- Minimum Thickness of Ph³ layer: 1.0 m
- Content of P₂O₅: >= 12%
- Estimation Elevation Range (vertical): 270 m to -340 m

9.3 Resource Classification

Historical exploration has resulted in a Point of Observation (“PoO”) spacing of generally less than 400 m in the western part of the permit area, where the PoOs comprise drill holes and exploration adits implemented. In the eastern part of the permit area, PoO spacing is approximately 400 m to 600 m down-dip and 1,000 m to 1,300 m along strike, with the PoOs consisting predominantly of drill holes.

Underground workings in some parts of the western sector are spaced at approximately 70 m down-dip. This level of exposure is considered sufficient to delineate the geological structure and support detailed mine design in these specific areas. Additional underground workings have also been developed in the remaining areas of the western sector.

Consequently, areas within the western sector featuring closely spaced underground workings have been classified into the Measured category. The remainder of the western sector, supported by a PoO spacing of less than 400 m and the presence of some underground workings, has been classified into the Indicated category. The eastern sector in its entirety has been classified into the Inferred category. A 10 m buffer zone on either side of identified faults has also been assigned to the Inferred category.

The Mineral Resource model and estimation were conducted using the Xi'an 1980 coordinate system. This system was adopted because the majority of the historical exploration data, including drill hole collar surveys and underground channel sample locations, were originally recorded in the Xi'an 1980 datum. Furthermore, all mine design documentation provided by the Mine, including the mine plans

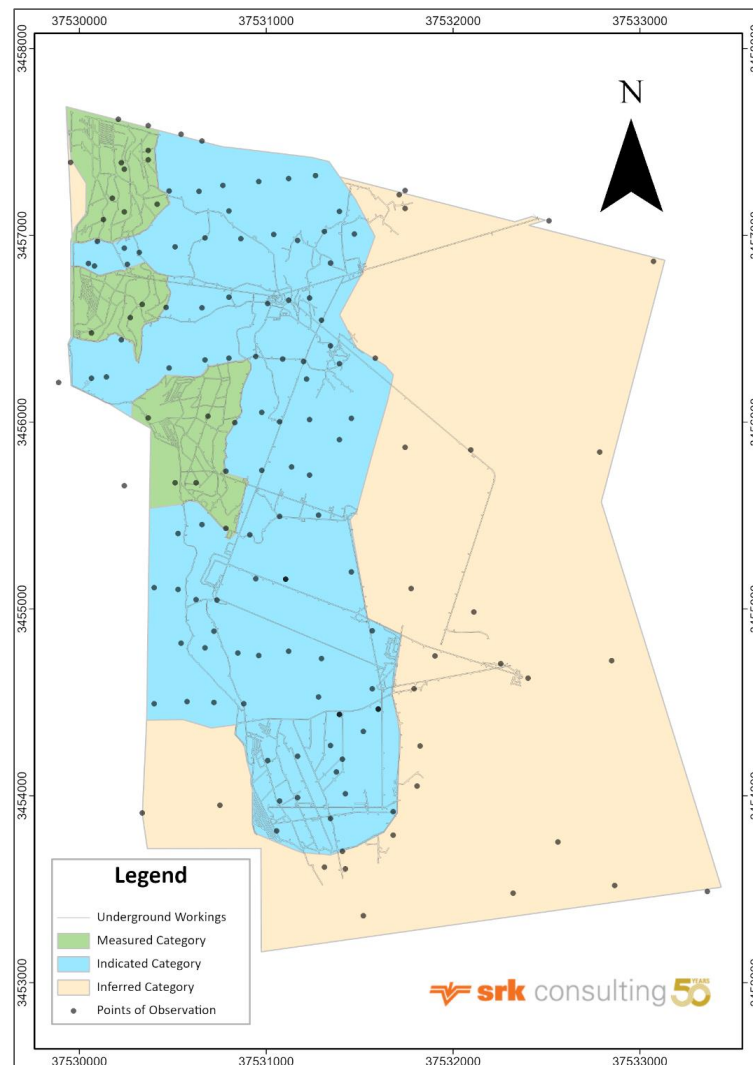
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referenced in Section 10.3, was prepared in the same coordinate system. The Client has also provided the mining licence boundary coordinates transformed into the Xi'an 1980 system, enabling direct spatial integration of the tenement limits with the geological model without the need for additional coordinate transformations. Accordingly, the use of the Xi'an 1980 coordinate system throughout the modelling and estimation process does not introduce any positional discrepancy between the resource model, the mine design, and the tenement boundary. The CGCS2000 coordinates presented in Table 4-2 reflect the statutory format in which the mining licence was issued by the regulatory authority.

Figure 9-1: Mineral Resource Classification for the Yulinxi Phosphate Mine



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9.4 Mineral Resource Statement

As of 31 March 2026, SRK has estimated a total Mineral Resource of **72.45 Mt** for the Mine, reported in accordance with the *JORC Code (2012 Edition)*. This estimate includes **4.69 Mt** of Measured Mineral Resources, **22.94 Mt** of Indicated Mineral Resources, and **44.82 Mt** of Inferred Mineral Resources. A detailed breakdown of the Mineral Resource estimate is provided in Table 9-2.

Table 9-2: Mineral Resource Statement of Yulinxi Project, as of 31 March 2026 ^[1,2,3]

Ore Layer	Category	Tonnage (Mt)	Thickness (m)	P ₂ O ₅ Grade (%)	A.I. Grade (%)
Ph ₁ ³⁻³	Measured	1.00	0.48	18.41	7.39
	Indicated	4.05	0.40	19.56	8.64
	Inferred	8.79	0.60	18.33	11.12
Ph ₁ ³⁻²	Measured	1.84	0.90	31.28	10.39
	Indicated	9.46	0.91	31.54	9.32
	Inferred	20.82	1.38	30.71	9.70
Ph ₁ ³⁻¹	Measured	1.85	0.94	15.00	41.37
	Indicated	9.43	0.93	16.44	40.21
	Inferred	15.21	1.05	18.16	38.00
Total	Measured	4.69	---	22.12	22.00
	Indicated	22.94	---	23.22	21.89
	Measured + Indicated	27.63	---	23.03	21.91
	Inferred	44.82	---	24.04	19.58

Notes:

¹ All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

² **JORC Code Statement:** The information in this Report that relates to Mineral Resources is based on information provided by Hubei DSphos Co., Ltd. and compiled by Mr Yongchun Hou, a Principal Consultant (Geology) in SRK Consulting China Ltd and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hou has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2012 Edition). Mr Hou consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

³ *A.I. = Acid Insolubles, a standard quality parameter for phosphate rock.*

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10 Ore Reserve Estimation

10.1 Mineral Resource Estimate

The Mineral Resource estimate, which forms the basis of the Ore Reserve, was independently prepared by SRK and reported in accordance with the *JORC Code (2012 Edition)*, with an effective date of 31 March 2026. The stated Mineral Resources are reported inclusive of Ore Reserves. The reported phosphorus pentoxide (P₂O₅) grade represents a global estimate.

10.2 Site Visits

A site visit was undertaken between 4 and 7 January 2026. Accompanied by engineering personnel from the Mine, SRK inspected the underground workings, surface facilities, and general site infrastructure. Discussions were held with the technical team of the Mine to review the current operational status and future development schedules. Relevant technical data and supporting documentation were collated during the site inspection to underpin the preparation of this Report.

10.3 Technical Studies

Underground production commenced in December 2025. The development of the Yulinxi Mine was underpinned by the following technical studies:

- *Preliminary Mine Design of Mining Engineering on Yulinxi Phosphate Mine*, which was prepared by Hebei Huanqiu Contracting and Engineering Company Limited (“**Hebei HQC**”) and dated in October 2017, and was referred to as the *2017 PMD*;
- *Modification of Safety Facilities on Yulinxi Underground Mining Engineerings (1,500 ktpa)*, which was prepared by Hebei HQC and dated in February 2023, and was referred to as the *Modification 2023*; and
- *Feasibility Study of Integrated Mining, Processing and Backfilling on Yulinxi Phosphate Mine in 1,500 ktpa*, which was prepared by Hebei HQC and dated in July 2023, and was referred to as the *2023 FS*.

The 2017 PMD was initially formulated to underpin the construction of the Yulinxi Mine, which commenced in April 2018. Due to variations in geological conditions, regulatory frameworks, and external supporting infrastructure during the construction phase, modifications to the 2017 PMD were undertaken by Hebei HQC. The 2023 Modification was approved in March 2023 to govern subsequent construction activities. The mining facility designs detailed in the 2023 Modification were subsequently incorporated into the 2023 FS, alongside supplementary designs for mineral processing and backfill operations.

As of the report date of this Report, the processing plant has been commissioned. It is not configured as a pit-head facility; rather, it operates as an ancillary component of the Client, directly integrated with the downstream synthesis infrastructure located approximately 10 km from the mine site. Construction of the backfill plant has not yet commenced. Similar to the processing plant, the backfill facility will be sited at the Client’s chemical plant rather than at the mine site. Both the processing and backfill facilities are owned and fall outside the mining asset boundary.

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In addition to the aforementioned technical studies, SRK was provided with internal planning documentation prepared by the Mine. This included mining capacity projections, capital expenditure (Capex) forecasts for the period 2026–2028, and operating expenditure (Opex) forecasts for 2026–2030. During the site visit, SRK was advised that the designed mining capacity is 1,500 kilotonnes per annum (ktpa). Operational flexibility permits production to exceed the design capacity by up to 20%, achieving a maximum throughput of 1,800 ktpa; however, a production rate of 1,900 ktpa is considered operationally unfeasible.

For the purposes of this Report, the Ore Reserves have been estimated by SRK, predicated upon the aforementioned technical studies, the current operational status, the Mine's forward planning, and SRK's professional engineering judgement.

10.4 Cut-off Grade

Following a review of the sales agreement detailed in Section 17.2, SRK notes that the RoM ore is segregated into distinct product categories for sale, subject to a minimum acceptable grade of 16% P₂O₅. Accordingly, as of the effective date of this estimation, the applied cut-off grade (COG) is defined as 16% P₂O₅.

10.5 Modifying Factors

In accordance with the *JORC Code (2012 Edition)*, the conversion of Mineral Resources to Ore Reserves requires the application of Modifying Factors. The specific Modifying Factors assessed for the Mine are outlined below:

- Mining: Given the significant depth of the orebody, underground mining methods, rather than open-pit extraction, will be employed for the extraction of Mineral Resources. The nominal production capacity is 1.5 million tonnes per annum (Mtpa). Prevailing government regulations permit a 20% operational variance, allowing maximum actual extraction to reach 1.8 Mtpa. The mine is partitioned into three distinct mining sections (Sections 1, 2, and 3 from north to south), delineated by surface river systems. Section 1 is accessed via an inclined shaft equipped with a conveyor belt for ore haulage. Sections 2 and 3 are accessed via a vertical shaft utilising a skip hoisting system. Both shafts have been fully constructed and commissioned. The selected extraction methods comprise room-and-pillar and drift-and-fill mining. SRK considers the proposed mining methods and existing shaft infrastructure to be technically feasible and appropriate for the deposit.
- Processing: The final product generated by the Yulinxi Mine is the RoM ore. Mineral processing facilities are excluded from the Yulinxi Phosphate Mine asset boundary. Backfill materials required for the drift-and-fill operations are procured from external processing facilities owned by third parties, and these associated costs have been incorporated into the Ore Reserve estimation. Consequently, SRK considers that mineral processing is not a material modifying factor for the Mine.
- Metallurgical: Given that the extracted commodity is supplied directly as a raw material for the downstream chemical industry, conventional metallurgical modifying factors are not applicable to this Project.
- Economic: An economic evaluation was undertaken by SRK to demonstrate the economic viability of the Yulinxi Mine. The analysis indicates a positive Net Present Value at a real discount

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rate of 10%. Sensitivity analysis demonstrates that the NPV is most sensitive to variances in sales revenue, mining costs, and royalties and non-income taxes. The Mine is considered economically viable.

- **Marketing:** Phosphate rock resources occur principally as sedimentary marine phosphorites, with major deposits located in northern Africa, the Middle East, China, and the United States. Global phosphate production capacity (in terms of P₂O₅ content) is projected to increase from 63.7 Mt in 2025 to 71.7 Mt by 2029, driven by capacity expansions in multiple jurisdictions. China, Morocco, the United States, and Russia remain the leading global producers. World consumption of P₂O₅ in fertilisers is projected to rise from 47.8 Mt in 2025 to 51.5 Mt by 2029, with growth concentrated in Asia and South America. Given global resources exceeding 300 billion tonnes, no imminent macro-level shortages are anticipated, nor are there viable substitutes for phosphorus in agriculture. At the Mine level, the Mine operates as a captive mine for Dsphos, with 100% of the RoM ore secured under formal sales agreement. Accordingly, SRK considers marketing risks to be negligible and not a material limiting factor.
- **Legal:** the Mine has secured the requisite Mining Licence, alongside all necessary operational approvals and permits. All statutory licences are valid as of the effective date of this estimation. SRK considers the legal tenure to be secure.
- **Environmental:** The Environmental Impact Assessment (EIA) has been formally approved. Mitigation measures designed to manage environmental impacts have been formulated and will be implemented by the Mine. While environmental management necessitates continuous stakeholder engagement with local communities and regulatory bodies, SRK considers that the associated environmental risks are manageable and adequately controlled.
- **Infrastructure:** Essential infrastructure, including water and power supply systems, has been constructed and commissioned to support ongoing operations. No major capacity expansions are currently scheduled. Ancillary facilities currently under construction, such as accommodation blocks, will not materially constrain production. SRK considers the current infrastructure sufficient to support the life-of-mine plan.
- **Social:** the Mine has obtained the necessary social licence to operate. SRK considers social factors to be stable and not a material impediment to the Mine.
- **Governmental:** The Mine is subject to standard statutory fiscal obligations, including taxes, royalties, and government charges. Phosphate mining is a designated key industry in Leizu Town. Continuous regulatory compliance and robust government relations are essential for sustainable operations. SRK considers that potential risks pertaining to governmental factors are adequately managed as of the effective date.

10.6 Ore Reserve Statement

The Ore Reserves reported in accordance with *JORC Code (2012 Edition)* as of 31 March 2026 is shown in Table 10-1.

Table 10-1: Ore Reserve Statement of Yulinxi Mine, as of 31 March 2026 ^[1,2,3,4]

Category	Cut-off Grade (% P ₂ O ₅)	Tonnage (Mt)	P ₂ O ₅ Grade (%)
Proved	16	3.78	20.2
Probable	16	18.77	21.1

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Category	Cut-off Grade (% P ₂ O ₅)	Tonnage (Mt)	P ₂ O ₅ Grade (%)
Total	16	22.55	20.9

Sources: SRK

Notes:

¹ The information in this Report which relates to Ore Reserve is based on information compiled by Mr Yonggang Wu, MAusIMM, and Mr Yongchun Hou, MAusIMM, who are full time employees of SRK Consulting China Ltd. Both Mr Hou and Mr Wu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent Persons as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, the JORC Code (2012 Edition). Mr Hou and Mr Wu consent to the reporting of this information in the form and context in which it appears.

² The reference point for the Ore Reserves is established at the delivery point where the RoM ore is discharged at the surface portal or shaft collar.

³ Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

⁴ Numbers have been rounded and may not sum precisely.

10.7 Relative Accuracy and Confidence

An assessment of relative accuracy and confidence was undertaken by randomly varying pillar dimensions, minimum mining thickness, and mining dilution thickness by up to 30%. A total of 1,000 random values were generated for each of these parameters utilising the randomisation functions within Microsoft Excel. Each combination of these parameters represents a discrete stochastic experiment, generating a potential Ore Reserve scenario. The results are summarised in Table 10-2, Table 10-3, Figure 10-1 and Figure 10-2. The analysis demonstrated that while the overall range of the estimated tonnage and P₂O₅ grade expanded with a greater number of experiments, the corresponding 95% confidence interval (CI) concurrently became progressively narrower.

Table 10-2: Summary of Mathematically Random Experiments on Ore Tonnage

Item	Unit	Values				
Number of experiments		100	200	400	800	1,000
Ore Tonnage Statistics of Experiments						
Minimum	kt	20,893	20,758	20,565	20,236	20,236
Maximum	kt	23,722	24,056	24,056	24,056	24,056
Mean	kt	22,471	22,534	22,552	22,553	22,556
Standard deviation		585	616	630	633	638
95% CI Estimate		5.0	5.0	5.0	5.0	5.0
Significance level	%	5.0	5.0	5.0	5.0	5.0
Confidence in normal distribution	kt	115	85	62	44	40
Lower limit of 95% CI	kt	22,357	22,449	22,490	22,509	22,516
Upper limit of 95% CI	kt	22,586	22,620	22,613	22,597	22,596

Sources: SRK

Table 10-3: Summary of Mathematically Random Experiments on P₂O₅ Grade

Item	Unit	Values				
Number of experiments		100	200	400	800	1,000
Ore Tonnage Statistics of Experiments						

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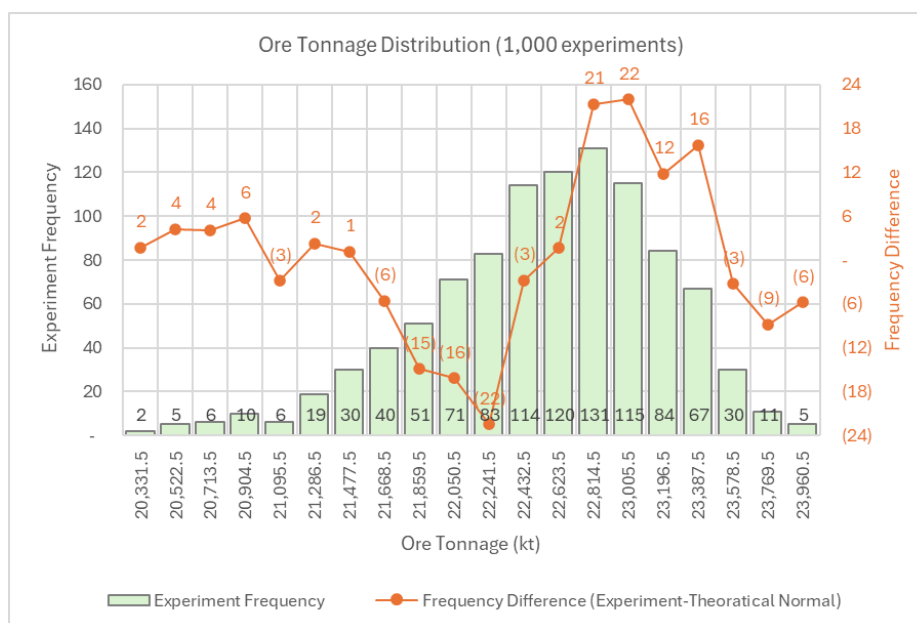
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Item	Unit	Values				
Minimum	% P ₂ O ₅	20.12	19.96	19.93	19.85	19.85
Maximum	% P ₂ O ₅	21.33	21.40	21.40	21.52	21.52
Mean	% P ₂ O ₅	20.74	20.73	20.72	20.73	20.74
Standard deviation		0.27	0.29	0.29	0.31	0.30
95% CI Estimate						
Significance level	%	5.0	5.0	5.0	5.0	5.0
Confidence in normal distribution	kt	0.05	0.04	0.03	0.02	0.02
Lower limit of 95% CI	kt	20.68	20.69	20.69	20.71	20.72
Upper limit of 95% CI	kt	20.79	20.77	20.75	20.76	20.76

Sources: SRK

Figure 10-1: Histogram of Ore Tonnage’s Frequency



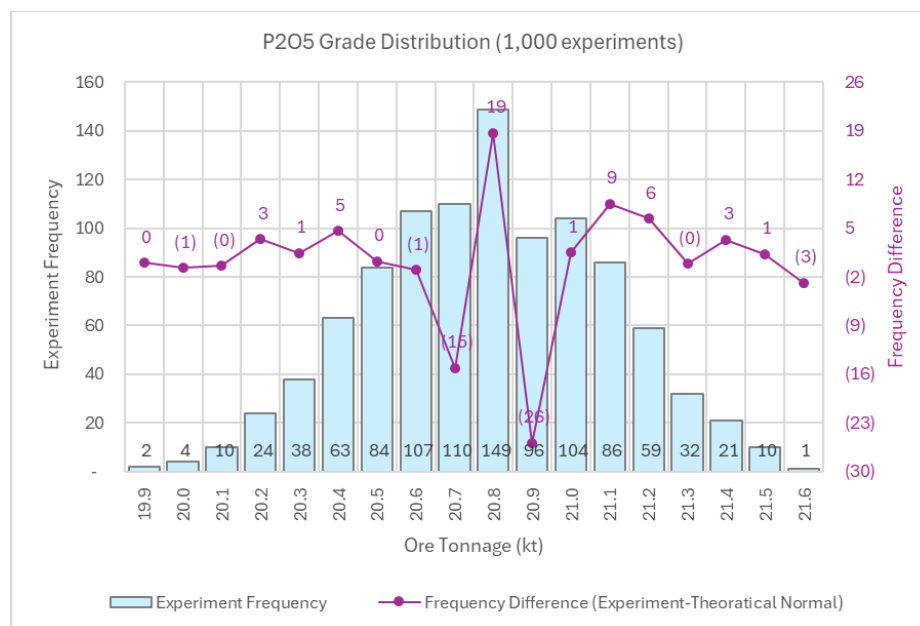
Sources: SRK

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Figure 10-2: Histogram of P₂O₅ Grade’s Frequency



Sources: SRK

A comparison between the stated Ore Reserves presented in Table 10-1 and the simulation outcomes detailed in Table 10-2 and Table 10-3 is summarised in Table 10-4. The analysis demonstrates that:

- The reported tonnage and grade of the Ore Reserves fall within the absolute minimum and maximum range of the simulation results, exhibiting a maximum relative difference below 13% for ore tonnage and below 6% for P₂O₅ grade. This indicates that variations in pillar dimensions, minimum mining thickness, and mining dilution thickness exert a more pronounced impact on the estimated ore tonnage than on the global grade.
- While the reported ore tonnage and P₂O₅ grade of the Ore Reserves fall marginally outside the calculated 95% confidence interval (CI), the relative difference remains below 2%.

Table 10-4: Comparison between Ore Reserves and Simulation Results

Item	Unit	Values				
Number of experiments		100	200	400	800	1,000
Ore Tonnage Relative Difference						
Minimum	%	8.7	9.4	10.4	12.2	12.2
Maximum	%	(4.2)	(5.6)	(5.6)	(5.6)	(5.6)
Mean	%	1.1	0.8	0.7	0.7	0.7
Lower limit of 95% CI	%	1.6	1.2	1.0	0.9	0.9
Upper limit of 95% CI	%	0.6	0.4	0.4	0.5	0.5

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Item	Unit	Values				
Ore Grade Relative Difference						
Minimum	%	4.1	4.9	5.1	5.5	5.5
Maximum	%	(1.8)	(2.1)	(2.1)	(2.7)	(2.7)
Mean	%	1.0	1.0	1.1	1.0	1.0
Lower limit of 95% CI	%	1.3	1.2	1.2	1.1	1.1
Upper limit of 95% CI	%	0.7	0.8	0.9	0.9	0.9

Sources: SRK

10.8 Previous Ore Reserve Estimate

A JORC Code-compliant Ore Reserve estimate has not previously been undertaken for the Yulinxi Mine.

10.9 Production Schedule

The production schedule, predicated upon SRK's Ore Reserve estimates as of 31 March 2026, is presented in Table 10-5. The Life of Mine (LoM) is approximately 17 years, comprising a one-year ramp-up period, 13 years of full-capacity production, and a three-year ramp-down period. An additional closure year (2043) is included in the financial model to accommodate mine closure, rehabilitation, and residual operating expenditures.

Table 10-5: Production Schedule of Yulinxi Mine, as of 31 March 2026^[1]

Item	Unit	Total	2026 Q2-Q4	2027	2028	2029	2030	2031	2032	2033	2034
Ore tonnage	kt	22,545	1,279	1,455	1,498	1,481	1,491	1,493	1,490	1,498	1,497
P ₂ O ₅ Grade	%	20.95	20.21	20.71	21.01	21.14	20.54	20.52	20.50	21.06	21.43

Item	Unit	2035	2036	2037	2038	2039	2040	2041	2042	2043
Ore tonnage	kt	1,489	1,491	1,467	1,498	1,453	1,252	445	268	--
P ₂ O ₅ Grade	%	21.87	21.93	21.14	20.99	21.36	20.36	19.48	19.11	--

Sources: SRK

Notes:

¹ 2043, mine closure year

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11 Mining Assessment

11.1 Overview

The primary objective of the mining assessment is to technically review the proposed mine planning and implementation strategy. This evaluation serves to substantiate the conversion of Mineral Resources to Ore Reserves in accordance with the *JORC Code (2012 Edition)* and to underpin the forecasted Life of Mine (LOM) production schedule.

The construction of the Yulinxi mine commenced in April 2018. Surface infrastructure and associated industrial facilities are now substantially complete. The Mine commenced commercial production in December 2025.

Current mine development, mining methods, and mining capacity planning are executed in accordance with the latest mine designs, ensuring full compliance with Chinese statutory requirements. SRK’s site visit has verified that the actual mine development and operational methods are consistent with the current Modification 2023. Consequently, the mining assessment presented in this section is predicated upon a combination of actual operational data and the parameters defined in the latest Modification 2023. The referenced mine designs for the mining assessment are shown in section 10.3.

11.2 Hydrogeology

There are four small streams within the surface extent of the mining area. All of them flow from west to east into either the Tianfumiao Reservoir or the Duanjiang River. The elevation of the orebody ranges from +270 m to -340 m. The orebody lies below the local erosion base level, and the nearby surface water is not a major source of groundwater inflow to the deposit. Surface water bodies have little impact on orebody mining.

The phosphate seam is hosted in the first member of the lower Sinian System. The lower part of the Shuijingtuo Formation of the lower Cambrian, the second member of the Doushantuo Formation of the lower Sinian, the first member of the Doushantuo Formation of the lower Sinian, and the Nantuo Formation of the lower Nanhua System act as relative aquitards, while the remaining Cambrian and Sinian strata form aquifers. The Holocene of the Quaternary constitutes a pore-water aquifer; the Shipai Formation of the lower Cambrian is a fissure-pore aquifer; the Mesoproterozoic–Paleoproterozoic basement forms a bedrock fissure aquifer; and the other formations are fissured–karst aquifers. The immediate roof of the deposit (first member of the lower Sinian Doushantuo Formation) is weakly water-bearing, and the water-bearing capacity of the indirect roof ranges from weak to moderate, having little impact on mining of the deposit.

Karst is poorly developed at the surface, and no karst caves have been observed. In boreholes, only the Dengying Formation shows relatively well-developed solution cavities, while a small number of minor cavities are locally and sporadically seen in the fourth and third members of the lower Sinian Doushantuo Formation. Groundwater is dominated by fissure–karst water. Pumping tests in boreholes in the Dengying Formation indicate that karst water is extremely unevenly distributed in space, the hydraulic connectivity is anisotropic, and the overall water-bearing capacity is heterogeneous. There is a potential for sudden water inrush if karstified zones are intersected during future development drive.

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Groundwater in the mining area is predominantly unconfined, with only small, localized occurrences of confined water. Recharge is mainly from atmospheric precipitation, supplemented by infiltration of surface water through structural fractures and karstic cavities in the riverbeds. Groundwater discharges at shallow depths into surface gullies, while at greater depths it flows mainly from west to east, ultimately leaving the area and discharging into the Tianfumiao Reservoir or the Duanjiang River.

Although the Yulinxi Phosphate Mine shares a regional hydraulic connection with adjacent operations, concurrent dewatering at these neighbouring sites has effectively reduced lateral groundwater recharge to the principal aquifer. Consequently, adjacent mining activities present a negligible risk to Yulinxi's operations.

During roadway development, multiple faults have been encountered. No extensive dripping or water inflow has been observed along these faults so far. However, any fault may act as a conduit for water to enter the workings and serve as a source of inflow. Faulting will have an impact on the mining of the deposit.

During mine operations the main sources of water will be karst–fissure water from indirectly recharging aquifers and water associated with newly identified fault structures. During mine development and production, it will be necessary to conduct advance probing and drainage to identify groundwater (including high-yield zones) and potential water-related hazards. A significant water inflow point was encountered, which has since been sealed by grouting.

Estimates for mine water inflow were determined using the equivalent large-well method, as detailed in the *2022 Supplementary Explanatory Notes to the Exploration Report for the Yulinxi Phosphorite Deposit, Yinjiaou Mining Area, Yichang Phosphate Mine, Hubei Province (the “2022 Supplementary Explanatory Notes”)*.

The 2022 Supplementary Explanatory Notes indicates that upon reaching the basal mining level, the normal groundwater inflow rate is projected at 722 m³/h, with a maximum peak inflow of 866 m³/h. However, actual data recorded during shaft development and subsequent production stages show that the measured groundwater inflow is significantly lower than the initial projections. Current total mine site inflow is maintained at approximately 100 m³/h.

11.3 Geotechnical

The geotechnical conditions of the mining area are characterized by the orebody and surrounding rocks being composed mainly of hard to semi-hard carbonate rocks, and the deposit is classified as moderately complex. Description of surrounding rock are shown below:

- The hanging wall consists of light gray to grayish white, medium to thick-bedded, fine-grained dolomite. The thickness of the strata ranges from 3.40-8.14m, with an average of approximately 5.77m.
- The footwall is composed of black, potash-bearing shale interbedded with mudstone. The thickness ranges from 2.70-41.20m, with an average of approximately 13.59m.

The mineralised zone consists of stratified and massive rocks, classified as semi-hard to hard rock group. Joints and fractures are relatively well developed, but most are closed. In weathered and fractured zones as well as areas with dense jointing, the rock strength decreases and collapse,

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rockfall, and slabbing are more likely to occur. The main geotechnical properties are summarised in Table 11-1.

The main factors affecting the stability of the mine roof, floor and underground roadways are solution cavities, fractures, weak rock masses and interlayers.

Multiple faults have already been encountered during roadway development. These faults have a significant impact on the stability of the surrounding rock and may lead to incidents such as roof and sidewall falls, rockbursts, and inrush events, thereby affecting the layout of roadways and working faces.

Table 11-1: Main Geotechnical Properties of Mineralised Zone and Wall Rocks

Item	Unit	Mineralised Zone	Hanging Wall Rock	Footwall Rock
Average Uniaxial Compressive Strength	MPa	50.2	45.62	21.15
Cohesion	MPa	8.6	6.5	4.5
Internal Friction Coefficient (tan ϕ)		0.744	0.702	0.664
Rock Quality Designation	%	75-100	75-100	60-100

Sources: Modification 2023

11.4 Mining Section Classification

In accordance with the current mine plan, the minable footprint is delineated into three distinct Mining Sections, oriented from north to south, with production capacities allocated as follows:

- Mining Section I: 0.6 Mtpa
- Mining Section II: 0.4 Mtpa
- Mining Section III: 0.5 Mtpa

The mining sequence adheres to a descending strategy, progressing from top to bottom along the dip of the orebody. Within each individual level, retreat mining is conducted, advancing from the district flanks (wings) inwards towards the central level ore pass or section ramp.

- Mining will commence at the following designated levels (Elevations in mRL):
- Mining Section I: 250 m, 240 m, 230 m, 220 m, 210 m, 200 m, 190 m, and 180 m levels.
- Mining Section II: 150 m, 140 m, 130 m, 125 m, 120 m, 110 m, and 100 m levels.
- Mining Section III: 5 m, 0 m, -5 m, -10 m, -20 m, and -30 m levels.

11.5 Mining Methods

The orebody dip ranges from 5°-13°, with an average dip of 8°. The orebody thickness varies from 0.9-4.6 m, with an average thickness of 2.37 m.

The mine is designed to use the room-and-pillar mining method and the drift and fill mining method. Drift and fill mining will be adopted in the protective mining areas.

Due to the very small production of waste rock and tailings, the stopes are likely to lack sufficient backfilling material. Therefore, the mine mainly employs the room-and-pillar method. SRK considers

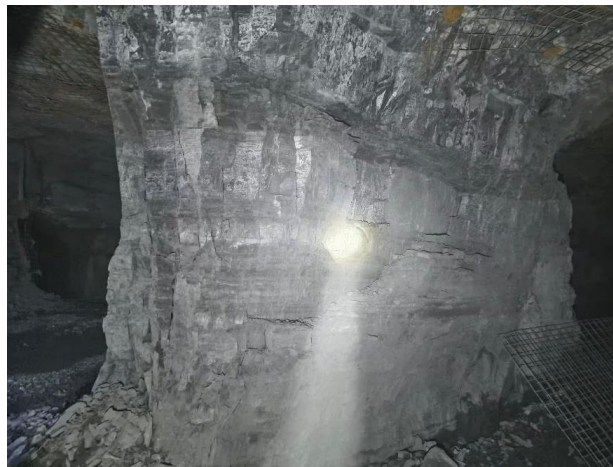
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that underground mining is appropriate for the mine, and that both mining methods are applicable to this orebody.

11.5.1 Room and Pillar Mining Method

The orebody is divided into a number of rooms and pillars (with regularly spaced, isolated pillars left in place) in this method. Stopping is carried out in the rooms, and the pillars are considered a permanent loss. The pillar is shown in Figure 11-1.

Figure 11-1: The Pillar located in the Mining Section



Sources: SRK, 6 January 2026

Stopes are laid out along the strike of the orebody. Each stope has a strike length of 80 m and a dip length of 40-100 m, averaging 60 m. The room width is 12 m. Rib pillars 4 m wide are left between stope blocks. Sill pillars are 4 m wide. Regular pillars measuring 4 m × 4 m are left within the stopes.

Stopes development is carried out using a slot raise. A slot raise is driven in the centre of the stope along the dip of the orebody, with a width of 4.0 m and a height equal to the ore thickness. Development works use a drilling jumbo for drilling, short-hole blasting, and Load Haul Dump (LHD) for ore mucking. Room and pillar mining method is shown in Figure 11-2.

The stopes are mined from top to bottom along the cut raise in the dip direction of the orebody, and within each mining stopes retreat is carried out from the far end toward the side near the panel ramp. A minimum lead distance of 15 m shall be maintained between working faces of adjacent stopes.

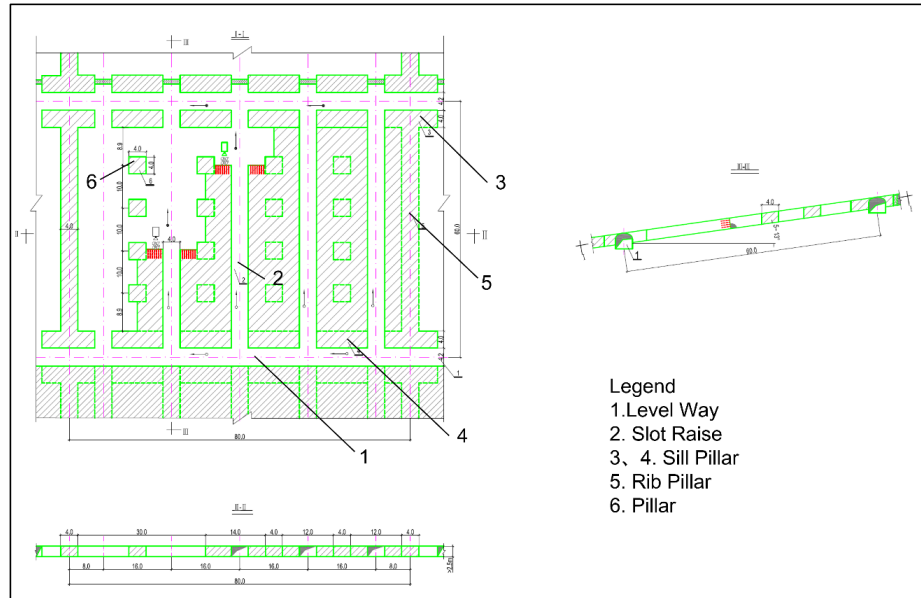
The dilution rate and ore loss rate in Mining Sections I and III are 4.79% and 22.7%, respectively. The dilution rate and loss rate are 4.8% and 22.45% in Mining Section II, respectively.

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Figure 11-2: Typical Layout of the Room and Pillar Mining



Sources: Modification 2023

11.5.2 Drift and Fill Mining

Drift and fill mining method is used in the protective mining areas. The orebody is divided into a number of parallel or sub-parallel strips in this method, which are mined successively by sections. After each cut is mined, the drift is immediately backfilled with filling material.

Stopes are arranged along the strike of the orebody. Each stope has a strike length of 80 m and a dip length of 40–100 m, averaging 60 m, with a strip width of 6–7 m. Continuous pillars 4 m wide are left between stopes, and the sill pillar is 3 m wide. Drift and fill mining is shown in Figure 11-3.

When multiple levels are mined simultaneously, the working face on the upper level shall be kept at least one mining stope ahead of that on the lower level.

No cut slot or development works are provided in the stopes. During stoping, full-face extraction is carried out along the strips. Drilling in the stopes is carried out using a drilling jumbo.

Odd (or even) stoping strips are mined first. After a strip is mined out, it is backfilled with cemented waste rock. Once the strength of the cemented waste rock reaches more than 3.0 MPa, the even (or odd) strips are then mined.

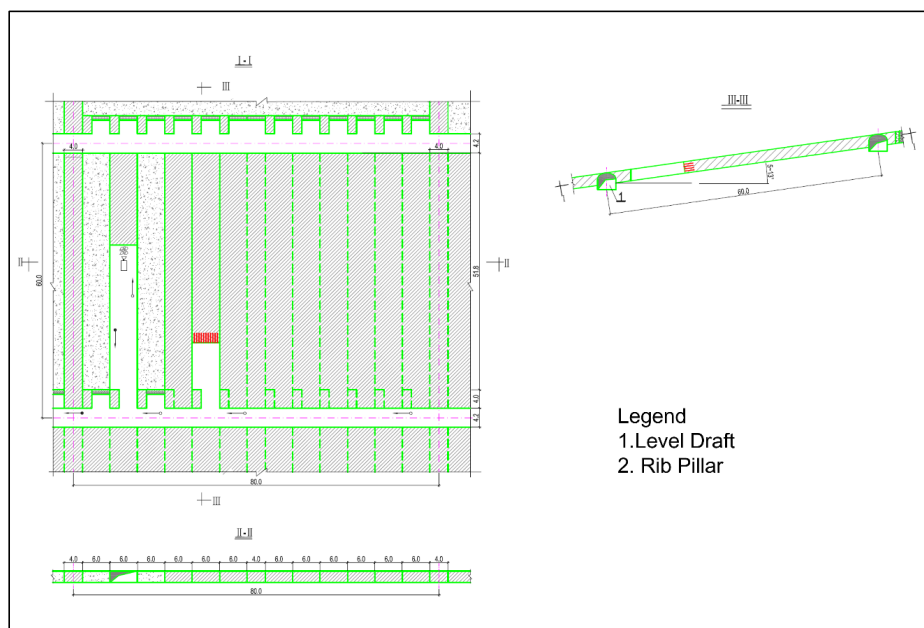
The dilution rate and ore loss rate in Mining Section I and III are 4.92% and 11.3%, respectively. The dilution rate is 4.92% and the ore loss rate is 11.05% in Mining Section II.

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Figure 11-3: Typical Layout of the Drift and Fill Mining



Sources: Modification 2023

11.6 Development System

The mine has only completed the initial construction at present, and additional roadways still need to be developed at depth. The mining area is divided into three sections. The development methods for the three sections are as follows:

- Development is carried out via a belt conveyor inclined shaft (430 Inclined Shaft) in Mining Section I. The ore is transported through sublevel ore passes and an off-orebody footwall belt conveyor haulage drift.
- Development is undertaken via a vertical shaft (425 Skip Shaft) in Mining Section II and III, with ore transported through sublevel ore passes and an off-orebody footwall belt conveyor drift.

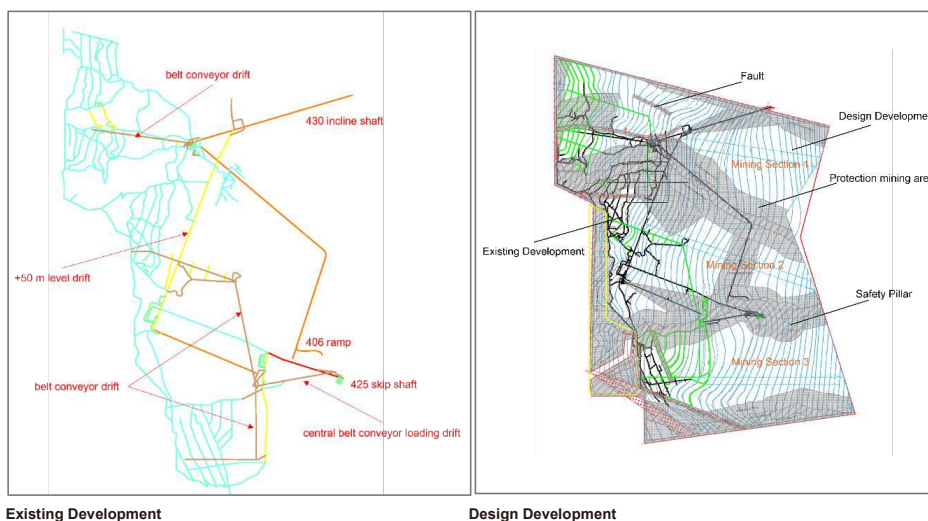
The layout of the initial sublevels is described in Section 11.4. The layout of existing mine developments and design developments in the mining area is shown in Figure 11-4.

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Figure 11-4: The Layout of Existing (left) and Designed (right) Mine Developments



Sources: Modification 2023

The current ore haulage methods for the three mining areas are as follows:

- The ore produced from each sublevel is loaded by LHDs onto underground trucks and hauled to the sublevel ore passes in Mining Section I. After being dumped into the ore passes, the ore flows by gravity to the area belt conveyor drift. The belt conveyor in this drift transports the ore to the No.1 main ore pass discharge point. Following crushing, the ore is conveyed by the belt conveyor in the 430 inclined shaft to the surface ore bin.
- The ore produced from each sublevel is loaded by LHDs onto underground trucks and hauled to the sublevel ore passes in Mining Section II and III. After being dumped into the ore passes, the ore flows by gravity to the belt conveyor drifts in Mining Section II and III. The belt conveyors in these drifts transport the ore to the No.2 main ore pass discharge points. After centralized crushing, the ore is transferred by the main transfer belt in the belt conveyor drift to the loading belt conveyor drift, and is finally loaded into the skips in the 425 skip shaft for hoisting to the surface surge ore bin. The belt conveyor roadway is shown in Figure 11-5.

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Figure 11-5: The Belt Conveyor Roadway



430 Inclined shaft



Belt conveyor drift

Sources: SRK, 6 January 2026

The 430 inclined shaft is equipped with an ST-2500 steel-cord patterned belt for ore conveying, with a belt speed of 2 m/s and a haulage capacity of 0.6 Mt/a. The 425 skip shaft is fitted with a JKMD-4×4 hoist operating at 9 m/s, providing an annual hoisting capacity of 1.5 Mt.

Personnel, materials and equipment are transported by trackless equipment via the 406 ramp, the I-2 mining section ramp, the +50 m level drift, the declines, the –80 m level drift, the ramps of each mining section, and the level haulage drifts to reach the various working faces.

The main development dimensions is shown in Table 11-2.

Table 11-2: The Main Roadway Dimensions

Type	Cross-sectional shape	Unit	Dimensions (Diameter or Width*High)
425 skip shaft	circle	m	4.6
430 inclined shaft	three-centred arch	m	4.3*1.9
425 inclined shaft	three-centred arch	m	3.3*2
406 ramp	three-centred arch	m	4.3*2.3
810 return air shaft	circle	m	5
Belt conveyor drift	three-centred arch	m	4.1*1.7
Decline	rectangle	m	4.2*3.3

Sources: Modification 2023

11.7 Mine Service

11.7.1 Backfill

Three mobile backfill stations have been established near the sublevels of the three mining areas to deliver backfill slurry to the stopes at present.

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In addition, the mine plans to construct a surface backfill plant near the processing plant, comprising tailings storage bins, cement silos and a mixing station. Processed backfill materials are planned to be transported to the mine site, conveyed underground via a pipe belt conveyor through the 425 mRL inclined shaft, and subsequently trucked to mobile backfill stations within each mining area.

The cement slurry prepared at the underground mobile backfill stations is conveyed by pipeline and discharged directly over the waste rock piles to allow natural mixing. The 2 m³ ejector-type LHD then rehandles the wetted waste rock aggregate to the voids for placement and piling, achieving secondary mixing of the aggregate and cement slurry, with high-density slurry used to achieve tight roof contact.

The cement-sand ratio of the filling slurry is 1:8 and 1:10, with a mass concentration of 71%–80%.

11.7.2 Ventilation

The mine adopts a diagonal single-wing ventilation system.

The ventilation system is equipped with two central return air shafts. During the initial mining stage, return air is exhausted to surface via the 810 return air shaft, while in the later mining stage it is discharged to surface through the 425 return air shaft.

The +50 m level is used as the boundary between the initial and later mining stages in Mining Section I. The -30 m level is used as the boundary between the initial and later mining stages in Mining Section II. The -70 m level is used as the boundary between the initial and later mining stages in Mining Section III.

The mine is currently in the early production stage, and only the 810 return air shaft is in use. The Design Ventilation system is shown in Figure 11-6.

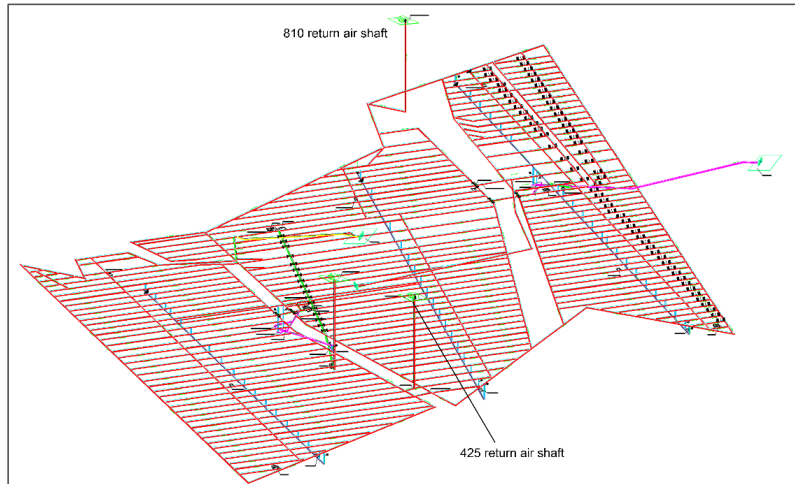
The ventilation systems for the three distinct mining sections are as follows:

- Fresh air enters the mine via the 406 ramp, the 430 inclined shaft, the 425 inclined shaft and the 425 skip shaft, then flows along the +50 m level drift, the declines and the -80 m level drift into the ramps of each mining area, and subsequently into the sublevel stopes.
- In Mining Section I, return air from the stopes flows through the belt conveyor drift, the raise, the boundary return inclined drift and the central return airway. During the initial mining stage, it is exhausted to surface via the 810 return air shaft, and during the later mining stage it is discharged to surface through the 425 return air shaft.
- In Mining Section II and III, return air from the stopes flows through the belt conveyor drifts, the raises, the boundary return inclined drifts and the central return airways. During the initial mining stage, it is exhausted to surface via the 810 return air shaft, and during the later mining stage it is discharged to surface through the 425 return air shaft.

Both the 810 and 425 return air shafts are equipped with FKCDZ-No.34 contra-rotating axial flow fans.

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Figure 11-6: Ventilation System



Sources: Modification 2023

11.7.3 Mine Dewatering

The mine adopts mechanical drainage with a relay drainage system.

There are six water sumps in the whole mine. The main sump is located on the +50 m level drift; Sump 1 is arranged at the end of the extension section of the 430 inclined shaft; Sump 2 is on the -80 m level drift; Sump 3 is at the bottom of the 425 main shaft; and Sump 4 and Sump 5 are located at the lowest sublevels of Mining Sections I and III, respectively.

The dewatering system of the mining area is shown in Figure 11-7. The dewatering systems for the three panels are as follows:

- Mining Section I: Mine water inflows above the +80 m level discharge directly into the drain on the +50 m level drift and, after treatment in the primary settling tank, are routed to the main sump. Inflows between +80 m and +50 m are collected in Sump 1 and pumped via pipeline to the highest point of the +50 m level drift, from where they flow by gravity to the primary settling tank and then to the main sump. Inflows between +50 m and -80 m are collected in Sump 2 and subsequently discharged to the main sump. Inflows below the -80 m level are collected in Sump 4 and finally pumped to the main sump.
- Mining Section II: Mine water inflows above the +50 m level discharge into the drain on the +50 m level drift and, after treatment in the primary settling tank, are collected in the main sump. Inflows between +50 m and -80 m are collected in Sump 2. Inflows below -80 m are collected in Sump 5 and then transferred to Sump 2. Water stored in Sump 2 is pumped to the drain on the +50 m level drift and, after passing through the primary settling tank, flows by gravity to the main sump.
- Mining Section III: Mine water inflows above the -80 m level discharge into the drain on the -80 m sublevel and are collected in Sump 2. Inflows below -80 m are collected in Sump 5 and then

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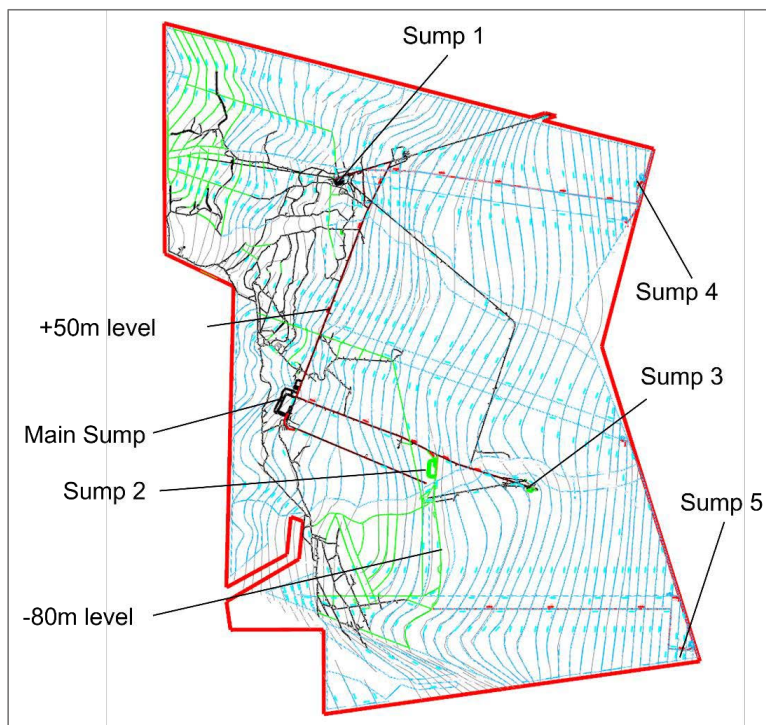
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pumped to the –80 m level drain, from where they are routed to Sump 2. Water stored in Sump 2 is pumped to the +50 m level and ultimately discharged to the main sump.

- Water stored in the main sump is pumped to the clear water tank at the collar of the 425 Inclined Shaft.

Figure 11-7: The Dewatering System



Sources: Modification 2023

The sludge from the sumps and collecting underground inflow water will be used as an admixture for backfilling. The equipment installed in each sump is shown in Table 11-3.

Table 11-3: The equipment installed in each sump

Type	Model	Number (Operating)	Number (standby)	Number (maintenance)
No.1 Pump	D155-30×2	2	1	1
No.2 Pump	D420-93×2	2	1	1
No.3 Pump	D85-45×4	1	1	1
No.4 Pump	D280-65×6	2	1	1
No.5 Pump	D360-60×6	2	1	1

Sources: 2022 PDR

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11.7.4 Power Supply

The mine has a total installed capacity of 19,026.2 kW and a total operating capacity of 16,492.2 kW. There are about 200 electrical units in total, of which 190 are in operation. The specific power consumption is 33.82 kW h/t.

The surface power system is described in section 14.3.

Power is supplied from the surface to the underground workings via the 425 inclined shaft, using 10 kV dual-circuit cables.

The two 10 kV incoming feeders are: one taken from the 10 kV Liushan line of the Yanchi 35 kV substation, and the other from the 10 kV bus section of the underground central substation at the 810 return air shaft portal substation. Each underground substation chamber is supplied radially from the underground central substation, with all supply circuits laid as cables.

The underground power supply system is shown in Figure 11-8. The underground power supply system is as follows:

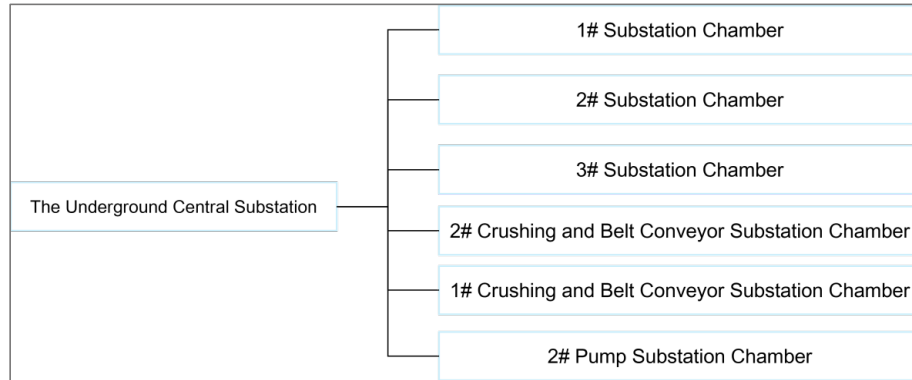
- Mining Section I
 - No.1 substation Chamber: It mainly supplies low-voltage power directly to auxiliary fans, development drilling jumbos, bolting rigs, shotcrete machines, production drilling jumbos, grouting machines, backfill pumps, mixing systems, vibrating ore feeders, and lighting.
 - No.1 crushing and belt conveyor substation chamber: It mainly supplies low-voltage power directly to the jaw crusher, pumps, vibrating ore feeders, the 430 inclined shaft bottom horizontal belt conveyor, and lighting.
- Mining Section II
 - No.2 substation Chamber: It mainly supplies low-voltage power directly to auxiliary fans, development drilling jumbos, bolting rigs, shotcrete machines, production drilling jumbos, grouting machines, backfill pumps, mixing systems, vibrating ore feeders, and lighting.
 - No.2 crushing and belt conveyor substation chamber: It mainly supplies low-voltage power to the jaw crusher, vibrating ore feeders, belt conveyors, and lighting.
 - No.2 pump substation chamber: It supplies power directly to the high-voltage multistage centrifugal pumps, and also feeds the No.3 pump substation chamber, as well as the No.4 and No.5 pump substation chambers in the later stage of production.
- Mining Section III
 - No.3 substation Chamber: It mainly supplies low-voltage power directly to auxiliary fans, development drilling jumbos, bolting rigs, shotcrete machines, production drilling jumbos, grouting machines, backfill pumps, mixing systems, vibrating ore feeders, and lighting.

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Figure 11-8: The Power Supply



Sources: SRK

11.7.5 Monitoring and Supervision System

The mine has installed a monitoring and control system, utilizing an Ethernet optical fiber ring network structure integrated into the comprehensive system. The monitoring and control system includes: the 810 main fan control system, the power supply monitoring and control system, the ground pressure monitoring and control system, the central sump control system, the 430 inclined shaft belt conveyor control system, among others.

The monitoring system tracks carbon monoxide and nitrogen dioxide concentrations at the working faces, air velocity and pressure at key workplaces, carbon monoxide, carbon dioxide, temperature and humidity inside the refuge chambers, air pressure and velocity at the main fan stations, as well as ground pressure (include surface rock movement and stope). The comprehensive monitor system is shown in Figure 11-9.

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Figure 11-9: The Comprehensive Monitor System



Sources: SRK, 6 January 2026

11.7.6 Personnel Positioning System

The personnel positioning system is equipped with 35 card-reading substations (KJ278-F). The system can monitor the time at which personnel carrying identification cards (KJ278-K) enter and exit the mine, their working hours, the number of personnel in underground and key areas, as well as the movement routes of underground personnel. The personnel positioning system is shown in Figure 11-10.

Figure 11-10: Personnel Positioning System



Sources: SRK, 6 January 2026

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11.7.7 Compressed Air

The maximum compressed-air consumption for the mine is 74.1 m³/min. The compressor room at the 425 inclined shaft industrial site is currently equipped with four LG-22/8G air compressors, which can meet the compressed air demand for mine production and compressed-air self-rescue. The three existing BK132-8T air compressors at the 430 inclined shaft industrial site are used as standby units.

The mine's compressed-air supply system is as follows:

- The main air supply line enters the mine through the 425 inclined shaft and the 430 inclined shaft, and is laid and interconnected along the 425 inclined shaft, the 430 inclined shaft, and the +50 m level drift. The main line consists of Φ219×6 mm welded steel pipes with a total length of about 3,775 m.
- Mining Section I: The air supply branch line runs along the ramp to deliver air to the working faces on level. The branch line consists of Φ159×5 mm welded steel pipes with a total length of about 1,812 m.
- Mining Section II: The air supply branch line runs along the II-1 ramp to deliver air to the working faces on level. The branch line consists of Φ133×4.5 mm welded steel pipes with a total length of about 1,144 m.
- Mining Section III: Air is supplied to the level working faces via an air supply branch line running through the decline, the -80 m level drift, and the III-1 ramp. The branch line in the decline and the -80 m level drift consists of Φ159×5 mm welded steel pipes with a total length of about 2,030 m. The branch line in the III-1 ramp and the +0 level consists of Φ133×4.5 mm welded steel pipes with a total length of about 1,210 m.

11.7.8 Emergency Refuge System

A total of 186 self-rescuers have been provided for underground personnels. A self-rescuer can provide longer than 30 minutes of temporary respiratory protection in hazardous environments such as mine fires or gas leaks.

Refuge chambers have been built underground. Each refuge chamber is equipped with emergency facilities such as a water dispenser, telephone, toilet, and oxygen supply devices. The Refuge chambers is shown in Figure 11-11.

The mine plans to construct three refuge chambers. Refuge Chamber 1 will be located in the central section of the -80 m level drift, with a rated capacity of 100 people. Refuge Chamber 2 will be located near the junction of the I-3 ramp and the -110 m sublevel, with a rated capacity of 60 people. Refuge Chamber 3 will be located near the junction of the III-2 ramp and the -180 m sublevel, with a rated capacity of 80 people.

The escape routes for the three mining areas are as follows:

- Mining Section I
 - Working faces or chambers, +65 m level, 430 inclined shaft, surface.
 - Working faces or chambers, Ramp, 406 ramp, surface.
- Mining Section II and Mining Section III

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- Working faces or chambers, -80 m level, +50 m level, 425 inclined shaft, surface.
- Working faces or chambers, -80 m level, 425 skip shaft, surface
- Working faces or chambers, Level Draft, 425 skip shaft, surface

Figure 11-11: Emergency Refuge System



Sources: SRK, 6 January 2026

11.7.9 Maintenance Facilities

There is no dedicated underground maintenance chamber. Instead, the mine has a mechanical and vehicle repair workshop at the 406 ramp site industrial yard, and all maintenance of underground trackless equipment is carried out on the surface.

11.7.10 Communication

The mine is equipped with an administrative telephone system and a dispatch telephone system. The dispatch telephone system is derived from a digital program-controlled telephone exchange and is used for production dispatching throughout the mine. A total of 33 dispatch telephones are installed underground, and moisture-proof dispatch telephone sets are used in the mine workings.

11.7.11 Explosive Supply and Management

There is no explosives magazine or explosives issuing station underground. There is one explosives magazine located on the surface.

Emulsion explosives are stored in the explosives magazine, which comprises one explosives store with a capacity of 20 t and one detonator store with a capacity of 50,000 detonators.

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11.8 Mining Equipment

Mining Equipment is shown in Table 11-4.

Table 11-4: Underground Mining Equipment Fleet

Equipment	Model	Number
Hydraulic drilling jumbo	CYTJ45A	9
Low-profile hydraulic drilling jumbo	Hole depth 3.5–3.8 m, hole diameter 40–45 mm	4
Low-profile diesel LHD	WJ-3	4
Diesel LHD	WJ-3.5	7
Excavating loader (tunnel loader)	ZWY-120/55L	6
Scaling jumbo	XMPYT-74/325	3
Roof-bolting jumbo	CYTM41-2A	3
15 t underground truck	UK-15	13
Underground personnel carrier	RU-19	3
Underground materials truck	FL-5	1
Underground materials truck	FL-10	1
Explosives transport vehicle	FCB-5	4
Trackless fuel drum carrier	CY-4000	1
Jaw Crusher	PWD75106	1
Jaw Crusher	PWD75150	1
Ventilation Fan	FKCDZ-№34	2
Air Compressor	LG-22/8G	4
Air Compressor	BK132-8T	3

Sources: 2022 PDR

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12 Mineral Processing

12.1 Overview

The mineral processing facilities described in this chapter are owned and operated by a related party within the Client’s chemical plant and are located at a separate industrial complex approximately 10 km from the Yulinxi Phosphate Mine. These facilities fall outside the Mine asset boundary and are accordingly excluded from the project-level economic analysis. The final product of the Yulinxi Mine is run-of-mine ore sold to the related party processing complex, as detailed in Section 17.2. Mineral processing is therefore not considered a material Modifying Factor for the estimation of Ore Reserves. This chapter is included to describe the downstream beneficiation pathway for the Yulinxi ore, in fulfilment of the disclosure requirements under Chapter 18 of the Listing Rules.

As no dedicated on-site processing facility was constructed for the Yulinxi Phosphate Mine, RoM ore is transported to a beneficiation plant within the chemical plant.

The processing complex operated by the Client is located approximately 10 km from the Yulinxi Phosphate Mine. Commissioned in 2010 with a designed capacity of 1.5 Mtpa, the complex originally utilised a flotation process and has historically processed purchased ore. In 2023, to accommodate varying ore grades, the facility underwent technical upgrades, integrating a 0.9 Mtpa optical sorting circuit and a 0.6 Mtpa gravity circuit ahead of the existing flotation circuit.

Processing routes will be selected based on ore characteristics and P_2O_5 head grades, with the overall processing capacity aligned to the mine’s planned 1.5 Mtpa production rate.

The flotation circuit comprises two-stage crushing with closed-circuit screening, single-stage closed-circuit grinding, and two-stage reverse flotation. This circuit typically produces a phosphate concentrate grading above 30% P_2O_5 , which is suitable for direct dispatch to the chemical plant for the production of various phosphate fertiliser products.

The optical sorting circuit utilises two-stage crushing with closed-circuit screening, followed by a single stage of optical sorting. This generates an optical-sorted phosphate concentrate and a middlings fraction.

The gravity separation circuit consists of single-stage washing, dense media cyclone (“DMC”) separation, and two stages of medium recovery. The products are a gravity concentrate and gravity tailings.

Depending on the P_2O_5 grade, the optical and gravity concentrates are either delivered directly to the chemical plant or routed to the flotation circuit for further upgrading. The optical sorting middlings are fed to the flotation circuit for additional beneficiation. Gravity tailings are dewatered via filtration and transported back to the Yulinxi mine site for use as underground backfill.

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12.2 Metallurgical Test

12.2.1 Mineralogy

Based on the information currently available, process mineralogy studies specific to the Yulinxi phosphate ore remain limited. The existing data are primarily derived from the geological exploration report completed by the Central-South Institute of Metallurgical Geology (“CSIMG”) in 2015.

According to this report, the Ph_1^{3-3} layer (composed of three sub-layers), has been identified as a target seam with economic potential within the mine area. Based on P_2O_5 grade, this ore layer is subdivided in descending order into three sub-layers. Based on lithological assemblages, these are described as follows:

- Ph_1^{3-3} (upper low-grade sub-layer): Dominated by grey dolomitic phosphorite.
- Ph_1^{3-2} (middle high-grade sub-layer): Consisting of massive or banded phosphorite.
- Ph_1^{3-1} (lower low-grade sub-layer): Comprising argillaceous banded phosphorite.

The mineral composition of the ore is relatively simple. The primary phosphate mineral is collophane, accounting for 55% to 98% of the ore mass. The principal gangue minerals include clay minerals, calcite, illite, potassium feldspar, and quartz.

12.2.2 Flotation Test and Result

A review of the exploration report indicates that CSIMG conducted laboratory and continuous pilot-plant metallurgical testing on composite samples from the Yulinxi deposit between August and November 2015. The objective was to evaluate the beneficiation characteristics of the phosphorite and provide a technical basis for future commercial processing.

Based on systematic bench-scale testing, the optimum process parameters were determined as follows:

- Grind size: 90% passing 75 μm (0.075 mm)
- Rougher 1 reagent dosage: Na_2CO_3 5,500 g/t, Na_2SiO_3 2,500 g/t, TM-type collector 700 g/t
- Rougher 2 reagent dosage: Na_2CO_3 1,000 g/t, Na_2SiO_3 500 g/t, TM-type collector 350 g/t
- Pulp pH: 9.5

Using these parameters, closed-circuit laboratory tests were conducted. From a head grade of 21.47% P_2O_5 and 2.38% MgO, utilising a flowsheet comprising two rougher, one scavenger, and two cleaner stages, a phosphate concentrate was generated. This concentrate achieved a mass yield of 55.78%, grading **32.83%** P_2O_5 and 0.77% MgO, with a P_2O_5 recovery of **85.29%**.

Continuous pilot-plant testing was also completed. From a head grade of 21.44% P_2O_5 and 2.36% MgO, the pilot plant produced a phosphate concentrate with a mass yield of 56.26%, grading **32.40%** P_2O_5 and 0.78% MgO, achieving a P_2O_5 recovery of **82.96%**. These results demonstrate that the Yulinxi phosphorite exhibits favourable metallurgical amenability, and the flowsheet performance meets the requirements for commercial application.

The above flotation test results are shown in Table 12-1.

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Table 12-1: Flotation Test Results on Yulinxi Ore Samples

Test	Item	Yield	Grade (%)		Recovery (%)	
		%	P ₂ O ₅	MgO	P ₂ O ₅	MgO
Laboratory Test	Concentrate	55.78	32.83	0.77	85.29	18.05
	Tailing	44.22	7.14	4.41	14.71	81.95
	RoM	100.00	21.47	2.38	100.00	100.00
Pilot -scale Test	Concentrate	56.26	32.40	0.78	82.96	18.60
	Tailing	43.74	7.30	4.39	14.91	81.40
	RoM	100.00	21.44	2.36	100.00	100.00

Source: Exploration Report on the Yulinxi Phosphate Ore Block, CSIMG, Dec 2015.

12.2.3 Optical Sorting Test and Result

From May to September 2021, Ganzhou Haopeng Technology Co., Ltd. conducted industrial-scale pre-concentration trials using optical sorting on low-grade development ore from the Yulinxi Deposit.

The first test programme ran for 19 days. Utilising a feed particle size of 15–60 mm and an average head grade of 16.1% P₂O₅, single-stage optical sorting produced a concentrate grading 21.1% P₂O₅ and tailings grading 9.3% P₂O₅. The average mass rejection rate exceeded 45%.

The second test programme ran for 18 days. Operating with the same feed particle size of 15–60 mm and an average head grade of 15.1% P₂O₅, the process achieved a concentrate grading 23.1% P₂O₅ and tailings grading 8.0% P₂O₅. The average mass rejection rate similarly exceeded 45%.

Although the head grades of the bulk samples were lower than the average grade of the Yulinxi deposit, the results demonstrate the technical viability of optical sorting for waste rejection in this phosphorite type. These trials indicate that optical sorting is an effective pre-concentration step to discard low-grade material, reduce downstream processing volumes, and improve the feed grade to subsequent beneficiation circuits.

12.3 Production Process Flowsheet

The processing flowsheets for the flotation, optical sorting, and gravity circuits are detailed in the subsequent sections. Integrating optical sorting and gravity separation as pre-concentration steps rejects a significant portion of the waste material prior to milling. This reduces the total tonnage reporting to the flotation circuit, consequently lowering overall energy consumption and reagent requirements.

The combined operation of these three circuits provides metallurgical flexibility and expansion potential. This allows the throughput of each circuit and the selected processing routes to be optimised based on varying ore characteristics and production targets.

12.3.1 Optical Sorting Circuit

RoM ore is fed via a vibrating feeder into a primary jaw crusher. The primary crushed product is conveyed to a double-deck vibrating screen. The upper-deck oversize (+40 mm) is routed to a

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secondary crusher, with the secondary crusher discharge recycled back to the screen, closing the comminution circuit.

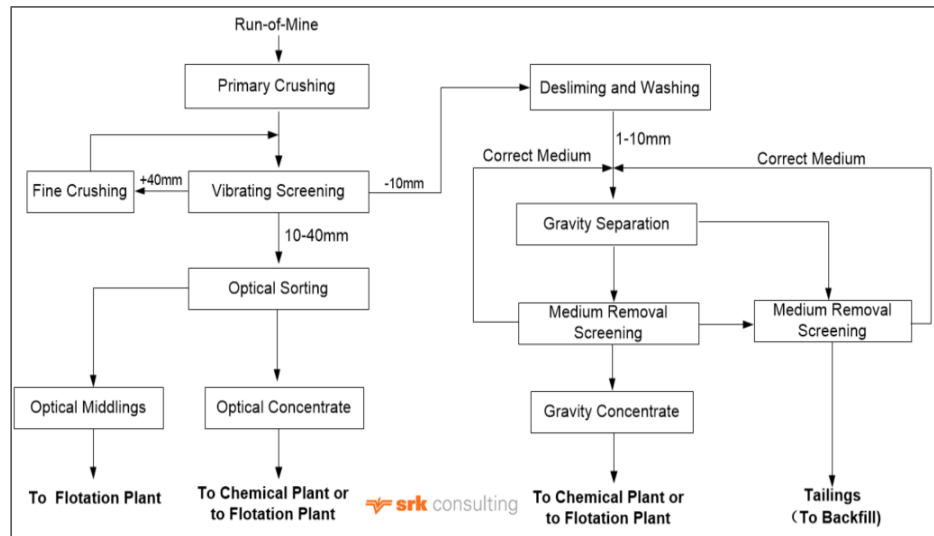
The intermediate screen fraction (-40 mm to +10 mm) is conveyed to the optical sorters for separation. The lower-deck undersize (-10 mm) is directed to the gravity circuit. The resulting optical-sorted concentrate and middlings are subsequently conveyed to their respective downstream stockpiles.

12.3.2 Gravity Separation Circuit

The fine ore (-10 mm) is conveyed to a linear vibrating screen within the washing circuit for desliming. The screen undersize (-1 mm) reports to the washing pump box, while the screen oversize is routed to the fine ore bin.

The washed fine ore is subsequently fed to a three-product DMC for separation. Following DMC separation, the concentrate and tailings streams pass sequentially over sieve bends (arc screens) and linear drain-and-rinse screens for medium recovery. The products are then conveyed to the gravity concentrate stockpile and tailings bin, respectively. The dilute medium is processed through magnetic separators to recover the magnetic medium, which is recirculated to the dense medium circuit for reuse. Simplified process flowsheets for the optical sorting and gravity circuits are presented in Figure 12-1.

Figure 12-1: Simplified Process Flowsheet of Optical and Gravity Plant



Source: Project database and SRK prepared

12.3.3 Flotation Circuit

RoM ore with a top size of 350 mm is trucked to the RoM pad, from where it is reclaimed by a front-end loader (FEL) and fed into the coarse ore bin. The ore undergoes primary crushing via a jaw crusher to a nominal size of -100 mm. This product is combined with the secondary cone crusher discharge and conveyed to a sizing screen. The screen oversize is recirculated to the cone crusher

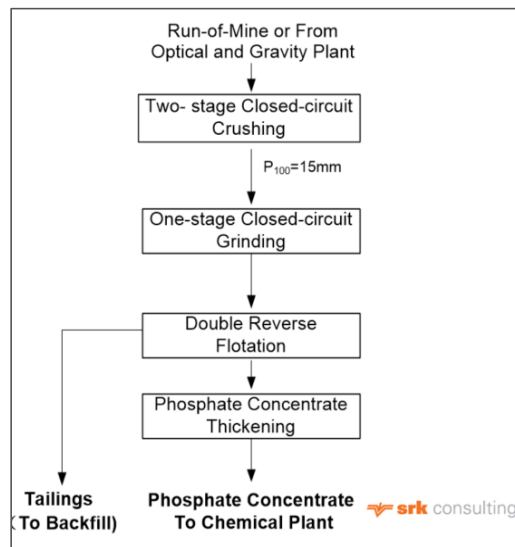
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for further comminution, while the screen undersize (-15 mm final crushed product) is conveyed to the fine ore stockpile.

Ore from the fine ore stockpile is reclaimed and conveyed to the fine ore bin, which feeds the ball mill for grinding. The mill discharge is pumped to a hydrocyclone cluster for classification. The hydrocyclone underflow is returned to the ball mill, closing the grinding circuit, while the overflow gravitates to a conditioning tank prior to processing in a two-stage reverse flotation circuit to produce a phosphate concentrate.

The flotation concentrate is dewatered via a thickener. The thickener underflow, representing the final concentrate product, is pumped to a slurry storage tank to supply the downstream phosphoric acid plant. A simplified process flowsheet for the flotation circuit is presented in Figure 12-2.

Figure 12-2: Simplified Processing Flowsheet of the Flotation Circuit



Source: Project database and SRK prepared.

The flotation circuit historically processed purchased ore and has been repurposed to treat RoM ore from the Yulinxi Mine. Due to variations in ore characteristics between the historical feed and the Yulinxi ore, on-site industrial-scale trials are currently underway. The results of these trials will be used to finalise the operational parameters and optimise the direct flotation flowsheet for treating the Yulinxi RoM ore.

12.4 Main Facilities and Equipment

The flotation facility primarily comprises the RoM pad, crushing and screening plant, fine ore stockpile, grinding and flotation building, thickener, laboratory, and associated ancillary infrastructure. The optical sorting circuit consists of crushing, screening, and optical sorting sections, alongside a concentrate stockpile. The gravity circuit comprises a RoM bin, washing section, dense media

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separation section, tailings filtration building, and a concentrate stockpile. Photographs of the main infrastructure for each circuit are presented in Figure 12-3.

Figure 12-3: Selected Views of the Processing Facility.



Source: Site visit

The primary processing equipment for the three circuits is detailed in Table 12-2. The site layout utilises natural elevation changes to facilitate gravity or semi-gravity slurry flow where practicable, thereby reducing pumping requirements and overall power consumption. As the oldest installation, the flotation circuit has been operational since 2010. While it currently meets baseline production targets, routine maintenance and progressive equipment upgrades are ongoing. In contrast, the recently commissioned optical sorting and gravity circuits utilise modern equipment and demonstrate high operational stability.

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Table 12-2: Main Equipment of the Plants

Equipment	Specifications	QTY.	Single Power(kw)
Flotation Plant			
Jaw Crusher	PA75150	2	110
Cone Crusher	S400DC	1	400
Vibrating Screen	2DYK3073	2	30
No.1, No.2, No.3 Overflow Ball Mill	MQ3660	3	1600
Hydrocyclone	FX500-GT-4	3	/
Flotation Machine	KYF-30	10	45
Flotation Machine	XCF-30	4	45
Flotation Machine	KYF-8	6	15
Flotation Machine	XCF-8	4	30
Blower	C120-1.35	3	110
Thickener	ZXC-30	1	7.5
Filter	XMZ800/2000-U	4	/
Gravity Plant			
Three-product Cyclone	3PNWX14070	1	/
Vibrating Screen	AHS2448	1	22
Thickener	NXZ-16	1	/
Magnetic separator	φ1219*2972	4	5.5
Vibrating arc-shaped screen	AVR2260	4	0.55
Air compressor	HD-EPM2 T185	1	185
Thickener	ZXC-35	1	7.5
Membrane Filter Press	NXZX-16J	1	19
Optical Sorting Plant			
Jaw Crusher	PE75106	1	110
Cone Crusher	GP300	1	250
Vibrating Screen	2YK3060	1	44
Vibrating Screen	ZKB1736	1	22
Vibrating Screen	ZKB1836	1	22
Optical Sorter	X104-BXK20	1	20
Optical Sorter	X104-BXK20	1	15

Source: Project Database and SRK collected.

12.5 Historical Production Index

Table 12-3 summarises the historical production data for the flotation circuit between 2023 and 2025. Systematic production data for the optical sorting and gravity circuits is currently unavailable due to their intermittent operation.

Historical production metrics over the past three years relate primarily to purchased ore. This material exhibited head grades ranging from 24% to 26% P₂O₅, achieving overall recoveries of 88% to 92% and producing concentrate grades between 29% and 31% P₂O₅.

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As these metrics do not reflect the metallurgical response of the Yulinxi RoM ore, they are unsuitable for use as modifying factors in the Mineral Resource and Ore Reserve estimation for the Yulinxi operation.

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Table 12-3: Historical Production Performance of the Flotation Circuit

Item	Unit	2023	2024	2025
Ore Processed	Metric ton	817,202	995,550	809,835
Feed grade	% P ₂ O ₅	25.54	24.88	25.58
Mass Yield	%	79.44	78.48	74.81
Concentrate grade	P ₂ O ₅ %	29.53	29.18	30.26
P ₂ O ₅ Recovery	%	91.85	92.04	88.50

Source: statistics from the Client provided

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13 Workforce Assessment

13.1 Workforce Numbers

Based on the detailed personnel register provided by the Client, the Mine employs a total workforce of 720 personnel. Staffing is predominantly allocated to operational roles, which is consistent with the requirements of an active mining operation.

The workforce is grouped into the following primary departments and functions:

Production Department: 588 personnel (81.7% of the total workforce). This is the largest group, comprising underground mechanized mining crews, development crews across all mining sections, shotcrete and backfill crews, heavy equipment drivers (trucks, loaders, excavators), hoist operators, central control room staff, and frontline production management.

Electrical and Mechanical (E&M) Department: 48 personnel. Includes electricians, welders, and specialized mechanical installation crews responsible for the maintenance and repair of underground and surface electromechanical infrastructure.

Safety and Environmental Department: 21 personnel. Dedicated to site-level safety compliance, occupational health, environmental management, and daily safety inspections.

General Administration and Logistics: 20 personnel. Manages administrative duties, project and materials management, surface infrastructure coordination, weighbridge operations, and site catering services.

Executive Management: 16 personnel. Comprises the General Manager, Deputy General Managers, Chief Engineer, Safety Director, and other senior management members.

Explosives Management: 16 personnel. Responsible for blasting design, explosives warehousing, and underground explosive escorts.

Technical Department: 9 personnel. Includes geologists, surveyors, and technical engineers responsible for geological mapping, measurement, and mine planning.

Finance Department: 2 personnel. Manages site-level accounting and cashier duties.

13.2 Working Schedules

Underground Operations: The standard domestic three-shift roster specifically comprises two production shifts and one maintenance shift.

Surface Operations: Surface auxiliary production systems generally operate on a two-shift roster.

Administrative Staff: Administrative personnel work a single 8-hour daily shift.

Emergency Management: Key technical and operational positions maintain after-hours standby personnel to effectively manage any emergency situations.

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13.3 Assessment of Workforce

The overall personnel structure is consistent with an active underground mining operation, characterised by a high proportion of frontline operational staff (81.7%).

However, SRK notes that the ratio of technical personnel to operational staff is notably low (9 technical staff relative to 588 production personnel). This indicates a heavy reliance on established standard operating procedures. SRK recommends a review of the staffing levels within the Technical Department to ensure that adequate geological oversight, grade control, and long-term Mineral Resource reconciliation are maintained. Conversely, the staffing levels within the Safety and Environmental Department (21 personnel) and the E&M Department (48 personnel) are considered adequate to support ongoing statutory compliance, hazard management, and routine equipment maintenance during commercial production.

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14 Project Infrastructure

14.1 General Layout

The general surface infrastructure layout of the Yulinxi Phosphate Mine is illustrated in Figure 14-1. Surface facilities are distributed across five primary areas. The 425 mRL Skip Shaft, 425 mRL Incline Portal, 406 mRL Decline Portal, and the Auxiliary Shaft facilities are situated in the central sector of the mining area, while the 430 mRL Incline Portal facility is located in the northern sector.

Administrative and support facilities, including the office building, accommodation, sewage treatment plant, diesel generator room, and a 10 kV switchyard, are centralised at the 406 mRL Decline Portal area. Ore bins are installed at both the 425 mRL Skip Shaft and the 430 mRL Incline Portal areas. The 425 mRL Skip Shaft area also hosts the materials warehouse, and site laboratory.

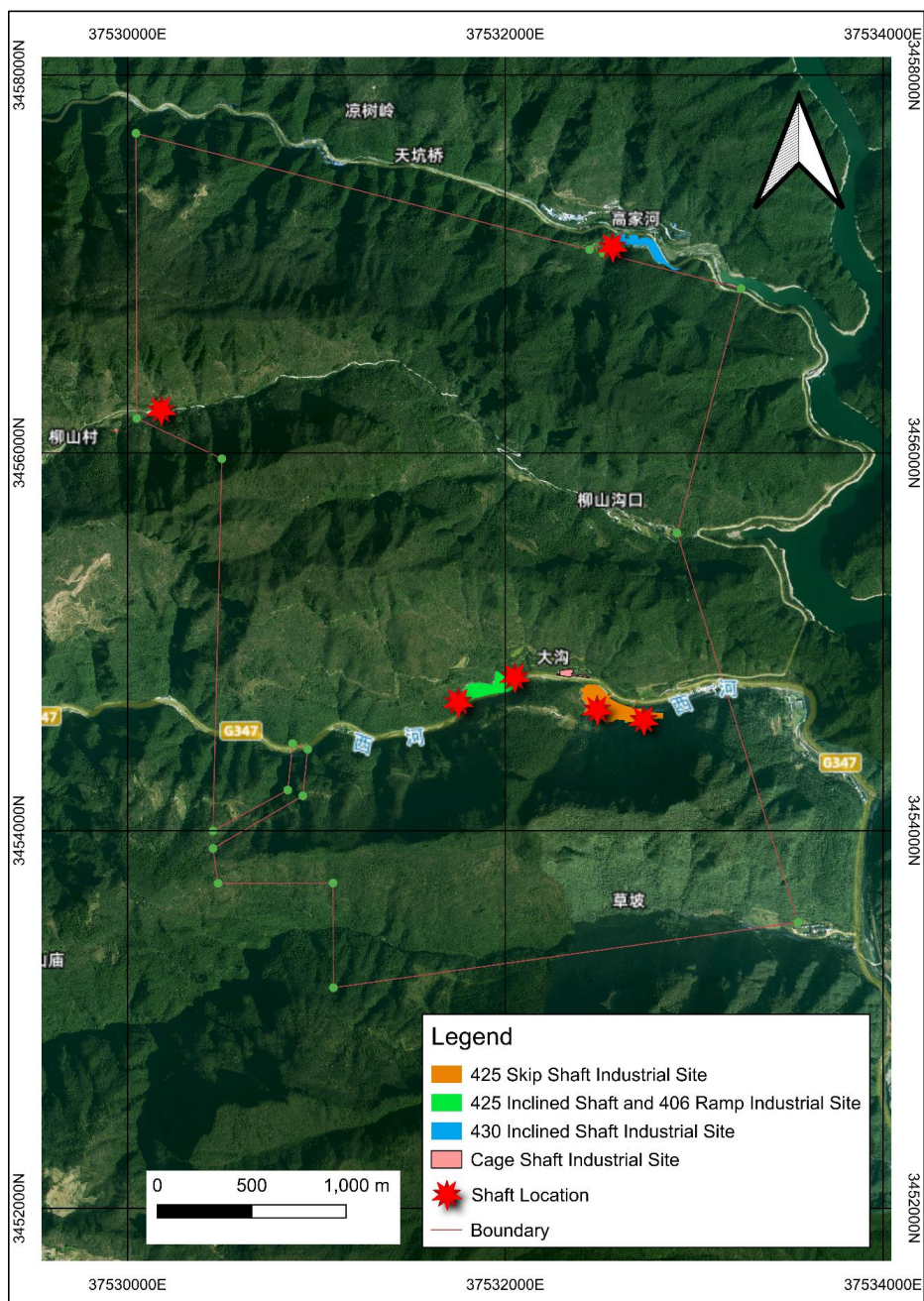
The mining area is intersected by four seasonal streams. These watercourses are subject to significant seasonal flow variations and drain eastward, discharging into either the Tianfumiao Reservoir or the Duanjiang River.

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Figure 14-1: Mine Surface General Layout of Yulinxi Phosphate Mine



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14.2 Road Access

National Highway G347 traverses the Mine area, intersecting with National Highway G241 near Fenshui Village. This network links directly to the G59 and G42 expressways, establishing reliable road access to Yichang City, various Yangtze River port facilities, Yuan'an County, and the Dangyang Leizu Railway Station. Mined ore is hauled by road via the national highway network to the Client's processing facilities.

14.3 Electrical Power Supply

A primary 10 kV switchyard is established at the 425 mRL Incline Portal area. The site is powered by two independent 10 kV incoming feeders to ensure supply redundancy. The primary feeder is sourced from a 10 kV busbar at the Yanchi 35 kV Substation (equipped with 10 MVA and 8 MVA transformers), located approximately 3 km from the site (Figure 14-2). The secondary feeder is sourced from the Hehua 110 kV Substation in Luomu Town (equipped with 50 MVA and 40 MVA transformers), located 15 km away.

Emergency backup power is provided by three 2,000 kW high-voltage diesel generators located at the 425 mRL Incline Portal area. These units are connected to the primary 10 kV switchyard and electrically interlocked with the incoming line circuit breakers. This configuration guarantees an uninterrupted power supply for critical loads (Category I), specifically the primary mine dewatering pumps and primary ventilation fans.

The site electrical reticulation system is segregated into surface and underground networks. Surface power is distributed radially from the primary 10 kV switchyard to various portal and shaft substations via a combination of overhead lines and buried cables. Underground power is reticulated radially via high-voltage cables to key electrical switchrooms, including the central underground substation, the No. 1 mining block substation, and the No. 1 crushing and conveying substation.

Figure 14-2: The Yanchi Substation (right) and Diesel Generator (left) Powering the Yulinxi Phosphate Mine



14.4 Water Supply

Site water demand comprises mine production (524 m³/d), backfill operations (274.1 m³/d), and domestic consumption (78.4 m³/d). Production and backfill water requirements are fully met by

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recycling underground mine dewatering. Domestic water is sourced from a natural spring adjacent to the 430 mRL Incline Portal. Local environmental regulations prohibit surface water extraction via river damming within the Mine area.

Underground production, backfill, and fire-water systems utilise a combined reticulation network. The primary underground supply main enters via the 425 mRL Incline Portal and is routed down the decline to the 50 mRL level drive. On the surface, fire-water lines servicing the 425 mRL Incline Portal, 406 mRL Decline Portal, and the 425 mRL Skip Shaft are teed off the primary process water main. Conversely, fire-water for the 430 mRL Incline Portal is supplied directly from the domestic water network.

A domestic water treatment plant and a 400 m³ elevated head tank (base elevation 525 mRL) are situated on a hillside approximately 150 m south of the 430 mRL Incline Portal. The adjacent spring yields 180 m³/d, sufficiently exceeding the site's domestic demand. Treated potable water is gravity-fed to all surface consumption points. Domestic supply lines servicing the 425 mRL Incline, 406 mRL Decline, and 425 mRL Skip Shaft areas branch from the main gravity line and are routed along the local topography to each facility.

14.5 Explosives Magazine

All explosives, detonators, and associated blasting consumables are procured from a licensed commercial explosives supplier. A dedicated surface magazine compound has been established to support site operations, situated approximately 5 km southwest of Xihe Village in Leizu Town.

Within the compound, the bulk explosives magazine and the detonator magazine are strictly segregated by a 30 m safety separation distance. The facility is designed with a maximum statutory storage capacity of 20 t for explosives and 50,000 units for detonators (Figure 14-3).

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Figure 14-3: The Blasting Materials Magazine specified for Yulinxi Phosphate Mine



14.6 Workshops and Repair Facilities

The Mine design precludes the development of underground maintenance workshops; consequently, all underground trackless mobile equipment (“TME”) will be serviced and repaired on the surface. A dedicated mechanical maintenance workshop is planned for the 406 mRL Decline Portal area to support this strategy. However, construction of this surface facility has not yet commenced.

14.7 Site Communication

The site communication infrastructure comprises two primary networks: administrative and operational. Both networks are managed via a digital Private Automatic Branch Exchange (PABX) system installed within the main administration building at the 406 mRL Decline Portal area. The internal operational network is routed through this central PABX, facilitating the site-wide coordination of production activities and electrical reticulation. Ruggedised, moisture-resistant communication handsets are installed throughout the underground development to support this operational network.

14.8 Accommodation and Office Buildings

On-site accommodation facilities have been constructed at the 430 mRL Incline Portal, 425 mRL Incline Portal, and 406 mRL Decline Portal areas (Figure 14-4).

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Figure 14-4: The employee dormitories



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15 Environmental Studies, Permitting, Social or Community Impact, and Occupational Health and Safety

15.1 Environmental, Social, and Occupational Health and Safety Review Objective

The objective of this review is to identify and verify the existing and potential Environmental and Social liabilities and risks and assess any associated proposed remediation measures for the Mine. A site visit was conducted in January 2026 by SRK. At the time this report was prepared, the Mine had commenced production.

15.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Mine comprised a review and inspection of the Mine’s environmental management performance against:

- Chinese national environmental regulatory requirements; and
- Equator Principles (World Bank/International Finance Corporation (“IFC”) environmental and social standards and guidelines) and internationally recognised environmental management practices.

15.3 Status of Environmental Approvals and Permits

The details of the Environmental Impact Assessment (“EIA”) report and approval for the Mine are presented in Table 15-1.

Table 15-1: EIA Report and Approval

Project	Prepared By	Report date	Approved By	Approval date
Yulinxi Phosphate Mine	Wuhan Zhi Huiyuan Environmental Technology Co., Ltd.	September 2019	Yichang Bureau of Ecology and Environment	24 October 2019

The significant environmental and social aspects for the Mine are associated with the mining and processing at the Mine site. The environmental and social review identified the most significant current and potential environmental management and legislative compliance liabilities that relate to operation and further development of the Mine and defined gaps in operational management as relates to industry best practices. The following sections identify the environmental and social aspects that have been addressed in the EIA report mentioned above and other related documents including FS 2023, as well as those environmental and social aspects that have not been addressed.

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15.4 Environmental Aspects

15.4.1 Site Ecological Assessment

The development of mining and processing may also result in impacts to or loss of flora and fauna habitat. The Mine development EIA should determine the extent and significance of any potential impacts to flora and fauna habitat. Where these potential impacts to flora and fauna habitat are determined to be significant, the EIAs should also propose effective measures to reduce and manage these potential impacts.

The Mine EIA's covering the projects include the following:

- The mining area belongs to the medium-low mountain to medium-high mountain landform type dominated by tectonic erosion. No protected animal species, protected flora, or protected natural areas have been identified within the project area.;
- Vegetation is predominantly composed of common bushes, grasses, pine trees, and agricultural crops; rare plant species are scarce. In addition, the soil erosion rate in this area is relatively low.
- Potential measures to protect the ecological environment include: waste rocks and tailings backfilling into the mined-out area underground to mitigate surface subsidence, topsoil protection and reuse, limitations on the area to be disturbed by this project and revegetation on industrial area.

SRK opines that the measures proposed above can mitigate the risks imposed to the site ecological system.

15.4.2 Waste Rock and Tailings Management

During the site visit, SRK noted several waste rock dump areas located near each main decline entrances and vertical shafts. The Company stated that they plan to reuse some waste rock for site construction or backfilling of underground mined out areas. SRK has not sighted any estimates on the proportion of the waste rock that may be reused for mine backfill, nor any geochemical/acid rock drainage (“ARD”) assessment for the waste rock. SRK did not observe any evidence of leaching/ARD from the temporary waste rock storage yard during the site visit. However SRK noted that a leaching test was conducted for the samples taken from the waste rocks in accordance with Chinese identification standards for hazardous wastes – identification for extraction toxicity. The analysis results showed that all the waste rocks were not hazardous wastes, and were considered general industrial waste. The site climatic conditions are characterized with high precipitation and potentially the site may release Phosphate into the environment and therefore regular surface water and groundwater sampling plan are needed to inspect the pollution migration. Follow-up measures are needed based on the sampling results, some water treatment facilities may need to be installed.

The project tailings generation rates have been previously discussed within the relevant sections. It should be noted that all tailings are either backfilled into the underground workings or utilised off-site as raw material for gypsum production; therefore, a tailings storage facility is not required for this project.

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15.4.3 Water Management

The project is located in a mountainous area with elevations ranging between 500 and 1,200 m MSL. The local climate is characterised by sufficient precipitation, with an average annual rainfall exceeding 1,200 mm. Four seasonal rivers and creeks flow through these areas, indicating adequate surface water resources for operational activities. These surface water bodies are ultimately tributaries of the Yangtze River.

The potential impacts of this project on the surface water and ground water are due to direct discharge of polluted operational water and untreated domestic wastewater into the surface water bodies, as well as ground water.

Operational water use for the underground mining is sourced from mine water of this project. According to the EIA report, a preliminary mine water sediment facility is installed underground each level mainly flocculation. The treated mine water can be used for underground dust suppression and other operational use. The rest will be sent to a comprehensive wastewater treatment plant in the industrial area on the surface and treated by tertiary technology before discharged into the environment. This advanced treatment includes flocculation, sand filter, and sludge dewatering, which can improve mine water quality. Domestic waste water is treated by an underground facility on each site, and the Company states that the treated domestic waste water is generally used for on-site irrigation or supplement of the processing water.

15.4.4 Dust and Gas Emissions

The dust emission sources for the Mine are mainly from the crushing and loading during operation, the temporal waste rock storage yard. SRK observed comprehensive dust collection systems installed in crushing and screening rooms and transfer points near the underground portals, such as cyclone dust collectors and bag dust collectors, and ores were stored in an enclosed warehouse. However, SRK did not observe dust mitigation measures in the waste rock storage yard, which potentially generate dust under the windy weather.

The gas emission sources for the Mine are predominantly from fixed and mobile plants at use in the mine site, and blasting emissions from the underground mining. According to the EIA report, water sprinklers and wet drilling facilities were utilized underground to reduce gas and dust emissions. In addition, SRK noted that the onsite heavy equipment was maintained properly and SRK did not observe severe exhaust gas particulate emissions.

15.4.5 Noise Emissions

The main noise emission sources for this project are from the operation of the crushers, compressors, pumps, underground blasting, and mobile equipment (mainly drilling and haulage activities). SRK notes that the potential for significant offsite noise impacts is low due to the sites being remote.

15.4.6 Hazardous Materials Management

As the mineral processing facility is located off-site, flotation reagents and sulphuric acid are not utilised or stored within the Yulinxi mine property. Consequently, hazardous substances used at the mine site primarily consist of lubricants, waste oils, and other hydrocarbons associated with mobile equipment maintenance. During the site visit, SRK noted that lubricant drums were appropriately

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stored on concrete or steel-plated floors within designated areas, and a formal waste oil recycling protocol was provided to SRK for review.

15.4.7 Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under Article 21 of the Mineral Resources Law of People’s Republic of China (1996), the Rules for Implementation of the Mineral Resources Law of the People’s Republic of China (2006), Mine Site Geological Environment Protection Regulations (1 May 2009), and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a site closure report, and to submit a site closure application for assessment and approval.

The recognized international industry practice for managing site closure is to develop and implement an operational site closure planning process and document this through an operational Closure Plan. While this site closure planning process is not specified within the Chinese national requirements for mine closure, the implementation of this process for a Chinese mining project will:

- Facilitate achieving compliance with these Chinese national legislative requirements; and
- Demonstrates conformance to a recognized international industry management practice.

SRK was provided with related site geological environment protection and rehabilitation plan named *Yulinxi Mineral Resource Development and Utilization and Ecological Restoration Plan* dated March 2022. This plan provides the following in respect to the proposed site closure and rehabilitation measures:

- Site rehabilitation objective – The rehabilitation program is aimed at rehabilitating land disturbed by mining and processing operations and improve ecological environment.
- Progressive rehabilitation – The rehabilitation will be conducted progressively by multiple phases with measures including tailings backfilling area by area, decommissioning of the processing plant and other auxiliary facilities, and replanting the industrial area.
- Replanting – Where required, seeding will be undertaken and seedlings will be planted. The species to be used will be local perennials that are capable of growing in the local weather conditions.
- Tailings backfilling into mined out area underground –Underground mining activity causes surface subsidence due to ore extraction, and tailings backfilling will be conducted to mitigate the impact of surface subsidence.
- Rehabilitation monitoring – Monitoring will be carried out throughout the Mine lifetime, including surface subsidence monitoring, and soil condition monitoring.

SRK notes that the above proposed approach to the site rehabilitation is generally in line with the relevant recognized Chinese industry practices. SRK sighted an Agreement on the Supervision and Use of Mine Land Reclamation Funds between the local government and Yulinxi Mine, and the total amount is around CNY 57.8m.

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15.5 Social Aspects

The Mine is located in a sparsely populated mountain area approximately 70km north of Yichang City of Hubei Province. The Han cultural group is predominant within the general project area, which is 38km northwest of Yuan'an County town. According to the EIA report, there are no significant cultural heritage sites within or surrounding any of the Mine area.

Multiple public participation programs were undertaken as part of the Mine's EIA report. The survey results showed that a majority of local residents support the Mine, and presented a predominant view that the development of the Mine will contribute to improvements in the local economy and will increase the local employment rate. However, local residents did raise some concerns regarding the safety of the local environment for this project, which shows that the local people are very concerned about environmental protection measures to be implemented. The Company states that all requirements in the environmental approvals will be fully implemented to prevent these environmental impacts.

As part of this review, SRK has not sighted any documentation in relation to any actual or potential impacts of non-governmental organizations on the sustainability of the Mine.

15.6 Occupational Health and Safety

During SRK's site visit, SRK observed that safety signs were in right place, safety provisions and rules were also displayed within the work areas, moving machinery parts were appropriately guarded and covered, guard railings were installed on all gantries, and proper Personal Protection Equipment ("PPE") was provided and was being used by the workers, such as hardhats, traffic vests, and steel toed shoes.

SRK has sighted the OHS management system and procedures, which provide the following summary in respect to the proposed OHS management measures for the Mine:

- Mining, crushing, blasting and explosives handling,
- Waste rock handling,
- Underground ventilation and dust suppression,
- Underground traffic management,
- Workplace air quality monitoring system,
- Hazardous material management,
- Emergency response plan,
- Fire protection and fire extinguishment,
- Sanitary provision,
- Power provision,
- Labour and supervision, and
- Safety administration.

SRK notes that the above site occupational health and safety ("OHS") management measures are generally in line with recognised Chinese industry practices and Chinese safety regulations. As the

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mine recently commenced production in December 2025, no operation-related injuries or fatalities have been recorded to date.

15.7 Evaluation of Environmental and Social Risks

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. In summary the most significant compliance and environmental risks for the development of the Mine, currently identified as part of this assessment, are:

- Impacts to local ecology due to land disturbance;
- Dust impacts from the haul roads and waste rock dump area; and
- Impacts to water pollution from the mining activity.

It is SRK’s opinion that the above environmental risks are categorised as moderate (i.e., requiring active risk management measures) and are generally manageable. Given the various environmental protection measures planned and implemented by the Company, SRK considers these risks to be adequately controlled and unlikely to escalate into severe environmental liabilities.

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16 Capital Expenditures and Operating Expenses

This section summarizes the capital expenditures (“**Capex**”) and operating expenses (“**Opex**”). The mine's capital and operating costs sourced from operating history and forecasts of the Mine, and modification of SRK.

16.1 Sunk Capital Expenditures

SRK was provided with assets list of the Mine as of 31 March 2026. The sunk Capex in history is summarised in Table 16-1. The net book value of sunk Capex as of 31 March 2026 are summarised in Table 16-2.

Table 16-1: Sunk Capex as of 31 March 2026 (Unit: CNY million)

Cost Centre	Total	Pre-2023	2023	2024	2025	Jan. - Mar. 2026
Buildings	1,064.8	224.3	171.3	591.7	76.9	0.6
Engineering machinery	27.2	16.7	4.3	1.0	2.3	2.9
Water drainage equipment	2.6	2.6	-	-	-	-
Production equipment	117.5	11.6	19.2	11.7	65.1	9.9
Electrical devices	1.0	0.3	0.6	-	0.1	-
Vehicles	17.7	4.7	5.0	5.6	0.6	1.8
Other fixed assets	49.5	11.2	12.6	15.1	10.1	0.5
Work in progress	5.5	-	-	-	-	5.5
Land use	4.7	-	4.7	-	-	-
Exploration licence	6.9	-	6.9	-	-	-
Other intangible assets	0.2	-	-	0.2	-	-
Deferred asset	0.9	-	-	-	-	0.9
Deferred tax asset	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-
Total	1,298.5	271.4	224.6	625.3	155.1	22.1

Sources: SRK

Notes: Values are in nominal terms

Table 16-2: Summary of Sunk Capex as of 31 March 2026 (Unit: CNY million)

Category	Asset	Original Value	Accumulated DA	Net Value
Fixed asset	Buildings	1,064.9	58.0	1,006.9
Fixed asset	Engineering machinery	27.2	10.7	16.5
Fixed asset	Water drainage equipment	2.6	2.0	0.6
Fixed asset	Production equipment	117.5	17.2	100.2
Fixed asset	Electrical devices	1.0	0.6	0.4
Fixed asset	Vehicles	17.6	9.2	8.4

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Category	Asset	Original Value	Accumulated DA	Net Value
Fixed asset	Others	49.5	14.1	35.5
Work in progress	Work in progress	5.5	-	5.5
Intangible asset	Land use	4.7	0.8	3.9
Intangible asset	Exploration licence	6.9	0.6	6.3
Intangible asset	Other intangible assets	0.2	-	0.2
Other asset	Deferred asset	0.9	-	0.9
Other asset	Deferred tax asset	-	-	-
Other asset	Other non-current assets	-	-	-
Total	Total	1,298.5	113.2	1,185.3

Sources: the Client

Notes: Values are in nominal terms

Table 16-3: DA Calculation of Sunk Capex (Unit: CNY million)

Item	Apr-2026	Dec. 2027	2028	2029	2030	2031	2032	2033	2034
Depreciation	73.9	87.1	87.2	84.1	83.6	82.4	81.2	79.4	76.5
Amortisation	0.8	1.1	1.1	0.9	0.8	0.8	0.8	0.8	0.8
Total	74.7	88.2	88.3	85	84.4	83.2	82	80.2	77.3

Item	2035	2036	2037	2038	2039	2040	2041	2042	Post-2042
Depreciation	72.9	65.8	64.8	66.1	64.2	55.8	22.2	14.5	2.8
Amortisation	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	73.3	65.9	64.9	66.2	64.3	55.9	22.3	14.6	2.9

Sources: SRK

Notes: Values are in nominal terms

The net value of sunk capital expenditure is approximately CNY 1,185.3 million. Buildings and production equipment account for approximately 85% and 8% of the total net sunk Capex value, respectively, with other assets comprising the remaining 7%.

In the economic analysis, the sunk Capex was utilised to calculate depreciation and amortisation (“DA”) to offset taxable income. The DA schedule for the sunk Capex is detailed in Table 16-3. The residual net value of the fixed sunk Capex at the end of the LoM is estimated at approximately CNY 12.2 million.

16.2 Non-current Liabilities

The non-current liabilities as of 31 March 2026 are about CNY 449.8 million based on the balance sheet of the DS CIG. The repayment plan is shown in Table 16-4.

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Table 16-4: Repayment Plan of Non-current Liabilities (Unit: CNY million)

Item	Total	Apr- Dec. 2026	2027	2028	2029
Interests	0.1	0.1	-	-	-
Long-term borrowings	136.7	136.7	-	-	-
Long-term payables	313.0	-	104.3	104.3	104.3
Total	449.8	136.8	104.3	104.3	104.3

Sources: the Client

Notes: Values are in nominal terms

The interests, long-term borrowings and Long-term payables represent internal financing arrangements between debtor and creditor. Under a 100% equity, un-gearred evaluation framework, these items are excluded from the project-level cash flow analysis as they do not constitute external cash inflows or outflows for the Mine. While the items impact the equity value and financial position of the Mine as a corporate entity, they are treated as financing-related items rather than operational project variables. Accordingly, they are addressed within the context of a corporate financial analysis rather than the fundamental project economic assessment.

16.3 Sustaining Expenditures

Sustaining capital expenditure is primarily allocated to the annual extension of the underground mine development to access targeted Mineral Resources, the phased construction and expansion of the Tailings Storage Facility, the maintenance and replacement of ageing or obsolete equipment, ongoing exploration programmes, and general contingencies.

The Sustaining Capex investment schedule of the Mine for the period 2026–2028, as formulated by DS CIG, is presented in Table 16-5. The total projected expenditure for this period is approximately CNY 94.9 million.

Table 16-5: Investment Plan of Sustaining Capex Estimated by the Mine (Unit: CNY million)

Item	Total	Apr- Dec. 2026	2027	2028
Tunnels	85.8	23.4	31.2	31.2
Water pumping bays	1.1	0.3	0.4	0.4
Refuge chamber	0.1	0.0	0.0	0.0
Total	87.0	23.7	31.6	31.6

Sources: the Client

Notes: Values are in nominal terms

In addition to the sustaining capital expenditure detailed in Table 16-5, SRK has estimated the sustaining Capex requirements post-2028. In accordance with industry benchmarks, annual sustaining Capex typically ranges between 3% and 5% of the gross fixed asset value. Consequently, this expenditure is projected to range from CNY 37.9 million to CNY 63.2 million per annum. As of the Effective Date, SRK has assumed an annual sustaining Capex rate equivalent to 4% of the initial sunk Capex value. The sustaining Capex schedule is summarised in Table 16-6, with total

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expenditures estimated at approximately CNY 563.4 million from 2029 to 2039 or CNY 650.3 million over the LoM including the expenditures planned from 2026 to 2028.

Table 16-6: Investment Plan of Sustaining Capex by SRK (Unit: CNY million)

Item	Total	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Sustaining Capex	563.4	51.2	51.2	51.2	51.2	51.2	51.2	51.2	51.2	51.2	51.2	51.2

Sources: SRK.

Notes: Values are in nominal terms

SRK has assumed a three-year straight-line depreciation schedule for the sustaining capital expenditure, with a residual value rate of 0%. The depreciation and amortisation for the sustaining Capex is detailed in Table 16-7.

Table 16-7: DA Calculation of Sustaining Capex (Unit: CNY million)

Item	Apr- Dec. 2026	2027	2028	2029	2030	2031	2032	2033	2034
Sustaining Capex Estimated by the Mine	-	7.9	18.4	29.0	21.1	10.5	-	-	-
Sustaining Capex by SRK	-	-	-	-	17.1	34.1	51.2	51.2	51.2
Total	-	7.9	18.4	29.0	38.2	44.6	51.2	51.2	51.2

Item	2035	2036	2037	2038	2039	2040	2041	2042	2043
Sustaining Capex Estimated by the Mine	-	-	-	-	-	-	-	-	-
Sustaining Capex by SRK	51.2	51.2	51.2	51.2	51.2	51.2	34.1	17.1	-
Total	51.2	51.2	51.2	51.2	51.2	51.2	34.1	17.1	-

Sources: SRK

Notes: Values are in nominal terms

16.4 Historical Operating Costs

A summary of the Opex for the preceding three years is presented in Table 16-8 and Table 16-9. These figures exclude depreciation and amortisation and financing expenses. The Opex varied significantly during this period and is not considered representative of future costs upon transitioning to steady-state commercial operations. This discrepancy is primarily because the historical expenditures were incurred during the construction phase of the Yulinxi Mine rather than during active commercial production.

Table 16-8: Summary of Annual Historical Opex (Unit: CNY million)

Item	2023	2024	2025
Cost of Goods Sold			
Workforce employment	11.5	10.2	10.4

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Item	2023	2024	2025
Consumables	68.0	77.8	29.9
Fuel, electricity, water and other services	181.2	202.7	34.8
On and off-site administration	-	-	-
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	41.3	33.3	10.8
Contingency allowances	-	-	-
Sub-total	302.0	324.1	85.9
Administration			
Workforce employment	2.4	4.1	3.7
Consumables	-	-	-
Fuel, electricity, water and other services	0.1	0.0	-
On and off-site administration	0.8	2.8	4.6
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	0.4	0.3	0.5
Contingency allowances	-	-	-
Sub-total	3.7	7.2	8.8
Total			
Workforce employment	13.9	14.3	14.2
Consumables	68.0	77.8	29.9
Fuel, electricity, water and other services	181.2	202.8	34.8
On and off-site administration	0.8	2.8	4.6
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	41.7	33.6	11.3
Contingency allowances	-	-	-
Total	305.7	331.3	94.7

Sources: Yulinxi Mine

Table 16-9: Summary of Unit Historical Opex (Unit: CNY/t ore sold)

Item	2023	2024	2025
Cost of Goods Sold			
Workforce employment	9.0	10.0	34.2
Consumables	53.4	76.2	98.0

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Item	2023	2024	2025
Fuel, electricity, water and other services	142.3	198.4	113.8
On and off-site administration	-	-	-
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	32.4	32.6	35.3
Contingency allowances	-	-	-
Sub-total	237.2	317.2	281.2
Administration			
Workforce employment	1.9	4.0	12.1
Consumables	-	-	-
Fuel, electricity, water and other services	0.0	0.0	-
On and off-site administration	0.7	2.7	14.9
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	0.3	0.3	1.6
Contingency allowances	-	-	-
Sub-total	2.9	7.0	28.6
Total			
Workforce employment	10.9	14.0	46.3
Consumables	53.4	76.2	98.0
Fuel, electricity, water and other services	142.3	198.4	113.8
On and off-site administration	0.7	2.7	14.9
Environmental protection and monitoring	-	-	-
Transportation of workforce	-	-	-
Product marketing and transport	-	-	-
Non-income taxes, royalties and other governmental charges	32.7	32.9	36.8
Contingency allowances	-	-	-
Total	240.1	324.2	309.8

Sources: the Client

16.5 Operating Cost Forecasts

The cost of goods sold (“**COGS**”) for the forthcoming five-year period was estimated by the Client and is summarised in Table 16-10. These figures exclude depreciation. SRK notes that while mining Opex was previously estimated in the 2023 Feasibility Study (FS 2023), those projections were deemed conservative based on SRK’s benchmarking of comparable mining operations. Consequently, for the purposes of this Report, an additional safety production levy of CNY 8/t has been incorporated into the costs presented in Table 16-10 to establish the total mining costs.

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Table 16-10: Summary of Mining COGS by the Client

Item	Unit	2026	2027	2028	2029	2030
Production capacity	kt	1,500	1,600	1,800	1,800	1,900
Annual Cost						
Workforce employment	CNY million	50.0	55.0	60.0	60.0	65.0
Consumables	CNY million	83.1	90.0	101.3	101.3	106.9
Fuel, electricity, water and other services	CNY million	44.3	50.3	58.8	58.8	61.3
Total	CNY million	177.4	195.3	220.1	220.1	233.2
Unit of Production Cost						
Workforce employment	CNY/t ore	33.33	34.38	33.33	33.33	34.21
Consumables	CNY/t ore	55.43	56.28	56.28	56.28	56.28
Fuel, electricity, water and other services	CNY/t ore	29.54	31.43	32.65	32.65	32.26
Total	CNY/t ore	118.30	122.09	122.26	122.26	122.75

Sources: the Client

As the existing processing facilities constitute a separately owned asset held by a distinct corporate entity, all associated processing Opex has been excluded from the financial model for the Mine to reflect the specific project boundary.

Backfill Costs: The selected underground mining methods necessitate the backfilling of mined-out voids. While the 2023 Feasibility Study (FS 2023) originally proposed an on-site backfill plant, the facility will now be located within the industrial chemical complex to facilitate the utilisation of tailings from the processing plant and residues from the chemical plant as backfill aggregates. The FS 2023 estimated base backfill costs at CNY 15.49/t of ore (approximately CNY 23.26 million per annum at a 1,500 ktpa capacity). SRK has adjusted this figure by incorporating a CNY 5/t transportation premium for the haulage of filling materials and a 15% profit margin for the service provider. Consequently, SRK has adopted a rounded backfill expense of CNY 23/t of ore for the purposes of this estimate.

General and Administrative (G&A): The G&A expenses estimated in the FS 2023, amounting to approximately CNY 32/t of ore at a 1,500 ktpa mining capacity, have been adopted directly by SRK.

Environmental and Monitoring: The FS 2023 projected environmental protection and monitoring expenses at CNY 1.46/t. SRK has applied a rounded figure of CNY 1.5/t of ore.

Workforce Transportation: No formal estimate for workforce transportation was provided in the available technical studies. In the context of Chinese mining operations, such costs are often negligible as the majority of the workforce resides locally. For the purposes of this Report, these potential costs are captured within the general contingency allowances.

Marketing and Product Transport: Although the FS 2023 assumed marketing and transport expenses at 1.5% of sales revenue, the actual current expense is nil, as the ore buyers assume responsibility for product haulage. Accordingly, SRK has modelled this expense at zero.

Non-income taxes, royalties, and other government charges (“NITRGC”): NITRGC are applied as detailed in Table 17-3. It should be noted that Value-Added Tax (“VAT”) is modeled as cash-flow neutral and is therefore excluded from the NITRGC calculations.

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Contingency Allowances: As the available technical studies did not provide contingency estimates, SRK has applied a contingency rate of 12%, which is consistent with standard industry practice for feasibility-level studies in China.

A summary of the modified Opex forecasts is presented in Table 16-11. These figures represent cash operating costs and exclude depreciation, amortisation, and financing costs.

Table 16-11: Modified Opex Forecasts by SRK, excluding NITRGC

Item	Unit	Mining	Backfilling	GA	Total
Production capacity	kt	1,500	1,500	1,500	1,500
Annual Expense					
Workforce employment	CNY million	50.0	-	-	50.0
Consumables	CNY million	83.1	34.5	-	117.6
Fuel, electricity, water and other services	CNY million	44.3	-	-	44.3
On and off-site administration	CNY million	12.0	-	48.0	60.0
Environmental protection and monitoring	CNY million	-	-	2.3	2.3
Transportation of workforce	CNY million	-	-	-	-
Product marketing and transport	CNY million	-	-	-	-
NITRGC	CNY million	-	-	-	-
Contingency allowances	CNY million	22.7	4.1	6.0	32.9
Total	CNY million	212.2	38.6	56.3	307.1
Unit of Production Expense					
Workforce employment	CNY/t ore	33.33	-	-	33.33
Consumables	CNY/t ore	55.43	23.00	-	78.43
Fuel, electricity, water and other services	CNY/t ore	29.54	-	-	29.54
On and off-site administration	CNY/t ore	8.00	-	32.00	40.00
Environmental protection and monitoring	CNY/t ore	-	-	1.50	1.50
Transportation of workforce	CNY/t ore	-	-	-	-
Product marketing and transport	CNY/t ore	-	-	-	-
NITRGC	CNY/t ore	-	-	-	-
Contingency allowances	CNY/t ore	15.16	2.76	4.02	21.94
Total	CNY/t ore	141.45	25.76	37.52	204.73

Sources: SRK

Notes: Values are in real terms

The LoM Opex forecasts are shown in Table 16-12 to Table 16-13. The LoM average Opex is about CNY 241.7 /t of RoM ore.

Table 16-12: Annual Opex Forecasts from 2026 Q2-Q4 to 2034 (Unit: CNY million)

Item	Q2-Q4 2026	2027	2028	2029	2030	2031	2032	2033	2034
by Components									
Workforce employment	42.6	48.5	49.9	49.4	49.7	49.8	49.7	49.9	49.9

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Consumables	100.3	114.1	117.5	116.2	116.9	117.1	116.9	117.5	117.4
Fuel, electricity, water and other services	37.8	43.0	44.2	43.7	44.0	44.1	44.0	44.2	44.2
On and off-site administration	51.2	58.2	59.9	59.2	59.6	59.7	59.6	59.9	59.9
Environmental protection and monitoring	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
NITRGC	47.2	53.7	55.3	54.7	55.1	55.1	55.0	55.3	55.3
Contingency allowances	28.1	31.9	32.9	32.5	32.7	32.8	32.7	32.9	32.8
Total	309.1	351.6	362.0	357.9	360.3	360.8	360.1	362.0	361.8
by Departments									
Mining	180.9	205.8	211.9	209.5	210.9	211.2	210.8	211.9	211.8
Backfilling	32.9	37.5	38.6	38.2	38.4	38.5	38.4	38.6	38.6
GA	48.0	54.6	56.2	55.6	55.9	56.0	55.9	56.2	56.2
NITRGC	47.2	53.7	55.3	54.7	55.1	55.1	55.0	55.3	55.3
Total	309.1	351.6	362.0	357.9	360.3	360.8	360.1	362.0	361.8

Sources: SRK

Notes: Values are in real terms

Table 16-13: Annual Opex Forecasts from 2035 to 2043 (Unit: CNY million)

Item	2035	2036	2037	2038	2039	2040	2041	2042	2043
by Components									
Workforce employment	49.6	49.7	48.9	49.9	48.4	41.7	14.8	8.9	-
Consumables	116.8	116.9	115.1	117.5	114.0	98.2	34.9	21.0	-
Fuel, electricity, water and other services	44.0	44.0	43.3	44.2	42.9	37.0	13.1	7.9	-
On and off-site administration	59.6	59.6	58.7	59.9	58.1	50.1	17.8	10.7	-
Environmental protection and monitoring	2.2	2.2	2.2	2.2	2.2	1.9	0.7	0.4	-
Transportation of workforce	-	-	-	-	-	-	-	-	-
Product marketing and transport	-	-	-	-	-	-	-	-	-
NITRGC	55.0	55.1	54.2	55.3	53.7	46.2	16.4	9.9	-
Contingency allowances	32.7	32.7	32.2	32.9	31.9	27.5	9.8	5.9	-
Total	359.8	360.3	354.5	362.0	351.1	302.6	107.5	64.8	-
by Departments									
Mining	210.6	210.9	207.5	211.9	205.5	177.1	62.9	37.9	-
Backfilling	38.4	38.4	37.8	38.6	37.4	32.3	11.5	6.9	-
GA	55.9	55.9	55.0	56.2	54.5	47.0	16.7	10.1	-
NITRGC	55.0	55.1	54.2	55.3	53.7	46.2	16.4	9.9	-
Total	359.8	360.3	354.5	362.0	351.1	302.6	107.5	64.8	-

Sources: SRK

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16.6 Historical Working Capital

The working capital status for the period from 2023 to 2026 Q1 is presented in Table 16-14. Overall, the Mine maintained a negative working capital position throughout the preceding three years. As of 31 March 2026, the working capital was approximately CNY -891.6 million. This sustained negative position indicates a deficit in short-term liquidity and constrained solvency, presenting a potential risk of cash flow disruption to ongoing operations.

Table 16-14: Working Capitals in Years from 2023 to 2026 Q1 (Unit: CNY million)

Year	2023	2024	2025	2026 Q1
Current assets	674.5	118.0	73.9	10.0
Current liabilities	1,504.0	1,159.3	972.6	(847.5)
Working Capital ^[1, 2]	(829.5)	(1,041.3)	(898.7)	(837.5)

Sources: the Client

Notes:

¹ Working capital equals to current asset minus current liability.

² Values are in nominal terms.

SRK was advised that in February 2026, CNY 680 million in current liabilities was transferred out. For the purposes of the economic analysis presented in Chapter 17, this transferred amount of CNY 680 million has been adjusted against the working capital balance recorded as of 31 March 2026. Consequently, the adjusted opening balance for the working capital in the financial model is approximately CNY -157.5 million.

16.7 Working Capital Forecasts

Working capital requirements over the LoM were projected predicated upon the turnover ratio assumptions detailed in Table 16-15. The resulting working capital forecasts are presented in Table 16-16 and Table 16-17.

Table 16-15: Turnover to Estimate Working Capital

Item	Turnover Ratio per annum	Remarks
Accounts receivable	12	Current assets
Consumables	8	Current assets
Fuel and electricity	8	Current assets
Work in process	30	Current assets
Finished goods	60	Current assets
Cash	12	Current assets
Account payable	12	Current liabilities

Sources: SRK

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Table 16-16: Working Capital Forecasts from 2026 to 2034 (Unit: CNY million)

Item	Q2-Q4 2026	2027	2028	2029	2030	2031	2032	2033	2034
Current Assets									
Accounts receivable	35.8	40.8	42.0	41.5	41.8	41.8	41.8	42.0	42.0
Consumables	12.5	14.3	14.7	14.5	14.6	14.6	14.6	14.7	14.7
Fuel and electricity	4.7	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Work in process	7.1	8.1	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Finished goods	4.4	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Cash	6.1	6.9	7.1	7.0	7.1	7.1	7.0	7.1	7.1
Sub-total	70.6	80.4	82.7	81.8	82.4	82.5	82.3	82.7	82.7
Current Liabilities									
Account payable	11.5	13.1	13.5	13.3	13.4	13.4	13.4	13.5	13.5
Working Capital	59.1	67.3	69.3	68.5	68.9	69.0	68.9	69.3	69.2

Sources: SRK

Notes: Values are in real terms

Table 16-17: Working Capital Forecasts from 2035 to 2043 (Unit: CNY million)

Item	2035	2036	2037	2038	2039	2040	2041	2042	2043
Current Assets									
Consumables	41.7	41.8	41.1	42.0	40.7	35.1	12.5	7.5	-
Fuel and electricity	14.6	14.6	14.4	14.7	14.2	12.3	4.4	2.6	-
Work in process	5.5	5.5	5.4	5.5	5.4	4.6	1.6	1.0	-
Finished goods	8.3	8.3	8.2	8.3	8.1	7.0	2.5	1.5	-
Accounts receivable	5.1	5.1	5.0	5.1	5.0	4.3	1.5	0.9	-
Cash	7.0	7.1	6.9	7.1	6.9	5.9	2.1	1.3	-
Sub-total	82.2	82.4	81.0	82.7	80.3	69.2	24.6	14.8	-
Current Liabilities									
Account payable	13.4	13.4	13.2	13.5	13.1	11.3	4.0	2.4	-
Working Capital	68.8	68.9	67.8	69.3	67.2	57.9	20.6	12.4	-

Sources: SRK

Notes: Values are in real terms

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17 Economic Analysis

The economic analysis presented in this section is predicated solely upon the outcomes of the preceding technical review, alongside a set of key underpinning assumptions. This analysis is provided exclusively to demonstrate the economic viability required for the conversion of Mineral Resources to Ore Reserves. The economic assessment of the Mine has been conducted utilising a conventional Discounted Cash Flow (“DCF”) methodology. The post-tax Net Present Value (“NPV”) was derived from the Mine’s modelled cash flows, applying a discount rate ranging from 5% to 15%. Furthermore, a sensitivity analysis has been undertaken to evaluate the impact of variances in capital expenditure (“Capex”), operating expenditure (“Opex”), and product pricing.

17.1 Products and Buyers

Leizu Town is recognised as a major phosphate-producing region in China, hosting what has been delineated as Asia’s largest single phosphate deposit as of June 2024. Yulinxi Mine is surrounded by over ten active mining licences and six exploration licences targeting similar phosphate mineralisation. The majority of the mining licences are situated to the west of the Mine, whereas the exploration licences are predominantly located to the east. Operators of these adjacent tenements represent potential market competitors to the Mine.

Historically and prospectively, the final product is RoM ore supplied to various off-takers. Historical sales revenue for the preceding three-year period is presented in Table 17-1. The RoM ore sold to date has primarily comprised material extracted during underground mine development.

Table 17-1: Sales Revenue from 2023 to 2025

Item	Unit	2023	2024	2025
Ore sold	t	1,273,395	1,021,889	305,691
Sales revenue	CNY million	404.4	295.7	105.8
Unit price	CNY/t ore sold	318	289	346

Sources: the Client

The Mine has been a supplier of phosphate rock to DSphos since the commencement of project construction. Current planning dictates that all RoM ore will be sold exclusively to DSphos. SRK notes that the Yulinxi Mine effectively operates as a captive mine for DSphos. Overall, SRK considers the associated market risks to be negligible due to the captive off-take arrangement between the Mine and DSphos.

17.2 Sales Contracts and Prices

The Client provided three years of historical public market transaction data from Hubei, Guizhou, Yunnan, and Sichuan provinces, the principal phosphate-producing regions in China, for SRK’s analysis, in conjunction with the sales agreement executed between the Mine and the Client on 16 February 2025. SRK is of the opinion that the sales agreement demonstrates good consistency with the public market transaction data. On this basis, SRK has projected the sales prices for the Yulinxi RoM ore at varying grades. The forecast product sales prices over the LoM are presented in Table 17-2.

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Table 17-2: LoM Sales Price Forecasts for Yulinxi Mine

Commodity ^[1]	Grade (% P ₂ O ₅)	Price (CNY/t) ^[2]
Phosphate ore	16	180
Phosphate ore	20	380
Phosphate ore	22	430
Phosphate ore	24	620
Phosphate ore	25	730
Total	/	/

Sources: the Client

Notes:

¹ The delivery point is located at DSphos’s chemical plant

² The price includes 13% value added tax (“VAT”). Transportation expenses are not included

17.3 Tax Obligations

The taxes applied to the economic analysis are shown in Table 17-3. The total tax obligations over the LoM are about CNY 1,901.3 million.

Table 17-3: Tax Obligations’ Assumptions

Item	Unit	Value
Value-added tax (“VAT”) rate	input or output %	13.0
Urban maintenance and construction tax (“UMCT”)	% VAT	5.0
Education surcharge	% VAT	5.0
Mineral resource tax	% revenue	8.0
Royalty for mineral tenement transfer	% revenue	2.1
Corporate income tax (“CIT”) rate	taxable income %	25

Sources: SRK

Table 17-4: Tax Obligations from 2026 to 2034 (Unit: CNY million)

Item	2026 Q2-Q4	2027	2028	2029	2030	2031	2032	2033	2034
Input VAT	18.0	20.4	21.0	20.8	20.9	21.0	20.9	21.0	21.0
VAT	38.0	43.2	44.5	44.0	44.3	44.3	44.2	44.5	44.4
UMCT	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Education surcharge	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Mineral resource tax	34.4	39.1	40.3	39.8	40.1	40.2	40.1	40.3	40.3
Royalty for mineral tenement transfer	9.0	10.3	10.6	10.5	10.5	10.5	10.5	10.6	10.6
CIT	11.5	10.4	8.7	6.5	4.6	3.3	1.9	2.6	3.3

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Item	2026 Q2-Q4	2027	2028	2029	2030	2031	2032	2033	2034
Total	114.7	127.7	129.5	126.0	124.9	123.7	122.1	123.4	124.0

Sources: SRK

Notes: Values are in real terms.

Table 17-5: Tax Obligations from 2035 to 2043 (Unit: CNY million)

Item	2035	2036	2037	2038	2039	2040	2041	2042	2043
Input VAT	20.9	20.9	20.6	21.0	20.4	17.6	6.2	3.8	-
VAT	44.2	44.3	43.5	44.5	43.1	37.2	13.2	8.0	-
UMCT	2.2	2.2	2.2	2.2	2.2	1.9	0.7	0.4	-
Education surcharge	2.2	2.2	2.2	2.2	2.2	1.9	0.7	0.4	-
Mineral resource tax	40.1	40.1	39.5	40.3	39.1	33.7	12.0	7.2	-
Royalty for mineral tenement transfer	10.5	10.5	10.4	10.6	10.3	8.8	3.1	1.9	-
CIT	4.1	6.0	5.7	6.1	5.5	2.8	-	-	-
Total	124.2	126.2	124.0	126.9	122.7	103.8	35.9	21.6	-

Sources: SRK

Notes: Values are in real terms

17.4 Principal Assumptions

The cash flow model incorporates only the revenue, costs, taxes, and relevant financial parameters directly associated with the Yulinxi Mine. The economic analysis is underpinned by the following assumptions:

- The primary objective of the economic evaluation is to demonstrate the economic viability of the declared Ore Reserves, rather than to establish a definitive commercial valuation of the Yulinxi Mine.
- The economic analysis has been conducted on a real-CNY basis, excluding inflation. Consequently, the generated Net Present Value (NPV) does not represent a formal valuation of the Mine.
- The effective date (base date) for the economic model is 31 March 2026. All assumptions reflect the economic conditions prevailing at this date.
- A Discounted Cash Flow (DCF) methodology has been employed. A real discount rate of 10% has been applied to calculate the base case NPV.
- The Life of Mine (LoM) production schedule is detailed in Section 10.9.
- The sales agreement and product pricing are outlined in Section 17.2.
- Sunk capital expenditure and associated depreciation and amortisation are detailed in Section 16.1.

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- Non-current liabilities are described in Section 16.2.
- Sustaining Capex schedules and corresponding DA are presented in Section 16.3.
- LoM operating expenditure is summarised in Section 16.5.
- Working capital requirements are outlined in Section 16.7.
- It is assumed that 100% of the annual production is sold within the corresponding year of production (no inventory carry-over).
- The salvage value of fixed assets and the recovered working capital will be fully allocated to fund mine closure and rehabilitation programmes at the end of the LoM.
- Financing costs (interest) have been excluded from the cash flow model, as the analysis evaluates the Mine on an un-gearred, 100% equity basis.

17.5 Summary of the Cashflow Projection

The net cash flow (“NCF”) model is shown in Table 17-6 and Table 17-7.

Table 17-6: Calculation of Cash Flow from 2026Q2-Q4 to 2034 (Unit: CNY million)

Item	2026 Q2-Q4	2027	2028	2029	2030	2031	2032	2033	2034
Cash Inflow									
Sales revenue	430.1	489.3	503.8	498.0	501.4	502.1	501.1	503.8	503.4
Output VAT	55.9	63.6	65.5	64.7	65.2	65.3	65.1	65.5	65.4
Salvage of fixed assets	-	-	-	-	-	-	-	-	-
Salvage of working capital	-	-	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-	-	-	-
Total	486.0	552.9	569.2	562.8	566.6	567.3	566.2	569.2	568.9
Cash Outflow									
Opex, excluding NITRGC	261.9	297.9	306.7	303.2	305.3	305.7	305.1	306.7	306.5
Input VAT	18.0	20.4	21.0	20.8	20.9	21.0	20.9	21.0	21.0
VAT	38.0	43.2	44.5	44.0	44.3	44.3	44.2	44.5	44.4
NITRGC	47.2	53.7	55.3	54.7	55.1	55.1	55.0	55.3	55.3
CIT	11.6	10.4	8.7	6.5	4.6	3.3	1.9	2.6	3.3
Working capital	216.6	8.1	2.0	(0.8)	0.5	0.1	(0.1)	0.4	(0.0)
Sustaining Capex	23.7	31.6	31.6	51.2	51.2	51.2	51.2	51.2	51.2
Mine closure and rehabilitation	-	-	-	-	-	-	-	-	-
Interests	-	-	-	-	-	-	-	-	-
Long-term payables	-	-	-	-	-	-	-	-	-
Total	616.9	465.4	469.9	479.6	481.8	480.7	478.2	481.7	481.7
NCF	(130.9)	87.5	99.4	83.2	84.8	86.6	88.0	87.6	87.2

Sources: SRK

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Table 17-7: Calculation of Cash Flow from 2035 to 2043 (Unit: CNY million)

Item	2035	2036	2037	2038	2039	2040	2041	2042	2043
Cash Inflow									
Sales revenue	500.7	501.4	493.3	503.8	488.6	421.0	149.6	90.1	-
Output VAT	65.1	65.2	64.1	65.5	63.5	54.7	19.5	11.7	-
Salvage of fixed assets	-	-	-	-	-	-	-	12.2	-
Salvage of working capital	-	-	-	-	-	-	-	12.4	-
Deferred tax asset	-	-	-	-	-	-	-	-	-
Total	565.8	566.6	557.5	569.2	552.1	475.8	169.1	126.5	-
Cash Outflow									
Opex, excluding NITRGC	304.9	305.3	300.3	306.7	297.5	256.3	91.1	54.9	-
Input VAT	20.9	20.9	20.6	21.0	20.4	17.6	6.2	3.8	-
VAT	44.2	44.3	43.5	44.5	43.1	37.2	13.2	8.0	-
NITRGC	55.0	55.1	54.2	55.3	53.7	46.2	16.4	9.9	-
CIT	4.1	6.0	5.7	6.1	5.5	2.8	-	-	-
Working capital	(0.4)	0.1	(1.1)	1.4	(2.1)	(9.3)	(37.3)	(8.2)	-
Sustaining Capex	51.2	51.2	51.2	51.2	51.2	-	-	-	-
Mine closure and rehabilitation	-	-	-	-	-	-	-	24.6	-
Interests	-	-	-	-	-	-	-	-	-
Long-term payables	-	-	-	-	-	-	-	-	-
Total	479.9	482.8	474.4	486.2	469.3	350.8	89.7	92.9	-
NCF	86.0	83.8	83.0	83.0	82.9	124.9	79.4	33.5	-

Sources: SRK

17.6 Financial Net Present Value and Internal Rate of Return

The net present values (“NPVs”) at various discount rates are shown in Table 17-8, which provide an indication that it is economically viable for the Yulinxi Mine to report Ore Reserves.

Table 17-8: NPVs at Various Discount Rates

Discount Rate (%)	5	6	7	8	9	10	11	12	13	14	15
NPV (CNY Million)	772	708	650	598	552	509	471	437	405	376	350

Sources: SRK

17.7 Sensitivity Analysis

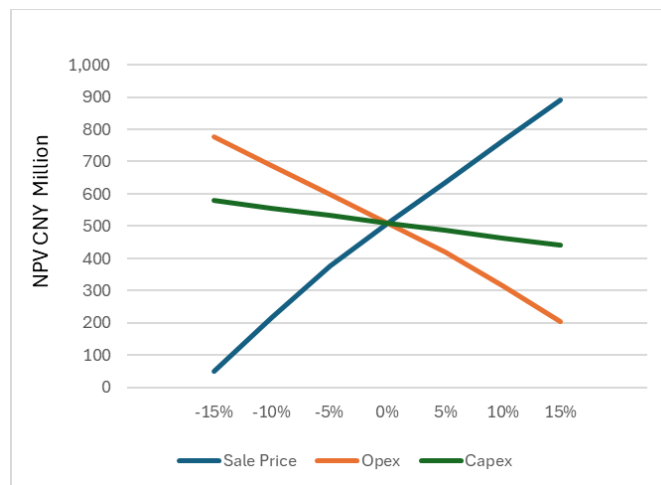
Parameters subjected to the NPV sensitivity analysis include the sales price, opex and capex. The results of this analysis are illustrated in Figure 17-1 and Table 17-9. The sensitivity analysis demonstrates that the Mine's NPV is most sensitive to sales price.

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Figure 17-1: Sensitivity Analysis of NPV (discount rate is 10%)



Sources: SRK

Table 17-9: Post-Tax NPV Sensitivity Analysis (Unit: CNY million)

	Sale Price	Opex	Capex
15%	890	204	440
10%	764	315	463
5%	637	419	486
0%	509	509	509
-5%	375	598	533
-10%	218	687	556
-15%	51	776	579

Sources: SRK 2026

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17.8 Conclusions and Recommendations

A summary of economic analysis is shown in Table 17-10. The positive NPV indicate that the Yulinxi Mine is economically viable.

Table 17-10: Summary of Overall Economics

Item	Unit	Value	Remarks
Production capacity	ktpa ore	1,500	
Life of mine	years	17.0	
Ore Reserves			
Ore Tonnage	Mt	22.6	
P ₂ O ₅ grade	% P ₂ O ₅	20.9	
Economic Analysis			
Long-term phosphate rock price	CNY/t	336	excluding output VAT
Sales revenue	CNY million	7,581.5	CNY 336.3 /t RoM
Output VAT	CNY million	985.6	CNY 43.9 /t RoM
Opex, excluding NITRGC	CNY million	4,615.7	CNY 204.7 /t RoM
Input VAT	CNY million	316.4	CNY 14.0 /t RoM
VAT	CNY million	669.2	CNY 29.7 /t RoM
NITRGC	CNY million	832.6	CNY 36.9 /t RoM
Opex, including NITRGC		5,448.4	CNY 241.7 /t RoM
CIT	CNY million	83.1	CNY 3.7 /t RoM
Sunk Capex	CNY million	1,185.3	as of 31 March 2026
Long-term payables	CNY million	313.0	as of 31 March 2026
Working capital start value	CNY million	(157.5)	
Sustaining Capex	CNY million	650.3	
Mine closure and rehabilitation	CNY million	24.6	
NPV	CNY million	509	Post-tax value, discount rate is 10%

Sources: SRK

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18 Risk Assessment

This section presents risks that were identified and described in sections above. Risks have been classified from major to minor, defined as follows:

- **Major risk:** The factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the project cash flow and performance and could potentially lead to project failure.
- **Moderate risk:** The factor, if uncorrected, could have a significant effect (10% to 15–20%) on the project cash flow and performance unless mitigated by some corrective action.
- **Minor risk:** The factor, if uncorrected, will have little or no effect (<10%) on project cash flow and performance.

In addition to the risk factor, the likelihood of risk must also be considered. Likelihood of occurrence within a 7-year timeframe can be considered as:

- likely: will probably occur.
- possible: may occur.
- unlikely: unlikely to occur.

Table 18-1: Risk Assessment Matrix

Likelihood of Risk	Consequence of Risk		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

As a conclusion from the results of the risk assessment of the general and specific risks identified and presented in Table 18-2, an overall risk rating for the Yulinxi Phosphate Mine operation of Medium to Low could be considered. No general or specific risk identified was ranked high risk.

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Table 18-2: Risk Assessment for Yulinxi Mine

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource			
Underestimate of Mineral Resource	Unlikely	Minor	Low
Overestimate of Mineral Resource	Possible	Moderate	Medium
Underestimate of the cut-off grade	Unlikely	Minor	Low
Overestimate of the grade	Unlikely	Moderate	Low
Lack of Significant Mineral Resource	Unlikely	Minor	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Unexpected Significant Fault/structure	Possible	Moderate	Medium
Ore Reserves			
Underestimate of mining loss	Unlikely	Minor	Low
Underestimate of mining dilution	Unlikely	Minor	Low
Underestimate of minimum mining width	Unlikely	Minor	Low
Underestimate of cut-off grade	Unlikely	Minor	Low
Overestimate of product price	Unlikely	Minor	Low
Overestimate of operating costs	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Minor	Low
Mining			
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Unlikely	Minor	Low
Underestimate of wall rock stability	Unlikely	Minor	Low
Underestimate of groundwater inflow	Unlikely	Minor	Low
Unfeasible development system	Unlikely	Minor	Low
Unfeasible mining methods	Unlikely	Minor	Low
Underestimate of ventilation capacity	Unlikely	Minor	Low
Significant Production Shortfalls	Unlikely	Minor	Low
Mineral Processing			
Lower Throughput	Unlikely	Moderate	Low
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental			
Impacts to local ecology due to land disturbance	Possible	Moderate	Medium
Dust impacts from the haul roads and waste rock dump area	Possible	Moderate	Medium
Impacts to water pollution from the mining activity	Possible	Moderate	Medium

Sources: SRK

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Recommendations

It is recommended that the mine continue to advance underground exploration development (in the form of exploratory drives and cross-cuts ahead of production) in order to further delineate the controlling geological structures and to support the progressive upgrading of Mineral Resource classification to higher confidence categories. Concurrently, hydrogeological investigations should be strengthened, including the systematic monitoring and timely assessment of groundwater inflow rates into the underground workings, so as to inform mine dewatering design and operational planning. From an environmental standpoint, SRK recommends that the established environmental management, monitoring and rehabilitation measures be diligently and continuously implemented throughout the life of mine, in accordance with the approved environmental management plan and applicable regulatory requirements.

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Closure

This report, Competent Person's Report on the Yulinxi Phosphate Mine, Hubei Province, China, was prepared by

Yongchun Hou, Principal Consultant (Geology), Competent Person

Yonggang Wu, Principal Consultant (Mining), Competent Person

and reviewed by

Dr Yonglian Sun, Corporate Consultant (Mining)

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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References

1. Hebei Huanqiu Contracting and Engineering Company Limited, *Preliminary Design for the 1.5 Mtpa Beneficiation Project*, June 2008.
2. Central-South Institute of Metallurgical Geology, *Exploration Report on the Yulinxi Phosphate Ore Block*, Dec 2015.
3. Hebei Huanqiu Contracting and Engineering Company Limited, *Basic Design of Mining Engineering on Yulinxi Phosphate Mine*, October 2017.
4. Wuhan Zhi Huiyuan Environmental Technology Co., Ltd., *EIA report for the Yulinxi Phosphate Mine*, September 2019.
5. Yichang Bureau of Ecology and Environment, *EIA approval for the Yulinxi Phosphate Mine*, 24 October 2019.
6. Yichang Huaxing Land Evaluation Survey and Design Co., Ltd., *Mineral Resource Development and Utilization and Ecological Restoration Plan*, March 2022.
7. Hebei Huanqiu Contracting and Engineering Company Limited, *Modification of Safety Facilities on Yulinxi Underground Mining Engineerings (1,500 ktpa)*, February 2023.
8. Hebei Huanqiu Contracting and Engineering Company Limited, *Feasibility Study of Integrated Mining, Processing and Backfilling on Yulinxi Phosphate Mine in 1,500 ktpa*, July 2023.
9. Hebei Huanqiu Engineering Co., Ltd., *Feasibility Study Report on the 1.5 Mtpa Flotation Plant Technical Upgrade Project*, November 2023.
10. 2022 Supplementary Explanatory Notes to the Exploration Report.

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Appendix A. Mining Licence



**中华人民共和国
采 矿 许 可 证**

(正本)

证号: C1000002017096110145167

采矿权人:	湖北东圣化工集团有限公司	开采矿种:	磷矿
地 址:	湖北省宜昌市远安县	开采方式:	地下开采
矿山名称:	湖北东圣化工集团有限公司鱼林溪磷矿	生产规模:	150.00万吨/年
经济类型:	有限责任公司	矿区面积:	10.9515平方公里
有效期限:	叁拾年 自 2017年9月6日 至 2047年9月6日	矿区范围:	(见副本)


二〇二四年 月 二十日

中华人民共和国自然资源部印制

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中华人民共和国

采矿许可证

(副本)

证号: C10000002017096110145167

采矿权人: 湖北东圣化工集团有限公司

地址: 湖北省宜昌市远安县

矿山名称: 湖北东圣化工集团有限公司鱼林溪磷矿

经济类型: 有限责任公司

开采矿种: 磷矿

开采方式: 地下开采

生产规模: 150.00万吨/年

矿区面积: 10.9515平方公里

有效期限: 叁拾年 自2017年04月06日至2047年04月06日

2024年04月14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

鱼林溪

1, 3453722.21, 37531088.18

2, 3453720.44, 37530479.32

3, 3453905.15, 37530452.31

4, 3454183.72, 37530928.00

5, 3454430.18, 37530953.75

6, 3454460.75, 37530874.24

7, 3454214.28, 37530848.49

8, 3453997.55, 37530452.05

9, 3455968.79, 37530499.30

10, 3456183.09, 37530048.76

11, 3457692.21, 37530044.47

12, 3456870.25, 37533249.03

13, 3455575.64, 37532909.02

14, 3453514.14, 37533550.79

15, 3453167.84, 37531089.81

标高: 从270米至-340米

430斜井

16, 3457076.25, 37532445.90

17, 3457104.10, 37532537.44

18, 3457084.72, 37532611.17

19, 3457057.12, 37532520.47

备注: 井巷标高+820米至-340米

开采深度: 由270米至-340米标高 共由19个拐点圈定

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Appendix B. JORC Table 1

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Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

JORC Code explanation		Commentary
Criteria		
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 techniques comprise core sampling from drilling and channel sampling from underground adits. Sample intervals for primary analysis are dictated by the thickness of each phosphorite seam, typically yielding one sample per contiguous layer. This is standard industry practice for sedimentary phosphate deposits, given that the seam thickness generally does not exceed 3 to 4 m in the Mine, making the mineralisation amenable to full-seam extraction using the room-and-pillar mining method.
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).	HQ-size core drilling was utilised for each drilling programme.
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.	Based on the exploration report, the minimum core recovery is 87%, with the majority of core recoveries ranging between 94% and 98%.
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	- Drill core and underground channel samples have been geologically logged in sufficient detail to support appropriate Resource estimation, mining and metallurgical studies. - See Section 7

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged. - 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.	- Whole core sampling was undertaken for all mineralised intervals. - SRK considers the sub-sampling techniques to be appropriate for the deposit type.
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.	- Primary samples were analysed for P₂O₅, acid insolubles, and K₂O, whilst composite samples were analysed for additional constituents, including Fe₂O₃, Al₂O₃, and MgO. - The principal analytical techniques were based on standard chemical procedures. - All primary analytical laboratories hold standard China Metrology Accreditation (CMA).
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.	In early 2026, SRK collected 70 samples from the mine to verify the general grade of the phosphorite seams. The validation confirmed that the grade characteristics of individual seams, as recorded in historical drilling, are consistent with SRK's sampling results.
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.	- A Total Station was used to survey both drill collars and underground exploration adits (channel sample locations). - Drill holes completed prior to 2000 utilised the Beijing 1954 coordinate system, while subsequent drilling programmes adopted the Xi'an 1980 coordinate system. All legacy coordinates were transformed into the Xi'an 1980 system to establish a unified database for resource modelling.

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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.	- The quality of the topographic control is adequate. - Historical exploration has resulted in a Point of Observation (PoO) spacing of generally less than 400 m in the western part of the permit area, where the PoOs comprise drill holes and exploration adits. In the eastern part of the permit area, PoO spacing is approximately 400 m to 600 m down-dip and 1,000 m to 1,300 m along strike, consisting predominantly of drill holes. Given the sedimentary nature of the deposit, which is analogous to coal seams, this data spacing is considered sufficient to establish the continuity of mineralisation - Sample compositing was exclusively applied to prepare composite samples for multi-element analysis.
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.	For gently dipping sedimentary deposits, it is standard practice to conduct sampling perpendicular or sub-perpendicular to the bedding plane.
Sample security	The measures taken to ensure sample security.	Formal documentation of sample security and chain-of-custody protocols was not available for SRK's review. However, as all historical exploration programmes were conducted by accredited Chinese geological institutions (HGEI and CSIMG), and SRK's independent verification sampling (70 channel samples, January 2026) returned results consistent with historical data, SRK considers that the absence of formal documentation does not materially compromise the reliability of the exploration dataset.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No independent third-party audits of the historical exploration data were available for review. SRK's independent verification programme, comprising 70 channel samples collected from underground workings in January 2026, constitutes the primary data validation conducted for this Report. The results confirmed acceptable consistency with historical grade data across all three phosphorite sub-layers (see Section 7.3).

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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. - Acknowledgment and appraisal of exploration by other parties.	- SRK is unaware of any material impediments to ongoing exploration. - Tenure is secured by a mining permit granted to the Client.
Exploration done by other parties		- Annually, a State-owned exploration bureau was commissioned to undertake underground channel sampling to update the Mineral Resource estimate. - All exploration results are required to undergo a formal review process and receive official approval.
Geology	Deposit type, geological setting and style of mineralisation.	- The Mine hosts a typical marine sedimentary phosphorite deposit. The mineralisation is predominantly stratiform and bedded, occurring within a defined stratigraphic sequence and commonly associated with dolomitic limestones, carbonaceous shales, and cherty lithologies. - The phosphorite seams are generally tabular in geometry, gently dipping, and demonstrate strong lateral and down-dip continuity. The principal phosphate-bearing mineral is collophane (cryptocrystalline fluorapatite), which frequently exhibits pelletal, nodular, or massive textures. Associated gangue minerals predominantly comprise dolomite, quartz, and various clay minerals.
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	Refer to Section 7.

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Criteria	JORC Code explanation	Commentary
Data aggregation methods	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. - 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.	- The mineralisation boundaries are sharp, which is characteristic of this deposit type. All sample intervals were strictly constrained by individual seam boundaries. - As an industrial mineral deposit, metal equivalent values are not applicable and therefore have not been reported.
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’).	Given the gently dipping, tabular nature of the phosphorite seams, the vertical drill holes and sub-perpendicular underground channel samples yield intersected lengths that closely approximate the true thickness of the mineralisation. Where minor deviations occur due to local dip variations, true thickness is mathematically calculated using the intersection angle, ensuring that all mineralised widths reported in the Mineral Resource tabulation represent the true thickness of the seams unless explicitly stated otherwise.
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.	See Section 6.2.3.
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.	See Section 7.
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.	No other substantive exploration data.
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.	Information regarding this aspect was not provided to SRK.

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Criteria	JORC Code explanation <i>including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Commentary

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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
<i>Database integrity</i>	- 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 drill hole and channel sample data were imported into Minex software to validate seam correlations and sample intervals. No material issues were identified, and there was no evidence of data corruption or unauthorised modification.
<i>Site visits</i>	- 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 4 to 7 January 2026. Accompanied by the technical team from the Mine, SRK inspected the underground workings, surface facilities, and general site infrastructure. Discussions were held with the technical team to review the current operational status and future development plans. Relevant data and information were collected during the site visit to support the preparation of this Report.
<i>Geological interpretation</i>	- 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 phosphorite seam in this region has been subject to mining extraction for several years. Seam correlations within the Mine area have been validated, and SRK has verified the continuity of the seam. Consequently, there is a high degree of confidence in the geological interpretation of the deposit. - Geological structure is the principal factor controlling the continuity/reliability of the phosphorite seams.
<i>Dimensions</i>	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.	- Ph₁³ is internally subdivided into three distinct units from base to top: Ph₁³⁻¹, Ph₁³⁻², and Ph₁³⁻³. These units comprise argillaceous banded phosphorite at the base, massive phosphorite in the middle-upper section, and dolomitic banded phosphorite at the top. Exploration data indicates that the thickness of the Ph₁³ orebody ranges from 0.9 m to 4.6 m, with an average of 2.37 m. - The Ph₁³ orebody extends approximately 4,400 m along strike (North-South) and maintains a dip width ranging from 2,500 m to 3,100 m (East-West). The burial depth of the unit varies between 351.92 m and 826.17 m. In terms of vertical distribution, the RL (Relative Level) of the orebody floor ranges from -340 m to +270 mRL.

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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, domain, 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.	- GEOVIA Minex software was utilised for the Mineral Resource estimation. This software is specifically designed for stratified sedimentary deposits. The estimation was executed via 2D grid modelling, incorporating structural (seam roof and floor RLs), thickness, quality (grade), and relative density (RD) grids. - The workflow involved importing drill hole data, followed by a rigorous validation of sample interval alignment and seam correlation. For intervals where seams were absent, appropriate structural positions and thicknesses were assigned to generate representative floor, roof, and thickness grids. Corresponding quality grids were also generated for each analytical item. Grid interpolation was performed using a modified Inverse Distance Weighting (IDW) algorithm. Given the geological characteristics of the deposit, SRK considers this methodology appropriate. The application of this software for modelling stratified deposits, such as coal, sedimentary phosphorite, and sedimentary manganese, is consistent with standard industry practice. - The estimation results were reconciled against the 2025 Resource Report prepared by a domestic Chinese geological agency. The total Mineral Resource tonnage estimated by SRK exhibits a variance of less than 4% compared to the figures disclosed in the 2025 report. Furthermore, the P2O5 grade reported by SRK (24.04%) correlates closely with the 2025 report (23.42%), demonstrating a high degree of consistency between the two independent models. - While deleterious elements have not been explicitly modelled in this resource estimate, it is visually and geologically evident that the upper sub-layer is enriched in dolomite, which represents a deleterious factor for downstream beneficiation processes.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	Tonnage estimates are reported on a natural moisture basis. The moisture content was determined using the standard gravimetric oven-drying method.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	A cut-off grade of 12% P2O5 and a minimum thickness of 1 m were applied for resource estimation according to the assessment of the Reasonable Prospects for Eventual Economic Extraction.

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Criteria	JORC Code explanation	Commentary
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.	- The depth of cover exceeding 350 m, coupled with the gently dipping geometry of the seams, dictates that the deposit is amenable to underground mining. For this style of underground extraction, the most appropriate techniques are room-and-pillar or drift-and-fill mining methods. The estimation designates phosphorite layer Ph₁³ as the working section, as it is considered amenable to extraction via room-and-pillar or drift-and-fill mining methods. - The range of the Mineral Resource estimation was constrained within the lateral and vertical limits of the mining tenement. Historical mined-out areas (goaf), sterilised areas within the mines, and protective pillars associated with rivers, roads, and tenement boundaries have been excluded from the Mineral Resource estimate.
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 made regarding metallurgical treatment processes and parameters 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 RPEEE has already considered the processing, outlined in Section 9.2.
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.	See Section 15
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.	230 relative density samples were tested historically. The relative density values utilised for the Mineral Resource estimation are 2.88 t/m³ for the Ph₁³⁻³ sub-layer, 3.05 t/m³ for Ph₁³⁻², and 2.85 t/m³ for Ph₁³⁻¹.

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Criteria	JORC Code explanation	Commentary
	- 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.	
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.	See Section 9.3
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	SRK internal and peer review.
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 estimation results demonstrate strong alignment with the 2025 Resource Annual Report. Additionally, SRK performed independent manual calculations to verify the tonnage of the mineralised bodies. Regarding grade, SRK reconciled the current estimation results against various iterations of domestic Chinese resource reports, with the overall grade showing a high degree of correlation. - Mineral Resources were estimated on a global basis.

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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.	- Section 10.1. - Mineral Resource models prepared under Chinese national standards were not utilised by SRK to estimate Ore Reserves. The Mineral Resources as of Effective Date were estimated by SRK in 31 March 2026 to support the Ore Reserve estimate in accordance with the JORC Code (2012 Edition). - The Mineral Resources are inclusive of Ore Reserves. The grades of P₂O₅ are globally estimated.
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.	- Section 10.2. - The necessary data and information were collected.
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.	- Section 10.3. - The Yulinxi Mine has been constructed under the guidance of available technical studies, and no capacity expansion is currently planned. - SRK considers it to be reliable to estimate Ore Reserves based on the available technical studies.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	- Section 10.4. - The final product of Yulinxi Mine is the ore sold to processing plants owned by other companies. The minimum buyer specification for ore grade is 16% P₂O₅. Therefore, the cut-off grade is set to 16% by SRK.
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, slope sizes, etc), grade control and pre-production drilling. - The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	- Chapter 11. - The mine is divided into three mining sections based on the surface rivers, named Sections I, II, and III from north to south. Section I is developed via an inclined shaft, while Sections II and III are accessed via a vertical shaft. A conveyor belt is installed in the inclined shaft to transport ore from Section I to the surface, and a skip is installed in the vertical shaft to hoist ore from Sections II and III. Both the inclined shaft and the vertical shaft have been fully constructed and commissioned. The mining methods utilised include the room and pillar mining and the drift-and-fill mining. SRK considers it to be technically feasible to develop the mine with the existing inclined shaft and shaft, and the

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Criteria	JORC Code explanation	Commentary
	- 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.	mining methods. - A dilution halo of 0.2 m was applied to estimate mining dilution. - The mining loss is estimated based on pillar sizes and stope development tunnels sizes. - The minimum mining width is 2.0 m, which is mainly related to the equipment size. - The Inferred Mineral Resources in the mineable stope are treated with a zero grade. The tonnage of Inferred Mineral Resources accounts for about 8.6% of Ore Reserves. - Construction of the infrastructure has been completed.
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?	- Chapter 12. - The final product of the Yulinxi Mine is RoM ore. On-site processing plants and metallurgical facilities are not required.
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.	- Chapter 15. - An Environmental Impact Assessment has been prepared and approved.
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.	- Chapter 14. - The infrastructure such as water and power supply have been constructed and put into use to support the operating of the Mine. There is no planned expansion of production capacity. The facilities under construction, such as the accommodation buildings, will not have material impact on the production. SRK considers the infrastructure factor will not be material to develop the Mine.

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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.	- Chapter 16. - The sunk Capex is sourced from the balance sheet and asset register. Sustaining Capex up to 2028 was prepared by Yulinxi Mine, while sustaining Capex post-2028 was estimated by SRK based on industry experience. - Historical Opex over the past three years is not representative, as commercial production only commenced in December 2025. - The mining Opex up to 2030 was prepared by Yulinxi Mine. SRK modified the backfilling expenses and general and administration expenses based on available technical studies. - The NITRGC are estimated based on laws and regulations.
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.	- Section 17.2. - The product categories and prices in the available sales contract are used for revenue calculation. - The P₂O₅ is the only economic mineral to generate revenue.
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.	- Sections 10.5 and 17.1. - Yulinxi Mine is a captive mine of the Client. SRK considers the market risks are negligible due to the stable off-take arrangement between the Mine and the Client.
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.	- Chapter 17. - The NPV is positive at a discount rate ranging from 5% to 15%, which indicates that the Mine is economically viable. - The sensitivity analysis indicated that the NPV is most sensitive to the sales revenue, mining expenses and NITRGC.
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	- Section 15.5. - The Mine has obtained necessary social operating licences. SRK considers that social factors will not present a material impediment to the development of the Mine.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:	Construction of the Mine was completed recently, and the mine transitioned to commercial production in December 2025. SRK is not

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Criteria	JORC Code explanation	Commentary
	- 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.	aware of any material risks regarding governmental permitting and statutory 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).	- The Measured Mineral Resources were converted to Proved Ore Reserves. - The Indicated Mineral Resources were converted to Probable Ore Reserves. - The classification of Ore Reserves appropriately reflects the Competent Person’s view of the deposit.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	Peer reviews of this CPR have been performed within SRK internally. SRK has finalised the report based on the feedback.
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	- Section 10.7. - The Ore Reserve estimate relates to a global estimate. - An assessment of relative accuracy and confidence was conducted by randomly varying pillar dimensions, minimum mining thickness, and mining dilution thickness by up to 30%. The assessments indicate that: - The tonnage and grade of Ore Reserves fall within the minimum and maximum values of the simulation results, with a relative difference below 13% for ore tonnage and 6% for grade, respectively. - The ore tonnage and P2O5 grade of the Ore Reserves fall slightly outside the 95% CI, but with a relative difference below 2%.

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Criteria	JORC Code explanation	Commentary
	available.	